Annual Report 2023

AS Inbank

inbank

Consolidated Annual Report

01.01.2023 – 31.12.2023

Business name	AS Inbank
Address	Niine 11, 10414 Tallinn, Estonia
Registration date	05.10.2010
Registration code	12001988 (Commercial Register of the Republic of Estonia)
Legal entity identifier	2138005M92IEIQVEL297 (LEI-code)
VAT number	EE101400240
Phone	+372 640 8080
Email	info@inbank.ee
Website	www.inbank.eu
Auditor	PricewaterhouseCoopers AS

Supervisory Board	**Management Board**
Jan Andresoo, Chairman	Priit Põldoja, Chairman
Roberto de Silvestri	Marko Varik
Triinu Bucheton	Margus Kastein
Raino Paron	Maciej Pieczkowski
Rain Rannu	Ivar Kurvits
Taavi Kotka	Piret Paulus
Erkki Raasuke	Erik Kaju
	Evelin Lindvers

Inbank does not hold any ratings provided by international rating agencies.

European Single Electronic Format (ESEF) markup document is submitted in Estonian in machine-readable .xhtml format to the Nasdaq Tallinn Stock Exchange and digitally signed. The document can be found here.

AS Inbank

Contents

2023 Highlights

A year *in numbers*

892,000
Active customer contracts

5,400
Active retail partners

41,000+
New contracts monthly

410+
People with 35% in Tech roles

5
Markets across Baltics and CEE, also collecting deposits in Germany, Austria, and the Netherlands

80%
Sales originated at partner channels

€1bn
Loan and rental portfolio

1.6%
Credit losses

9%
Return on equity

Key financials
(in millions of €)

Gross merchandise value

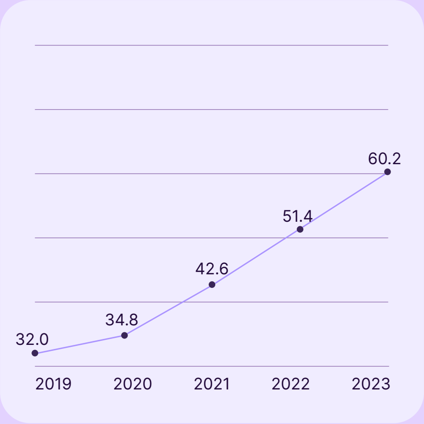
€688m
+19% year-on-year

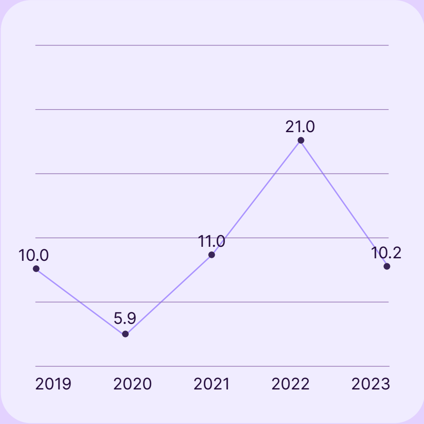
Total net income

€60m
+17% year-on-year

Net profit

€10m
+5% year-on-year*





* Excluding the extraordinary profit of €11.4m from the sale of 29.8% stake in Maksekeskus in 2022.

Milestones

APRIL Erkki Raasuke, a seasoned banking executive, joins the Supervisory Board and is also appointed Chair of the Audit Committee.

MAY Issued 11 million euros worth of AT1 bonds through private placement.

JUNE Increased our stake in full-service vehicle rental company Mobire to 66% to grow the car rental business in our portfolio.

AUGUST Bringing two decades of expertise in the financial services sector, Evelin Lindvers, the Head of Risk Control, assumes a position on the Management Board.

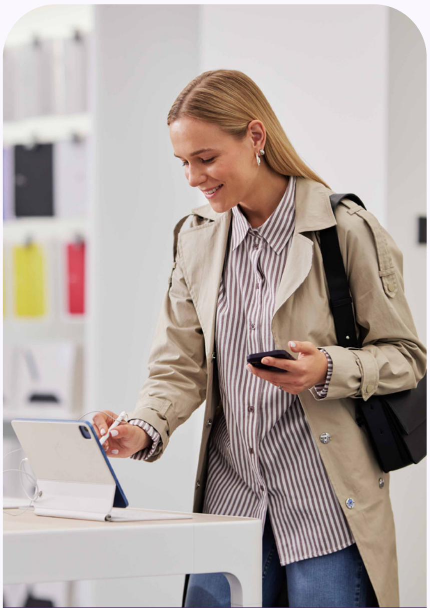
SEPTEMBER Launching a new innovative rental service in cooperation with Apple premium partner iDeal. Our deposit portfolio reached 1 billion euros.

OCTOBER Issued 12 million euros worth of new shares to shareholders, employees and new investors. Our loan and rental portfolio reached 1 billion euros.

NOVEMBER Completed the rebranding process, introducing a fresh visual identity to give our brand a contemporary look and feel.

DECEMBER Issued subordinated bonds worth 8 million euros on Nasdaq Tallinn Stock Exchange, with the initial volume of the issue being oversubscribed 7.6 times.

Embedded finance platform *designed for retail*



65%
Volume generated online

90%
Automated credit decisions

1,000+
Product combinations

We are on a mission to take financing out of traditional banking and bring it to the point of sale, right where everyday commerce happens.

Inbank offers frictionless financing solutions for retail in all shapes and sizes, from bricks-and-mortar to cutting-edge business models and platforms online and offline. That way, financing anything from sneakers to solar panels happens exactly when and where it's needed. By making financing an integral part of a product or service, we help our 5,400 merchant partners thrive.

Focused

Supported by a large ecosystem of partners. Since 2010 our sole mission has been to help our partners build the ultimate retail experience.

Entrepreneurial

The sky's the limit mindset, always open to new ideas. A track record of successful joint ventures and constantly looking for the next market to conquer.

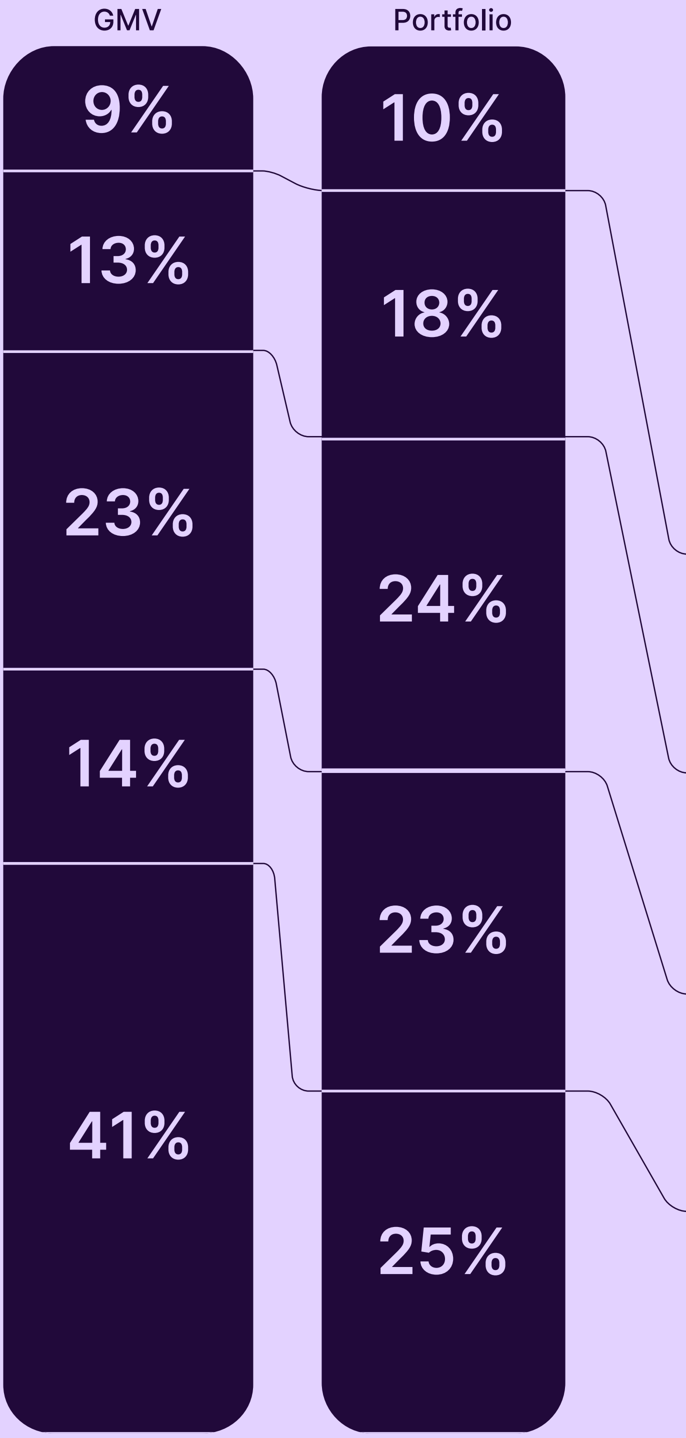
Tech-driven

Fully embedded and flexible platform built on scalable proprietary tech and next-generation underwriting. A proven winning formula.

Viable

Banking license since 2015 with access to EU deposit markets, and bonds listed on the Nasdaq Baltic Stock Exchange. With 12 years of profitable growth.

Financing solutions fit for any business model



We are building products around our partner's businesses. From car classifieds to seamless merchant multichannel solutions to innovative rental services – our modular product platform and vertical tailored credit underwriting system can be easily tailored to the specific needs of any merchant.

Rental services

Focusing on electronics, e-mobility and energy, our easily integrated turn-key rental services solutions make customer installments more affordable and support a circular economy.

Direct lending

Multi-purpose personal loans are offered directly to end-consumers through a fast and easy online process where most credit decisions are made within seconds.

Auto marketplaces and dealers

Offering a best-in-class customer journey, our digital car financing solutions can be scaled to suit car classifieds and dealers across Europe.

Green finance

Capturing the green energy trend, we offer financing for residential solar panels and heat pumps through a fully automated process at the vendors' point of sale.

Merchant solutions

We embed financing into a product or service enabling merchants to offer their customers a seamless shopping experience both online and offline with quick and easy integrations.

Taking financing outside banks

Today, multinational merchants in Europe are struggling with fragmented credit infrastructure and complicated customer onboarding. Our goal is to leverage the potential of technology and data, to bridge that gap with one simple integration that covers any EU market. We see an especially good opportunity to roll out our seamless financing solutions in the currently underserved segment of medium to high purchases.

Scalable platform for multinational merchants in Europe

MULTINATIONALS

Authorized Reseller

Examples of Inbank's multinational retailers

SINGLE INTEGRATION

CHANNELS
Internet Bank, ePOS, Partner Portal

INTEGRATIONS
Public APIs, eCom Platform Plugins

PRODUCTS
Instalments, Pay Later, Rental Services, Loans

OPERATIONS
Product & Contract Management, Collection, Servicing & Monitoring

Value offer packaging layer consolidating EU credit infrastructure with a single integration

SCALABLE TECH

Credit Underwriting

KYC / AML Identification

Signing

Market agnostic tech layer

MARKET ENABLERS

Estonia

Latvia

Lithuania

Poland

Czechia

More to follow

Country-specific market enabling modules

Global trends in our tailwind

Removing friction from shopping

People don’t want to ‘go to the bank’. That’s why Inbank places its embedded financing right where people shop, whether online or in-store. That way, financing happens exactly when and where it's needed.

Helping partners grow their business

Our merchants recognise that the availability of seamless financing directly impacts their sales volumes. For Inbank, building and nurturing in-depth relationships with partners is at the heart of everything we do. With an exhaustive product portfolio ranging from BNPL, to traditional financing to next generation rental services, Inbank can match the right solution to any business.

Building rewarding partnerships

Merchants often see financing providers as being on the other side of the table. Instead of the conventional service provider-client dynamic, we approach merchants as equal business partners to unlock mutual gains and grow profitably.

Unlocking the power of tech

Digitalisation and open-banking drive the opportunity for embedded financing solutions to win. Developments in digital infrastructure help to build seamless and fully-automated solutions in more verticals and markets.

Prioritizing profitable ventures

To execute on our strategy, we need to be selective about the business we commit to. With more than a decade of experience, we know how to build a network of merchants and products that deliver an optimal credit selection and the best return on capital.

Message from the Chairman of the Supervisory Board

I'm happy to reflect and share my thoughts on 2023 with you. Last year, as Inbank raised a total of 31 million euros of new capital, me and co-founder Priit had a chance to speak with the investment community. While introducing Inbank and our story, certain questions and themes came up frequently. I would like to share some of these with you, too.

Naturally, most conversations revolved around what makes Inbank special and what makes us stand out in the global financial scene. Throughout these conversations, we kept coming back to the fact that what makes Inbank so unique are its inherent strengths. It is true that we are a bank with an EU banking licence. Yet, this is essentially the only common denominator with traditional retail banks, and the only reason we decided to apply for a banking licence in the first place was so we could access the deposits market. In any other sense, what we do is the opposite of traditional banking. We are taking financing outside the banks, and placing it to the point of sale, right where it's needed to finance everyday purchases.

"We are taking financing outside the banks, and placing it to the point of sale, right where it's needed to finance everyday purchases.

Built around distribution

From day one, we have built Inbank around our unique partner-based distribution network. This is our primary differentiator. We have grown our distribution channel partner by partner by using modern technology, modular product features and a centralized platform.

Today, we have integrated 5,400 active merchants on our embedded finance platform. In 2023, we added or renewed strategic partnerships with Apple, Samsung, Autoplius, Montonio, and Castorama to mention just a few. We pride ourselves on long-lasting relationships and are building our technological integration, product offering and service model around the partner's business model.

> Looking back on 2023, the surrounding environment changed at a remarkable pace, yet our business model steadfastly continued to deliver results.

Modular tech at the core

Every day, our 145-people strong Product and Technology team is working on building Inbank's multimarket financing platform, which will ultimately lay the foundation for future growth. Integrating our financing solutions into merchants' omnichannel distribution networks is a complex task, but it also happens to be our special skill. We have designed a modular product architecture that allows us to combine different product features and create solutions tailored to different verticals.

Our mission is to serve our merchant partners in the best possible way and help them sell more. At the same time, to execute our strategy effectively, we need to be selective about the business we pursue in terms of funding and what we take on our balance sheet. To achieve scalability, we are planning to open our platform also to other financial institutions. That way, our partners get all the funding they need while we can build a less capital heavy business model.

Targeting an untapped segment

While there is a wide range of financial service providers from agile BNPL operators, to international universal banks, Inbank has identified a less crowded territory in the medium to large ticket segment. A niche that requires solid automated underwriting and access to funding.

While BNPL companies are good at modern and seamless user experience, they have less knowledge of underwriting and their funding is limited. Retail banks have expertise in underwriting and funding, but less so in automation and technology. In contrast, Inbank's automated credit underwriting delivers an average credit cost of 1.6% with average Effective Interest Rate (EIR) on retail portfolio of 10.8% while our banking license gives us access to the European term deposits market ensuring sustainable funding.

Moreover, we see multinational merchants struggling with a fragmented credit infrastructure that could streamline cross-border transactions. We see this as our opportunity. Today, we are operating in five markets, and already have a central platform that allows us to standardize credit processes and integration while managing the complexity of country specific data and regulatory frameworks. We are confident that we could scale this to any EU market.

In it for the long haul

Looking back on 2023, the surrounding environment changed at a remarkable pace, yet our business model steadfastly continued to deliver results. In 2023, Inbank earned a healthy profit of 10.2 million euros and has been profitable for more than 12 years while continuously expanding. This is a testament to how well our formula works.

Although we anticipate the challenging market conditions to continue in the near future, I believe that our business model is resilient and profitable in the long term. As we navigate these challenges, we will need to exercise discipline, yet remain committed to investing in our core business, technology and our people.

Last but not least, I would like to say thank you to the Inbank team for their commitment and exceptional performance, and for continuing to embody the entrepreneurial culture that drives us onward.

Jan Andresoo
Chairman of the Supervisory Board, Founder

Statement from the CEO

Ever since co-founding Inbank with Jan Andresoo in 2010 our focus has been on business growth, strategic differentiation and continuous improvement of our products. We have built a merchant-based distribution model for our embedded finance platform, which today is winning in all markets. However, if I were to characterise Inbank in 2023 with one word it would be resilience. Our business model was tested in an environment of much higher interest rates and lower economic growth. I am proud to say that while we did not have our best year, we managed to deliver another year of strong growth with reasonable profitability. At the same time we stayed the course in investing towards our long-term strategic goals.

> I am proud to say that while we did not have our best year, we managed to deliver another year of strong growth with reasonable profitability.

Financial results and challenging external environment

In 2023, our Gross Merchandise Value (GMV) grew by 19% to 687.7 million euros. Our loan and rental portfolio reached 1.03 billion euros by growing 26%. Inbank's total net income reached 60.2 million euros and net profit was 10.2 million euros. We reached all these results amidst persistent pressure from higher interest rates and an inflationary environment. While our total funding cost increased from 2.58% in 2022 to 4.45% in 2023, we managed to offset most of the rise in deposit funding costs by repricing our new sales. The Effective Interest Rate (EIR) of Inbank retail portfolio increased from 9.4% in Q1 2022 to 10.9% in Q4 2023. Since the majority of the repricing impact occurred in the latter part of the year, our net interest margin saw a decrease of 0.81% to 5.14% in 2023. As we saw margins stabilising or even slightly improving during Q4, we expect this trend to reverse in 2024.

The second challenge our team faced in 2023 came from the higher cost environment and our continued willingness to invest in our growth and product-technology platform. With traditional retail banks making windfall profits from higher interest rates, there was high motivation for governments and regulators to raise various fees and taxes. Estonian Deposit Guarantee Fund fees

> Despite a more challenging macro and interest rate environment, sales volumes grew in all markets and product groups in 2023.

were temporarily more than doubled to 0.2% and both Latvian and Lithuanian governments introduced special taxes for financial institutions. The total impact of these extraordinary changes on Inbank in 2023 amounted to almost 3 million euros. Moreover, our team also faced pressure from a higher price environment.

Nevertheless, we decided to continue our investments in revamping our product and tech organisation, and the development of new products. Throughout the year our product and tech team grew by more than 35 people to a total of 145 product managers, analysts and engineers. As a result, Inbank's total expenses grew by 21.8% in 2023 and slightly outpaced our income growth of 17.1%. Despite annual cost increase outpacing revenue growth, we saw a reversal of this trend in Q3 and during the last 2 quarters of the year our income growth again started to outpace expense growth and we expect this trend to accelerate well into 2024.

Product trends and sales volumes

Despite a more challenging macro and interest rate environment, sales volumes grew in all markets and product groups in 2023. Baltic GMV was up 12% to 429.5 million and CEE GMV was up by 33% to 258.1 million euros. I am very happy to see a strong recovery in Polish sales from a challenging 2022, and a fresh start for car finance and merchant solutions in the Czech market. In the

Baltics, Inbank remained a market leader and continues to benefit from a strong merchant network in all markets.

Looking at product groups, 2023 was a breakthrough year for car finance. Our auto marketplace and dealer's GMV grew by 73.5% to 159.0 million euros last year. In addition, our car rental business grew by 42.5% to 58.9 million euros. Car financing is clearly becoming our second largest business line next to our merchant solutions. It is also not surprising, as used car sales are migrating from physical plots to online marketplaces, thus our embedded lending solutions are a great tool for merchants and consumers alike.

Inbank's biggest sales volumes continue to be delivered by our more than 5,000 active retail partners. The GMV of merchant solutions reached 285.2 million euros last year, growing by 2.6%. Green finance volumes made a good recovery in 2023 by growing 19.6% to 95.9 million euros. Direct lending volumes remained quite stable with growth of 3.1% to 87.8 million euros.

Deposit and capital funding

To finance our growth, Inbank has been relying on retail term deposits. During 2023, our deposit base grew by 30.5% to 1.08 billion euros. In the course of the year, we also managed to further diversify our deposit base by market and number of customers. At the end of the year, Inbank had nearly 100,000 active deposit contracts from 6 European markets. To finance our rapid growth in Czechia we plan to launch term deposits there during Q1 2024.

To support our growth, we also continued to raise capital during 2023. In May, Inbank issued 11 million euros of Additional Tier 1 bonds at a 12% interest rate. In October, Inbank raised 12 million euros of equity capital and in December we raised 8 million euros of Tier 2 bonds at a 9% interest rate. The latter issue was oversubscribed more than 7 times on the Nasdaq Tallinn Stock Exchange.

Credit risk

Despite high inflation and low economic growth, our credit quality has remained strong. Our impairment losses increased only by 18% to 13.2 million euros. As a result, our impairment loss to the average credit portfolio improved from 1.64% a year ago to 1.56% last year. With unemployment forecast to increase during 2024, we expect this ratio to slightly deteriorate during next year. However, we did expect higher credit costs already for this year but it did not happen.

The ability to actively manage credit quality is a core capability of our embedded finance platform and we believe that we can continue to underwrite optimal risk-return portfolios during different economic cycles.

Product development and growth
Despite pressure on margins, we continued to invest in technology and product innovation. Since the inception of Inbank, our core strategy has been to build the most convenient solutions for merchants and flexible financing products for retail customers. In 2023, we moved beyond traditional financing solutions and introduced an innovative rental service. In September, our wholly owned subsidiary Inbank Rent AS launched an electronics rental offering for Apple products in Estonia. Since then we have also started the service in Latvia and plan to expand the offering to all our markets in 2024. First sales results have been very encouraging and we intend to roll it out beyond Apple retailers and into other brands and verticals. We expect rental services to become one of the major growth drivers for Inbank in the coming years.

To further strengthen our presence in the car rental market, in June, Inbank acquired an additional 12.7% stake in the full-service car rental company Mobire. Our shareholding in Mobire now stands at 65.7%. We believe there will be profound changes in how cars are bought and owned in the future and we expect the rental model to continue to take market share.

Organisational changes and governance
In the course of 2023, we also completed our reorganisation of products and technology. In April we launched domain focused product development and engineering teams with the aim of building best in class capabilities in origination, product core, credit underwriting and reporting. The aim of the change is to "platformize" and "modularize" our key capabilities, thus becoming more specialised, agile and scalable. The second goal of the reorganisation was to bring engineers and product developers closer to market and customers. To further support this transition we launched product line guilds in November, which will work in close cooperation with country sales organisations to execute our product-led sales strategy.

To strengthen our increasing digital presence and align our product branding, we refreshed our brand and introduced a new visual identity. Our previous visual identity launched in 2015, after becoming a licensed bank, has served us well, but to support our multi-channel and multi-market growth strategy we also had to modernize the look and feel of our brand. As part of the rebrand, we also redesigned our web and internet bank, and added many vital architecture and UX improvements to help drive direct lending efforts. To deliver on our brand strategy and on product design, we also consolidated product design and brand teams at year end.

In April, Erkki Raasuke joined Inbank as a Member of the Supervisory Board and Chairman of the Audit Committee. With 30 years of banking experience and having been a CEO of leading Baltic financial institutions, Erkki will bring a wealth of knowledge and experience to support our international growth and corporate governance.

To further strengthen our risk management capabilities, Evelin Lindvers was elected Management Board member in August. With more than two decades of experience in banking and auditing, Evelin is now responsible for the second line of defence in Inbank risk management organisation.

Our multi-market and multi-channel embedded finance platform will only increase in value, as we expand to new markets and engage with more merchants and customers.

Way forward

Despite facing a challenging year and achieving a lower-than-expected ROE of 9%, I take pride in Inbank's accomplishments in 2023. Throughout the year, our sales teams demonstrated discipline and repriced the new business at current interest rate levels. In 2023, our average retail portfolio EIR grew to 10.8% and the new sales rates were higher still. We also stuck to our course and remained committed to our long term strategy. We continued to invest in growth by supporting the Czech market entry, strengthened our product and tech organisation, and launched a refreshed brand and an electronics rental service.

Inbank is well positioned to take advantage of these efforts in coming years. As the interest rate environment has stabilised and is expected to decrease during 2024, we anticipate that the market trends will begin to align in our favour. We expect our investments in the Czech market and rental services to lead Inbank’s growth in 2024. The European consumer finance landscape is evolving in front of our eyes and Inbank remains actively engaged in shaping and adapting to these changes. Our multi-market and multi-channel embedded finance platform will only increase in value, as we expand to new markets and engage with more merchants and customers.

Priit Põldoja

Chairman of the Management Board, Founder

People and culture

410+
People across Europe, 35% in Tech

123
Inbankers onboarded in 2023

21
Nationalities represented

46%
Women in leadership roles

36
Average age

34%
eNPS score

Working at Inbank

83%
response rate for Employee Engagement Survey

96%
of Inbankers expressed that they feel that their work contributes to Inbank's goals

88%
of Inbankers feel working in Inbank supports their personal and professional development

97%
of Inbankers identify themselves with our values Smart Open Active

92%
of Inbankers are satisfied with the quality and frequency of company announcements and news

Inbank eNPS and Employee Engagement Survey September 2023

We know that our people are at the centre of our success. As an employer, we believe in hiring high-performing professionals with a passion for their craft and giving them the space to do their best work.

Personal impact
Being a member of the Inbank team means your work has a meaningful impact and a sense of contribution. 96% of Inbankers not only understand the broader objectives of the organization but also recognize the direct impact of their individual contributions. This is a testament to the fact that our employees find intrinsic value and meaning in their daily tasks, understanding the pivotal role they play in steering Inbank towards its strategic objectives.

Flexibility
While remote work has become the new normal across the board, we are looking at flexibility more broadly. Whether working from home a few days each week, relocating fully for a few months, keeping flexible hours every day or working part-time, we are open to and support individual arrangements. Our flexibility also extends to gadgets from laptops to screens to headphones, we will provide you with whatever suits your personal needs so you can do your best work.

Wellbeing
To promote mental and physical wellbeing, we provide our team with a range of different benefits: sports compensation, additional health insurance, paid health days, psychological support or yoga classes. We have also launched new initiatives like Mental Health Month as well as continuing what already works, such as the Inbank Walks challenge and an extra week of paid leave after the third year at Inbank.

Openness
We strive to be open about everything that is happening at Inbank. On top of internal communication via the Intranet and Slack, we also hold all-hands calls, a forum where the CEO and various function leads give regular updates about the business results, growth projects and company news for all Inbankers. We take genuine interest in feedback and people feel empowered to give it. The 2023 Employee Engagement Survey response rate was 83%, which is above the industry benchmark.

Events
Even though we take our work seriously and are result-oriented people, we never miss an opportunity to rejoice in our successes. There’s something happening all the time, whether a smaller team event, holiday gathering, or playing sports together. We find it important to reward ourselves for our accomplishments.

Our values	While a lot has changed since Inbank first started out, our core values have remained the same. With 97% of the team saying they identify with the company values, it establishes a strong foundation for a positive workplace culture.
Smart	At Inbank, we tend to attract people who are naturally curious, and who like to open things up and see what makes them tick. We value the ability to take the initiative, adapt to change, and learn on the go. We believe in hiring specialists with a passion for their craft and giving them the space to do their best work.
Active	We like to say that we have a bias for action. We are an ambitious, results-oriented company with big plans and a long list of ideas to try. At Inbank, we love a bit of intellectual banter – but we've learned that taking action is the only way to find out what works.
Open	We believe the road to average is paved with information silos, hierarchy and gatekeeping. That is why we aim to be open here at Inbank, by freely sharing what we are thinking and feeling. We like staying curious by always asking "What if?" and by making sure good ideas don't exclusively come from the C-suite.

Leadership community
At Inbank we encourage our people to explore different career paths, find what they're great at, and help them grow into their true potential.

Collaboration
We make it a priority to work across teams and borders to ensure we're growing together, not apart. A third of our people lead

cross-border teams that work closely every day. While we’re mindful of the impact of travel and do most of our meetings online, we still encourage get-togethers to foster a global mindset and in-person connections.

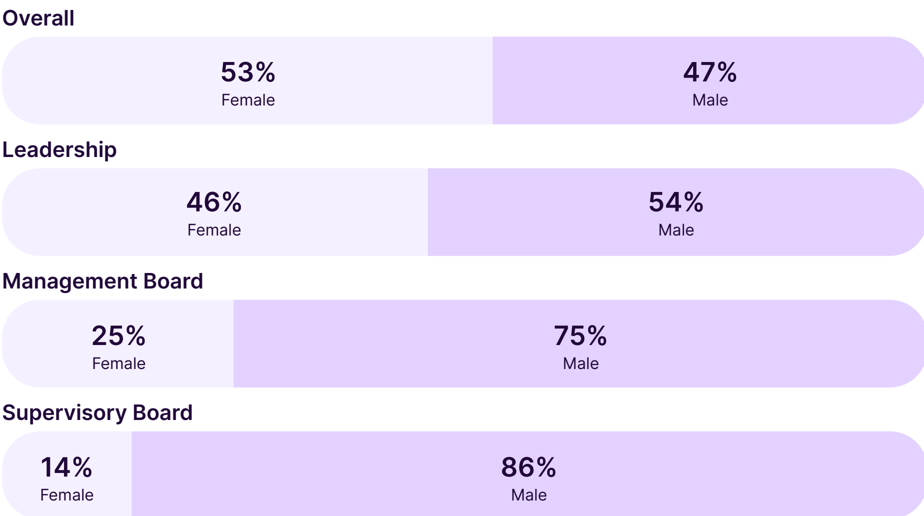
Strategic alignment

Twice a year, we hold a Group Management Meeting (GMM) to align our leadership community and top-specialists with the Inbank strategy, business model and performance, while encouraging cross-border collaboration and building strong bonds. Each event features an external speaker to give a valuable outside perspective to Inbank business.

Talent spotting

We hold regular sessions between heads of business units and the CEO to identify strengths, unique skill sets, and also knowledge gaps in teams to better align different parts of the organisation. This also helps us recognise top talent and give them new opportunities for self-development within the organisation, whether it’s a promotion or a completely new challenge in another area.

Gender diversity breakdown (% of total FTE)



Talent development

While we're working every day to reinvent the industry, we encourage our people to also be reinventing themselves. Here at Inbank, people are challenged but also supported.

Onboarding

We bring all newcomers to our HQ in Tallinn for an in person onboarding so they get to meet the founders, understand the Inbank’s mission, our values and how they can contribute. The

two-day event covers the founding story, business model and introduces the main functions of the organisation. We also have a Buddy Programme to bring new Inbankers up to speed with how things work, and give them the encouragement they need to get settled.

Growth
We believe that people themselves know what's best for them so we give everyone the freedom to make their own self-development plans based on their needs and interests. We offer a wide range of possibilities from acquiring new professional skills, attending industry events to learning languages or personal coaching.

New talent
Once a year, we offer student intern programmes across our locations to support young people in their pursuit of obtaining practical knowledge to make their entry to the workforce easier. Many of them in fact find their first job at Inbank.

	2022	2023
Interns onboarded	13	17
Interns stayed	4	10

Recognition and compensation

We reward and promote based on contribution and results, not politics or tenure. Our commitment to fairness means we use market data to ensure everyone gets the compensation they deserve.

Annual bonuses

Apart from the provided compensation package, every team member has the opportunity to receive annual bonuses determined by their individual contributions and performance, as evaluated during the annual review process.

Stock options

You can't build something truly great unless you have skin in the game. We allocate up to 1% of the company's equity annually to motivate top talent through a sense of ownership. By the end of 2023, we had issued 672,325 stock options to 64 people (~20% of total headcount).

Sabbatical

Fully compensated, our sabbatical programme is aimed for high-performing employees to recharge their batteries for 6 weeks every 4 years. In 2023, 9 Inbankers had the opportunity to recharge, discover new passions, and return with a renewed sense of purpose and energy.

Recognition

We believe in celebrating people who have gone the extra mile to launch a new product, close a partnership, or simply gone above and beyond to help a colleague. While milestones and achievements get celebrated regularly, we also highlight personal contributions at the annual Employee Awards.

Environmental, social and governance (ESG) risks

Risks arising from environmental, social and governance (ESG) issues are an essential part of an institution's long-term financial success, and these risks are considered across the business activities and business strategy of Inbank.

The regulatory environment in this area is still developing. In 2023, the Corporate Sustainability Reporting Directive entered into force and European Sustainability Reporting Standards (ESRS) were adopted. Even though it is not yet mandatory for Inbank to prepare and publish sustainability reports, the Bank is taking steps to implement ESG principles at every step of its operations. Considering the services that Inbank provides customers, the Bank is also not in the scope of the SFDR (Sustainable Finance Disclosure Regulation, Regulation (EU) 2019/2088)). Under these circumstances, the Bank has prioritised focusing on the sustainability of the Bank's own operations.

Inbank continues further incorporated ESG principles into Inbank's strategy, as the Bank considers it crucial to set clear goals in relevant ESG areas and take the proper path to achieve these goals.

Environmental criteria address Inbank's impact on the environment and the risks arising from associated events. Those can be further broken down into climate change, use of natural resources, pollution and waste, and environmental opportunities. Risks related to climate change are driven from two sources: Physical risk and Transition risk. Inbank does not have assets that would be vulnerable to physical risk related to climate change, and transition risk drivers, use of natural resources, pollution and waste are not significant, given the nature of Inbank's business activities.

Inbank continues to explore business segments that include

environmental opportunities, and our client offerings focus more on a sustainable society. One great example is our green financing products with a focus on financing solar panels and other energy efficiency solutions. Green financing covers 23% of our loan and rental services as at 31.12.2023 (31.12.2022: 22%). At the same time, Inbank refrains from financing customers with any involvement in the military, tobacco, gambling and fossil fuel production.

Social criteria are maintained at a high standard in the organisation. The greatest efforts are exerted to ensure that Human Resource management achieves the company's objectives to provide health and safety to all employees, training and development opportunities, and a positive work-life balance. In addition, Inbank has established solid foundations for data security and privacy for its customers and the quality of its products, and provides social opportunities offering access to finance for individual customers. The risks in this area that are inherent to the Bank are related to employment and safety practices, relationships with customers and with regulators.

Governance criteria represent the integrity and highest ethical standards of the management, honest and transparent financial reporting practices and regulatory compliance, which are also part of Inbank’s core operating principles.

Inbank's bonds are listed on the Nasdaq Baltic Stock Exchange. It is our priority to provide fair and timely information to all our stakeholders concerning the strategy, business and financial performance of Inbank at all times.

Inbank's management culture is modern and open, guided by laws, regulations and international standards. In its operations, Inbank follows the best practices in fintech and banking management, the principles of responsible lending and all other relevant guidelines for the financial sector. Inbank is in continuous dialogue with the financial supervision authorities in all its countries of operation. Risk management is an essential part of responsible governance and is therefore incorporated into daily business activities and strategic planning.

We are members of several professional networks and associations such as the Estonian Banking Association and have a seat at the board of FinanceEstonia, which supports the development of the sector in the region.

Inbank's governance principles are further described in more detail in the "Corporate Governance Report" and risk management principles in Note 3 in the Consolidated Financial Statements.

Governance

Supervisory Board

The Inbank Supervisory Board consists of seven members.

Jan Andresoo
Chairman of the Supervisory Board

Rain Rannu
Member of the Supervisory Board

Roberto de Silvestri
Member of the Supervisory Board

Triinu Bucheton
Member of the Supervisory Board

Raino Paron
Member of the Supervisory Board

Taavi Kotka
Member of the Supervisory Board

Erkki Raasuke
Member of the Supervisory Board

Management Board

The Inbank Management Board consists of eight members.

Priit Põldoja
Chairman of the Management Board

Marko Varik
Member of the Management Board

Margus Kastein
Member of the Management Board

Maciej Pieczkowski
Member of the Management Board

Ivar Kurvits
Member of the Management Board

Piret Paulus
Member of the Management Board

Erik Kaju
Member of the Management Board

Evelin Lindvers
Member of the Management Board

Corporate governance *report*

Inbank adheres to the Corporate Governance Recommendations (CGR), as set by advisory guidelines adopted by the Financial Supervisory Authority. The Code is based on companies with a wide range of shareholders. Therefore, Inbank applies the Code according to its specific characteristics. The following is an overview of the implementation of CGR and the recommendations that Inbank does not adhere to, along with explanations.

Inbank applies the principle of consolidation in its activities, which means that the key management and strategic decisions of the companies belonging to the Group are taken by the management bodies of Inbank. Thus, Inbank's General Meeting, the Supervisory Board, Management Board and, for the most important credit decisions, Credit Committee are involved in the decision-making process. This allows Inbank to proceed from a unified set of objectives and operating policies as a consolidated group.

General Meeting

The General Meeting of the shareholders is the highest governing body of Inbank. The competence of the General meeting is laid down in legislation. Each shareholder has the right to participate in the General Meeting, to speak out at the General Meeting on the topics presented on the agenda, to submit substantiated questions, and make recommendations. Inbank's Articles of Association do not grant specific controlling or voting rights to different types of shares.

A resolution on the amendment of the Articles of Association is adopted when more than two-thirds of the votes represented at the General Meeting are in favour. A resolution on the amendment of the Articles of Association enters into force as of the making of a corresponding entry in the commercial register. The resolution of the General Meeting on the amendment of the Articles of

Association, the minutes of the General Meeting and the new text of the Articles of Association are attached to the application filed with the commercial register. The General Meeting of Inbank is called by the Management Board. Ordinary General Meetings are announced to the shareholders at least three weeks before and an extraordinary General Meeting – at least one week before.

A notice of the General Meeting shall be sent to the shareholders by registered letter to the address entered in the share register or published in a daily national newspaper. The notice of the General Meeting may also be sent by standard letter, electronically or by fax, if a notice of the obligation to return an acknowledgement of receipt has been attached to the letter, e-mail or fax. Inbank can also make decisions without calling a General Meeting.

One ordinary and one extraordinary General Meetings of the shareholders were held in 2023.

Inbank does not implement clause 1.2.2 of CGR according to which at the convening of the General Meeting reasons and explanations on subjects on the agenda, which are substantially amended, are presented. In practice, communication between Inbank and its shareholders is carried out promptly and immediately; therefore, it is also ensured that any questions from shareholders are answered and any clarifications to the items on the agenda are given either directly to the shareholder or at the General Meeting.

Inbank complies with clause 1.2.2 (information is provided to shareholders in Estonian), when appropriate. Information is provided primarily in English, since several shareholders are from foreign countries and local shareholders agree with the English communication. Inbank executes section 1.3.1 (the language of the General Meeting is Estonian) of CGR. In this case, shareholders will be given an English translation on request.

In addition, Inbank has not implemented the recommendation in clause 1.3.1 of CGR that the Management Board member cannot be elected as the chairman of the General Meeting. As the Chairman of the Management Board is also a representative of shareholders and is well informed acting as the Chairman of the Management Board of Inbank, it is not necessary for Inbank's current shareholding and organizational structure to elect an outside party for the General Meeting. The chairman of the General Meeting has always been elected unanimously.

Inbank partially complies with clause 1.3.2 of CGR, according to which the members of the Management Board, the Chairman of the Supervisory Board and, if possible, members of the Supervisory Board and at least one of the auditors participate in the General Meeting. The participation of all members of the Supervisory Board depends on the topics covered in the meeting; the Chairman of the Management Board and the Management Board member responsible for finance are always present. The attendance of all members of the Supervisory Board has not been necessary at the meeting, as the Chairman of the Supervisory Board participates at the meeting. The auditor did not attend the meetings because the meetings did not address issues that would require the auditor to attend.

Management Board

The Articles of Association, the Commercial Code and the Credit Institutions Act regulate the functions of the Management Board of Inbank. From 2023, the Management Board of Inbank consists of eight members (according to the articles of association, management board consists of three to nine members), elected by the Supervisory Board for a period of three years. The Management Board members are:

- **Priit Põldoja** – Chairman of the Management Board;
- **Marko Varik** – Member of the Management Board;
- **Margus Kastein** – Member of the Management Board;
- **Maciej Pieczkowski** – Member of the Management Board;
- **Ivar Kurvits** – Member of the Management Board;
- **Piret Paulus** – Member of the Management Board;
- **Erik Kaju** – Member of the Management Board;
- **Evelin Lindvers** – Member of the Management Board.

Number of shares and share options held by the members of Management Board:

Member of the Management	Number of Shares		Issued share options
	Belonging to the member	Belonging to related parties	
Priit Põldoja	39,948	1,268,750	45,000
Marko Varik	20,000	152,389	43,500
Margus Kastein	17,311	7,557	42,500
Maciej Pieczkowski	69,899	0	43,500
Ivar Kurvits	1	70,289	43,500
Piret Paulus	20,000	133,300	28,500
Erik Kaju	0	21,158	50,000
Evelin Lindvers	0	250	20,000

Inbank does not implement clause 2.2.7 of CGR recommending to disclose information about benefits and bonus principles of members of the Management Board on their website because the remuneration paid to the Management Board members is disclosed in Note 26 of the financial statements in the total amount of remuneration paid to members of the senior management, Management and Supervisory boards' members. In addition, this is private information and disclosing it is not inevitably necessary in order to assess the activities of Inbank. Inbank does not implement clause 2.2.7 of the Code recommending introducing more important aspects and changes made in management remunerations at the General Meeting because there have been no significant changes in the remuneration of the Management Board during 2023.

The Management Board members present a declaration of economic interests and conflict of economic interests once a year. Transactions with the members of the Management Board are disclosed in Note 26 of the financial statements and are entered into under market conditions. The members of the Management Board are the members of the management bodies in the following companies belonging to the consolidation group of Inbank:

- **Priit Põldoja:** Chairman of the Supervisory Board of Paywerk AS, Chairman of the Supervisory Board of AS Inbank Finance, Member of the Supervisory Board of AS Inbank Rent;
- **Marko Varik:** Member of the Supervisory Board of Mobire Group OÜ, Member of the Management Board of Inbank Ventures OÜ, Member of the Supervisory Board of Paywerk AS, Member of the Supervisory Board of AS Inbank Finance, Member of the Supervisory Board of AS Inbank Rent;
- **Margus Kastein:** Member of the Management Board of AS Inbank Finance, Chairman of the Supervisory Board of Mobire Group OÜ, Member of the Management Board of SIA Inbank Latvia, Member of the Management Board of AS Inbank Rent;
- **Maciej Pieczkowski:** Member of the Management Board of IBF Polska Sp. z o.o.;
- **Ivar Kurvits**: Member of the Supervisory Board of Mobire Group OÜ, Member of the Supervisory Board of AS Inbank Finance, Member of the Management Board of Inbank Payments OÜ, Member of the Supervisory Board of AS Inbank Rent;
- **Piret Paulus:** Member of the Management Board of AS Inbank Finance, Member of the Management Board of AS Inbank Rent, Chairman of the Management Board of SIA Inbank Rent.

The members of the Management Board have not received any severance payments in 2023.

Supervisory Board

Inbank's Supervisory Board plans the activities of Inbank, gives instructions to the Management Board for the organization of the management of Inbank, supervises the activities of Inbank and its Management Board as well as takes decisions on matters set forth in the legislation or the articles of association.

Inbank's Supervisory Board consists of seven members (according to the articles of association five to seven members), who are elected for three years by the General meeting:

- **Jan Andresoo** – Chairman of the Supervisory Board;
- **Roberto de Silvestri** – Member of the Supervisory Board;
- **Rain Rannu** – Member of the Supervisory Board;
- **Triinu Bucheton** – Member of the Supervisory Board;
- **Raino Paron** – Member of the Supervisory Board;
- **Taavi Kotka** – Member of the Supervisory Board;
- **Erkki Raasuke** – Member of the Supervisory Board.

In 2023, there were 22 Supervisory Board meetings of which in 13 cases the necessary decisions were taken without calling a meeting. All the Supervisory Board members have attended at least half of the meetings held in 2023.

Inbank's Audit Committee has four members. The Chairman of the Audit Committee is Erkki Raasuke and members are Raino Paron, Jan Andresoo and Triinu Bucheton. The Audit Committee has been established to supervise the activities of the Management Board. The responsibilities of the Committee include monitoring and analyzing financial data processing, effectiveness and efficiency of risk management and internal control, the process of auditing the annual report and consolidated financial statements and the independence of the external auditor. The members of the Committee do not receive any remuneration. There is no information disclosed about the Audit Committee on the website (clause 3.1.3 of CGR), as Inbank does not consider it necessary in respect of the work performed by the Committee and ensuring the interests of the shareholders.

A Remuneration Committee consisting of three members has been established on the basis of the members of the Supervisory Board. The Chairman of the Remuneration Committee is Jan Andresoo and members are Roberto de Silvestri and Rain Rannu. The responsibilities of the Committee include evaluating the implementation of the remuneration principles of Inbank and the impact of decisions related to remuneration on compliance with the requirements of risk management, own funds and liquidity. The members of the Committee do not receive any remuneration. There is no information disclosed about the Remuneration Committee on the website (clause 3.1.3 of CGR), as Inbank does not consider it necessary in respect of the work performed by the Committee and ensuring the interests of Inbank.

Number of shares held by and share options issued to the members of the Supervisory Board of Inbank:

Member of the Supervisory Board	**Number of Shares**		**Issued share options**
	Belonging to the member	Belonging to related parties	
Jan Andresoo	25,000	1,116,337	27,500
Roberto de Silvestri	911,036	0	13,000
Rain Rannu	18,000	90,122	3,000
Triinu Bucheton	0	137,479	0
Taavi Kotka	0	6,500	5,000
Raino Paron	10,000	730,675	3,000
Erkki Raasuke	5,000	0	4,000

Jan Andresoo, Triinu Bucheton and Erkki Raasuke are the members of the Supervisory Board who receive remuneration. Inbank does not consider it necessary to disclose detailed information about the remuneration paid to each member of the Supervisory Board recommended by clause 3.2.5 of CGR, because the impact of the remuneration of the Supervisory Board is not significant to Inbank's financial results. The remuneration paid to the members of the Supervisory Board is disclosed in Note 26 of the financial statements in the total amount of remuneration paid to senior management, and members of the Management and Supervisory boards.

The members of the Supervisory Board present a declaration of economic interests and conflict of economic interests once a year. Transactions with the members of the Supervisory Board are disclosed in Note 26 of the financial statements and are entered into under market conditions.

Cooperation between the Management Board and the Supervisory Board

The Management Board and the Supervisory Board work in close cooperation to protect Inbank's best interests. The basis of the cooperation is open communication between as well as within the Management and the Supervisory boards. The Management Board ensures the availability of timely management information for the Supervisory Board. The Management Board and the Supervisory Board develop Inbank's operational objectives and strategy jointly. The Management Board considers strategic guidance from the Supervisory Board in the decision-making process at Inbank and periodically discusses strategic management issues with the Supervisory Board.

Recruitment principles for selecting a member of the management and the principles of diversity

Recruitment of the members of management bodies complies with the requirements and procedures set out in the Credit Institutions Act. In determining the suitability of the members of the management, Inbank relies on the relevant internal procedures.

The recruiting body evaluates the suitability of the new member. The candidate shall meet the requirements arising from laws and regulations, complement the management body in terms of knowledge, skills and experience, have sufficient time to perform his or her duties and be competent to fulfill the responsibilities of a member of the management body. The suitability of new members of the management is considered by examining their reputation, expertise, skills, managerial experience and managerial suitability in terms of other criteria (conflicts of interest, independence) and any other relevant factors.

Inbank relies on the principle of diversity in selecting the members of management bodies, which ensures that the management has the required knowledge, experience, competence and personal skills in order to fulfill its obligations. Inbank also focuses on the diversity of the management body on the basis of age, gender, educational and professional background and geographical origin. Inbank has not set a target for gender diversity.

Disclosing information

Inbank treats all shareholders equally and informs all the shareholders of important circumstances. Inbank relies above all on e-mail to notify shareholders. Inbank publishes its reports on its website, which is also available in English (www.inbank.eu). The annual reports and interim reports are published in Estonian and English.

Inbank has not prepared a separate website for its shareholders, but there are separate tabs for investors, a tab with reports (annual report with information on CGR as well as interim reports), announcements and an overview of Inbank's team (incl. Management and Supervisory boards). Inbank does not disclose a financial calendar (clause 5.2 of CGR), information on responses to questions presented by analysts and shareholders (clause 5.5 of CGR) and the dates of meetings with analysts, investors and the press (clause 5.6 of CGR), as these are not necessary considering Inbank's current activities and the substantial emphasis on keeping shareholders notified through other channels.

Financial reporting and auditing

Every year Inbank prepares and publishes its annual report and quarterly interim reports. The annual report is audited. The Supervisory Board members do not sign the annual report together with the members of the Management Board (clause 6.1.1 of CGR). The Supervisory Board's statement is presented as a written report on the annual report and the report is approved by the decision of the Supervisory Board.

Inbank presents an annual report signed by the Chairman of the Management Board, which has been previously approved by the Management Board of AS Inbank, to shareholders at the General Meeting (therefore Inbank does not comply with the requirement to present a report to the shareholders signed by the members of Management and the Supervisory boards – clause 6.1.1 of CGR) but a proposal prepared by the Supervisory Board on the approval of the annual report is submitted to the General Meeting. The General Meeting has selected PricewaterhouseCoopers AS (registry code 10142876) as the auditor for the financial year 01.01.2023 – 31.12.2023. Inbank follows the auditor rotation principle.

The auditor has provided other assurance services to Inbank in 2023, as required by the Credit Institutions Act and the Securities Markets Act, and has provided other services in compliance with the requirements of the Auditors Activities Act.

Dividend policy

Inbank is a credit institution and the most important prerequisite for the payment of dividends is both external and internal regulatory standards related to capital, which must be met in a sustainable manner. Inbank has not yet paid dividends and has used the earned profit to expand its operations. This policy will continue in the future.

Remuneration principles

Inbank's remuneration of personnel is based on Inbank's recruitment and remuneration policy drawn up on the basis of the principles of the Credit Institutions Act. Principles of staff remuneration stimulate sustainable growth for Inbank and customer satisfaction and rely on prudentially sound and efficient risk management. The personnel remuneration mechanism supports the business strategy, goals, values and long-term interests of Inbank. The remuneration is based on the individual contribution of Inbank employees, their job performance and the company's financial results.

The structure of employee remuneration consists of two parts:

- Basic salary (fixed);
- Performance pay (decided for each employee separately).

The basic remuneration and performance pay are reasonably balanced and the basic salary represents a sufficiently large part of the total remuneration to allow for the non-payment of performance pay, if necessary. The performance pay is based on the combination of the performance of employees and the business unit and the overall performance of Inbank.

External consultants are not involved in determining remuneration policies.

Options for acquiring a total of 144,000 shares have been granted during 2023. These Option contracts can be realized in the period from 2024 to 2026. In 2023 there were no occasions when Option contracts were realized.

Inbank proceeds from the provisions of the Credit Institutions Act in determining severance payments. No severance payments were paid in 2023.

Key financial indicators and ratios

(In millions of euros)

Key financial indicators	2021	2022	2023	Change 2023/2022
Total net income	42.6	51.4	60.2	17.0%
Net profit	11.0	21.1	10.2	-51.6%
Total assets	787.0	1,020.5	1320.6	29.4%
Equity	79.0	101.9	124.1	21.7%
Loan and rental portfolio	640.5	815.9	1030.2	26.3%
Deposit portfolio	617.8	828.9	1081.6	30.5%

Ratios*	2021	2022	2023
Return on equity (ROE)	15.6%	23.3%	9.0%
Return on total assets	1.7%	2.3%	0.9%
Net interest margin	6.6%	5.9%	5.1%
Impairment losses to loan portfolio	1.3%	1.6%	1.6%
Cost/income ratio	56.3%	59.0%	61.4%
Equity to total assets	10.0%	10.0%	9.4%

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)
Total net income	Total net interest income, fee and other income and expenses
Cost/income ratio	Total operating expenses / total net income
Equity to total assets	Total equity / total assets
Loan and rental portfolio	Total of loans and advances to households and rental portfolio
Gross merchandised value (GMV)	Total value of merchandise financed via Inbank embedded finance and direct-to-customer platforms
Net profit	Profit for the period
Rental	Rental refers to Inbank's business line wherein clients rent different types of assets

* Ratios and changes are calculated based on numbers rounded to 1000 and presented in the consolidated statement of Financial Position and the consolidated statement of Profit and Loss and Other Comprehensive Income.

Consolidated financial statements

Consolidated statement of financial position

In thousands of euros	Note	31.12.2023	31.12.2022* restated	31.12.2021* restated
Assets				
Cash and cash equivalents	3; 11; 25	172,921	130,889	87,419
Mandatory reserves at central banks	3; 11; 25	21,020	14,446	7,904
Investments in debt securities	3; 12; 25	33,581	8,415	7,684
Financial assets measured at fair value through profit or loss	25	79	37	0
Loans and advances	3; 9; 25	942,056	755,100	604,848
Investments in associates	13	141	1,065	774
Assets classified as held for sale	27	0	0	4,203
Other financial assets	17	5,268	3,387	2,151
Tangible assets	14	75,206	48,533	19,147
Right of use assets	14;15	26,716	23,247	25,231
Intangible assets	16	30,906	26,249	22,423
Other assets	17	8,185	5,961	2,769
Deferred tax assets	10	4,505	3,166	2,401
Total assets	**4**	**1,320,584**	**1,020,495**	**786,954**
Liabilities				
Customer deposits	18; 25	1,081,566	828,894	617,857
Financial liabilities measured at fair value through profit or loss	25	50	0	0
Other financial liabilities	20; 25	60,927	55,240	49,188
Current tax liability	10	311	0	284
Deferred tax liability	10	204	187	125
Other liabilities	20; 25	3,691	3,680	3,296
Subordinated debt securities	19; 25	49,745	30,570	37,187
Total liabilities	**4**	**1,196,494**	**918,571**	**707,937**
Equity				
Share capital	22	1,086	1,026	997
Share premium	22	43,563	31,855	30,436
Statutory reserve	24	103	100	96
Other reserves	23; 24	1,543	1,421	1,625
Retained earnings		77,795	67,522	45,863
Total equity		**124,090**	**101,924**	**79,017**
Total liabilities and equity		**1,320,584**	**1,020,495**	**786,954**

* Change in presentation of 31 December 2022 and 31 December 2021 cash and cash equivalents was made. For more details refer to Note 1.

Notes set out on pages 46 - 118 form an integral part of the consolidated financial statements.

Consolidated statement of profit and loss and other comprehensive income

In thousands of euros	Note	2023	2022* restated
Interest income based on EIR	4; 5	98,723	68,204
Interest expense	4; 5	-45,331	-20,152
Net interest income	**4; 5**	**53,392**	**48,052**
Fee and commission income	4; 6	473	387
Fee and commission expenses	4; 6	-4,199	-3,275
Net fee and commission income/expenses	**4; 6**	**-3,726**	**-2,888**
Income from rental services	4; 7	23,905	18,152
Sale of assets previously rented to customers	4; 7	14,155	9,928
Other operating income	4; 7	769	541
Cost of rental services	4; 7	-15,896	-13,317
Cost of assets sold previously rented to customers	4; 7	-12,556	-8,363
Net operating income/expenses		**10,377**	**6,941**
Net gains/losses from financial assets measured at fair value	4	-14	32
Foreign exchange rate gain/losses	4	128	-780
Net gain/losses from financial items		**114**	**-748**
Total net interest, fee and other income and expenses		**60,157**	**51,357**
Personnel expenses	4; 8	-16,628	-13,822
Marketing expenses	4; 8	-3,266	-3,350
Administrative expenses	4; 8	-11,033	-8,675
Depreciations, amortization	4; 14-16	-6,007	-4,472
Total operating expenses		**-36,934**	**-30,319**
Share of profit from associates	13	250	11,419
Impairment losses on loans and advances	9	-13,203	-11,170
Profit before income tax		**10,270**	**21,287**
Income tax	10	-68	-196
Profit for the period		**10,202**	**21,091**
Other comprehensive income that may be reclassified subsequently to profit or loss			
Currency translation differences	24	-415	-2
Total comprehensive income for the period		**9,787**	**21,089**

* Change in presentation of 2022 was made. For more details refer to Note 1.

Notes set out on pages 46 - 118 form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

In thousands of euros	Note	2023	2022* restated
Cash flows from operating activities			
Interest received	5	97,106	66,949
Interest paid	5	-37,694	-16,024
Fees received	6	473	387
Fees paid	6	-4,199	-3,275
Income from rental services	7	23,905	18,152
Cost of rental services	7	-4,768	-5,252
Sale of assets previously rented to customers	7	14,155	9,928
Other operating income received	7	769	541
Personnel expenses	8	-21,338	-17,513
Administrative and marketing expenses	8	-13,227	-13,232
Income tax paid	10	-818	-2,108
Cash flows from operating activities before changes in the operating assets and liabilities		**54,364**	**38,553**
Changes in operating assets			
Loans and advances	9	-199,046	-160,172
Acquisition of tangible assets for rental business	14	-36,423	-27,182
Mandatory reserves at central banks	11	-6,574	-6,542
Other financial assets	17	-1,881	-1,236
Other assets	17	-13,092	-17,047
Changes of operating liabilities			
Customer deposits	18	245,077	206,795
Other financial liabilities	20	8,527	16,656
Other liabilities	20	474	246
Net cash from operating activities		**51,426**	**50,071**
Cash flows from investing activities			
Investments in debt securities	12	-37,682	-4,133
Repayments of debt securities	12	13,020	3,342
Acquisition of tangible assets	14; 15	-1,009	-535
Acquisition of intangible assets	16	-4,698	-3,245
Acquisition of associates	13	-76	-290
Sale of associates	13	1,250	15,577
Net cash used in/from investing activities		**-29,195**	**10,716**

(continued on next page)

Consolidated statement of cash flows (continued)

(continued from previous page)

In thousands of euros	Note	2023	2022* restated
Cash flows from financing activities			
Share capital contribution (including share premium)	22	12,039	1,448
Subordinated debt securities issued	19	19,133	0
Repayments of debt securities	19	0	-6,503
Acquisitions of non-controlling interests by redeeming put option	13	-1,930	0
Lease liability payments	15	-9,423	-11,473
Net cash used in/from financing activities		**19,819**	**-16,528**
Effect of exchange rate changes		-18	-789
Cash and cash equivalents at the beginning of the reporting period	**11**	**130,889**	**87,419**
Net increase/decrease in cash and cash equivalents		42,032	43,470
Cash and cash equivalents at the end of the reporting period	**11**	**172,921**	**130,889**

* Change in the presentation of 2022 was made. For more details refer to Note 1.

Cash and cash equivalents

In thousands of euros	Note	2023	2022
Non-restricted current account with central banks	11	162,253	112,544
Due from other credit institutions within three months	11	10,668	18,345
Total cash and cash equivalents		**172,921**	**130,889**

Notes set out on pages 46 - 118 form an integral part of the consolidated financial statements.

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**
Profit for the period	0	0	0	0	21,091	21,091
Other comprehensive income	0	0	0	-2	0	-2
Total comprehensive income	**0**	**0**	**0**	**-2**	**21,091**	**21,089**
Paid in share capital	29	1,419	0	0	0	1,448
Share-based payment reserve	0	0	0	-202	572	370
Transfer to statutory reserve capital	0	0	4	0	-4	0
Other movements	0	0	0	0	0	0
Balance, 31.12.2022	**1,026**	**31,855**	**100**	**1,421**	**67,522**	**101,924**
Balance, 01.01.2023	**1,026**	**31,855**	**100**	**1,421**	**67,522**	**101,924**
Profit for the period	0	0	0	0	10,202	10,202
Other comprehensive income	0	0	0	-415	0	-415
Total comprehensive income	**0**	**0**	**0**	**-415**	**10,202**	**9,787**
Paid in share capital	60	11,708	0	0	0	11,768
Share-based payment reserve	0	0	0	537	0	537
Transfer to statutory reserve capital	0	0	3	0	-3	0
Other movements	0	0	0	0	74	74
Balance, 31.12.2023	**1,086**	**43,563**	**103**	**1,543**	**77,795**	**124,090**

At 31 December 2023, Inbank's share capital consisted of 10,864 thousand authorized registered ordinary shares (2022: 10,262 thousand shares) with a nominal value of 0.10 euro each. All issued shares have been paid. For more details see also Notes 22 and 23.

Notes set out on pages 46 - 118 form an integral part of the consolidated financial statements.

Note 1 Material accounting policy information

General information

AS Inbank and its subsidiaries, together acting as a group (hereinafter: Inbank) is a licensed credit institution registered in Estonia, which is operating in addition to Estonia also in Latvia, Lithuania, Poland, and Czechia.

Inbank consolidated financial statements have been approved by the Management Board and will be presented to shareholders for approval at the general meeting. The shareholders have the right not to approve the consolidated financial statements.

Operating Environment

COVID-19

In March 2020, the World Health Organisation declared the outbreak of COVID-19 a global pandemic. In response to the pandemic, the Estonian and other countries where Inbank operates, authorities implemented numerous measures attempting to contain the spreading and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders and limitations on business activity, including closures.

War between Russia and Ukraine

The sanctions imposed by Estonia and other countries where Inbank operates, on Russia due to its military operations in the Ukraine and the related countermeasures by Russia caused an increase in the price of natural gas and electricity and their higher volatility. Change in the economical environment and increase of possible invasion risk might have indirect impact to defaults among the Inbank's customers. Macroeconomic assumptions underlying the expected loss allowance are disclosed in Note 2.

Climate change

Environmental criteria address Inbank's impact on the environment and the risks arising from associated events. Those can be further broken down into climate change, use of natural resources, pollution and waste, and environmental opportunities. Risks related to climate change are driven from two sources: Physical risk and Transition risk. Inbank does not have assets that would be vulnerable to physical risk related to climate change, and transition risk drivers, use of natural resources, pollution and waste are not significant, given the nature of Inbank's business activities.

For more detailed information about Environmental, social and governance (ESG) risks please refer to the management report section 'Environmental, social and governance (ESG) risks'.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union, for the year ended 31 December 2023 for AS Inbank (hereinafter: AS Inbank) and its subsidiaries (hereinafter: Inbank).

These financial statements have been prepared under the historical cost convention, except for some accounting policies disclosed below (the initial recognition of financial instruments at fair value, and financial instruments measured at fair value through profit or loss ("FVTPL")). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. In the primary financial statements of Inbank as a separate entity which are disclosed in these consolidated financial statements (Note 28), the investments in subsidiaries are carried at cost less impairment.

The material accounting policy information and significant accounting estimates and judgements applied in the preparation of these Financial Statements are set out below.

The financial year starts on 1 January and ends on 31 December, the amounts are presented in thousand euros unless otherwise indicated. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the official rate of the European Central Bank at the reporting period end.

The official language of the consolidated financial statements of Inbank is Estonian. The Estonian version must be proceeded from in the event of a conflict with English or any other language.

Certain new IFRS Standards, amendments and interpretations to existing Standards, came into effect for accounting periods beginning after 1 January 2023 or later periods. Standards, that became effective from 1 January 2023, did not have any material impact on Inbank except the amendment to IAS 1 regarding accounting policies which was adopted by Inbank and changed the content of this Note 1 from 'Summary of significant accounting policies' to 'Material accounting policy information'. The amendment did not result in any changes to the accounting policies themselves, it had impact only on accounting policies disclosed in certain instances. Amendments to Standards which will become effective for annual periods beginning on or after 1 January 2024, but not yet adopted by the EU include IFRS16 Leases; IAS 1 Presentation of Financial Statements; IAS 7 Statement of Cash Flows and IAS 21 The Effects of Changes in Foreign Exchange Rates. Inbank estimates that the potential or actual impact of applying these changes is not material.

Basis of consolidation

Inbank's financial statements consolidate the parent company and all of its subsidiaries as at 31 December 2023. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Inbank companies are eliminated on consolidation, including unrealised gains and losses on transactions between Inbank companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Inbank perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by Inbank.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Accounting of income and expenses

Interest income and expenses

Interest income and expenses are calculated by applying the effective interest rate to the gross carrying amount of financial assets or liabilities.

Fee and commission income and expenses

Fee and commission income consist of all income, except interest income, from the credit card business line.

Fee and commission income is recognised to depict the transfer of promised services to the customers in an amount that reflects the consideration to which Inbank expects to be entitled in exchange for the service.

Fee and commission income is recognised over time on a straight-line basis as the services are rendered, when the customer simultaneously receives and consumes the benefits provided by Inbank's performance. Such income includes, for example, a monthly loan maintenance fee. Variable fees are recognised in revenue only to the extent that management determines that it is highly probable that a significant reversal will not occur.

Other fee and commission income is recognised at a point in time when Inbank satisfies its performance obligation, usually upon execution of the underlying transaction. The amount of fee and commission received, or receivable represents the total transaction price for the services identified as distinct performance obligations. Such income includes fee for early termination of contract, fee for confirmation letter.

Expenses that are directly related to the generation of fee and commission income are recognised as fee expenses. Most significant part of fee and commission expenses are related to loan initiation and credit check fees for applications which are not converted into contracts. Fees are recognised in to expenses in the same period when application was received and procedures for identification and credit checks performed.

Income and cost of rental services

Income from rental services consists of income collected from rental business where payments are recognised as income on a straight-line basis. In connection to that depreciation of tangible assets recognised at straight-line under cost of rental services. Cost of rental services also consist of other rental assets related costs: maintenance, insurance, etc.

After the rental contract is ended, assets used for rent are sold and income received are recognised under sale of assets previously rented to customers. In connection to that, residual value of assets sold is recognised as cost of assets sold previously rented to customers.

Financial assets and financial liabilities

Financial assets and financial liabilities are recognised when Inbank becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets under normal market conditions are recognised on the trade date, the date on which Inbank commits to the purchase or sale of the asset.

All financial assets are classified as one of the following: financial assets at amortized cost, financial assets at fair value through P&L or financial assets at fair value through OCI.

Derivatives are always measured at fair value through profit and loss.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for assets measured at amortized cost, which results in an accounting loss being recognised in the income statement when an asset is newly originated. More details about impairment of financial assets is disclosed in Note 2.

For financial assets measured at fair value through profit and loss, fair value is revised by the end of every reporting period and gain/losses recognised into a statement of profit and loss and other comprehensive income.

Business models of financial asset

	SPPI test met	Business model applied	Measurement
Assets			
Cash and cash equivalents	Yes	Hold to collect	At amortized cost
Mandatory reserves at central banks	Yes	Hold to collect	At amortized cost
Due from credit institutions	Yes	Hold to collect	At amortized cost
Investments in debt securities	Yes	Hold to collect	At amortized cost
Financial assets measured at fair value through profit or loss	Not applicable	Hold for trading	Fair value through profit and loss
Loans and advances	Yes	Hold to collect	At amortized cost
Investments in associates	Yes	Hold to collect	At amortized cost
Other financial assets	Yes	Hold to collect	At amortized cost

There were no changes in the classification and measurement of financial assets.

Tangible asset

Inbank owns two types of tangible asset: for Inbank own needs and for rental business.

Tangible asset for own needs is depreciated within the useful life of the asset which depends on asset use policy. A car's useful life is set for 9 years and other tangible assets from 1 to 3 years.

Tangible assets used for rental business are amortized during the useful life of the asset. Useful life of assets used for rental business is in line with other assets owned by Inbank for its own needs. If an asset is not rented out by a client, no depreciation is calculated and the asset is prepared for sale.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in statement of profit and loss and presented at gross basis under other comprehensive income under other operating income or expenses.

Intangible assets

Research and development expenditure

Research expenditure and development expenditure that do not meet the criteria for capitalisation as set out in Note 16 are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Goodwill

Goodwill arising on acquisition of a business is carried at cost as established as of the date of acquisition of the business less accumulated impairment losses, if any. Inbank tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired.

For 2023, the recoverable amount of the cash-generating units was determined based on value-in-use calculations which require the use of assumptions. The calculations use discounted cash flow method covering the period of five years. Beyond five-years projections are made using estimated growth rates relevant to the cash-generating unit.

Income tax

Quarterly profits of credit institutions in Estonia are subject to advance corporate income tax at a rate of 14%. The tax is payable by the 10th day of the third month of the following quarter. The profit of a quarter can be reduced by losses of up to 19 previous quarters. Quarterly advance corporate income tax payments can be offset by the corporate income tax liability, charged at a rate of 20% arising from profit distribution. If no dividends are paid, the quarterly advance corporate income tax payments are not refunded. Corporate income tax payable on the quarterly profits is recognised as a current income tax expense. Deferred tax asset (and deferred tax income) on quarterly losses is recognised only if it is probable that future taxable profits will be available during 19 subsequent quarters to utilize those losses. The corporate income tax arising from the payment of dividends is accounted for as an expense in the period when dividends are declared, regardless of the actual payment date or the period for which the dividends are paid. The maximum amount of income tax payable, which would arise from paying out the retained earnings as dividends, is disclosed in Note 10 to the financial statements.

In Latvia, as of 9 October 2023, the government has approved amendments to the corporate income tax law. Latvia intends to determine from 2024 that credit institutions and consumer credit service providers make an annual corporate income tax surcharge of 20%, which is calculated using the financial data of the pre-tax year. In order to prevent double taxation, taking into account also the distribution of the tax year profit and the amount of tax paid for it. Corporate income tax is recognised as an expense in the profit and loss in the reporting period.

In Lithuania, the standard corporate income tax rate is 15%. For profits of credit institutions in excess of 2 million euros for financial years 2020-2023, the income tax rate is 20%. Expenses related to taxation charges and included within these financial statements are based on calculations made by Inbank in accordance with the Lithuanian tax legislation.

In accordance with the local income tax law, the net profit of the Polish branch, which has been adjusted for the permanent and temporary differences as stipulated by law, is subject to income tax. The main temporary differences arise from credit losses, depreciation of fixed assets and tax loss carry-forward. Deferred tax balances are measured at 19% tax rate enacted or substantively enacted at the balance sheet date, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry-forward will be utilized. Deferred tax is recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilized.

Current and deferred taxes in the Czech Republic are recognised as income or an expense and included in the profit and loss for the period. Deferred income taxes are calculated on all temporary differences under the liability method using the income tax rate of 19%.

Share based payments

Inbank receives services from its employees and pays for them by issuing options for acquiring the shares of Inbank. The fair value of the issued options is recognised as a payroll expense and a change in equity (share-based payments reserve) during the period of the option contract. The total amount of expenses is determined by the fair value at the date when the grant is made using an appropriate valuation model.

Write-off policy

The Inbank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery or remaining asset is canceled by ended insolvency, bankruptcy, court or criminal process or the applicable law. The decision to write-off exposures must be approved by the Credit Committee. More details about write-offs are disclosed in Note 3.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Management Board. Inbank divides its activities into segments according to business lines and the geographical location of activities in Estonia, Latvia, Lithuania, Poland and Czechia. More details about segment reporting is disclosed in Note 4.

Non-controlling interest redemption liability

Within acquisition of 53% of Mobire Group OÜ shares in 2021 January, Inbank signed shareholders agreement in which put and call options were included. The put option provides the non-controlling shareholder with the right to force the parent to purchase the shares in accordance with the terms and conditions of the put option. Option Notice has to be issued no later than on 31 May 2026.

Based on analysis made, Inbank considers that the significant risks and rewards of ownership reside with the controlling interest - Inbank. Inbank is not recognising non-controlling interest, rather consolidating Mobire Group OÜ 100%.

Also, financial liability (recognised at the present value of the redemption amount) is recorded to reflect the put option and offset against the non-controlling interest balance.

For more details about non-controlling interest redemption liability please refer to Notes 2 and 20.

Changes in presentation

For better presentation and compliance with IFRS Inbank changed presentation of cash and cash equivalents in consolidated statements of financial position. Cash and cash equivalents are with original maturity of less than three months and insignificant credit risk. Mandatory reserves at central banks, which represent mandatory reserve deposits which are not available to finance day to day operations, so it should be excluded from cash and cash equivalents and presented separately.

Change in presentation is disclosed in the table below. More details about cash and cash equivalents is available in Note 11.

Changes in presentation in consolidated statement of financial position

In thousands of euros	31.12.2022	Change	31.12.2022 restated
Assets			
Due from central banks	126,990	-126,990	-
Due from credit institutions	18,345	-18,345	-
Cash and cash equivalents	-	130,889	130,889
Mandatory reserves at central banks	-	14,446	14,446
Total	**145,335**	**0**	**145,335**

In thousands of euros	31.12.2021	Change	31.12.2021 restated
Assets			
Due from central banks	77,453	-77,453	-
Due from credit institutions	17,870	-17,870	-
Cash and cash equivalents	-	87,419	87,419
Mandatory reserves at central banks	-	7,904	7,904
Total	**95,323**	**0**	**95,323**

Inbank is growing in different directions and rental business is becoming a more significant part of Inbank financial performance and daily life. To present this business line more accurately and separate income from rental services, revenue from sale of assets previously rented to customers, cost of rental services and cost of assets sold previously rented to customers, management decided to revise presentation in a consolidated statement of profit and loss and other comprehensive income and to present separately Rental income, revenues from sale of assets previously rented to customers and costs of assets sold previously rented to customers. Prior year comparatives for the year ended 31 December 2022 have been restated by reclassifying:

- 18 152 thousands euros from other operating income to income from rental services;
- 9 928 thousands euros from other operating income to sale of assets previously rented to customers;
- 13 317 thousands euros from other operating expenses to the cost of rental services;
- 8 363 thousands euros from other operating expenses to the cost of assets sold previously rented to customers.

Related accounting policies are disclosed in Note 1.

For better presentation and compliance with IFRS, Inbank revised classification of loan administration fees and certain fee and commission expenses related to retail loans. After analysis, classification of the administration fees has changed and some part of these fees collected from the clients were reclassified. Prior year comparatives for the year ended 31 December 2022 have been restated by reclassifying:

- 3 173 thousands euros of loan administration and early termination fees and commission income to the interest income based on EIR;

- 361 thousands euros of loan origination fees such as identification and credit checks costs from fee and commission expenses to the interest income based on EIR.

Related accounting policies are disclosed in Note 1.

Prior year comparatives for the year ended 31 December 2022 have been restated and the details are presented in the table below.

Changes in presentation in consolidated statement of profit and loss and other comprehensive income

In thousands of euros	2022	Change	2022 restated
Interest income based on EIR	65,392	2,812	68,204
Interest expense	-20,152	0	-20,152
Net interest income	**45,240**	**2,812**	**48,052**
Fee and commission income	3,560	-3,173	387
Fee and commission expenses	-3,636	361	-3,275
Net fee and commission income/expenses	**-76**	**-2,812**	**-2,888**
Other operating income	28,621	-28,080	541
Other operating expenses	-21,680	21,680	0
Income from rental services	0	18,152	18,152
Sale of assets previously rented to customers	0	9,928	9,928
Cost of rental services	0	-13,317	-13,317
Cost of assets sold previously rented to customers	0	-8,363	-8,363
Net operating income/expenses	**6,941**	**0**	**6,941**

Changes in presentation in consolidated statement of cash flows

In thousands of euros	2022	Change	2022 restated
Interest received	60,479	6,470	66,949
Interest paid	-16,024	0	-16,024
Fees received	3,902	-3,515	387
Fees paid	-3,636	361	-3,275
Income from rental services	0	18,152	18,152
Cost of rental services	0	-5,252	-5,252
Sale of assets previously rented to customers	0	9,928	9,928
cCost of assets sold previously rented to customers	0	0	0
Other operating income received	28,621	-28,080	541
Other operating income paid	-21,680	21,680	0
Personnel expenses	-13,844	-3,669	-17,513
Administrative and marketing expenses	-13,934	702	-13,232
Income tax paid	-2,108	0	-2,108
Cash flows from operating activities before changes in the operating assets and liabilities	**21,776**	**16,777**	**38,553**

(continued on next page)

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In thousands of euros	2022	Change	2022 restated
Changes in operating assets			
Loans and advances	-156,851	-3,321	-160,172
Acquisition of tangible assets for rental business	-27,182	0	-27,182
Mandatory reserves at central banks	-6,542	0	-6,542
Other financial assets	-1,236	0	-1,236
Other assets	-10,507	-6,540	-17,047
Changes of operating liabilities			
Loan from credit institution	0	0	0
Customer deposits	206,795	0	206,795
Other financial liabilities	19,509	-2,853	16,656
Other liabilities	4,309	-4,063	246
Net cash from operating activities	**50,071**	**0**	**50,071**

Note 2 Significant accounting estimates and judgements

In accordance with the IFRS, the preparation of financial statements requires the use and exercising judgment and making estimates in applying accounting policies. Several financial items presented in consolidated financial statements are based on management estimates and judgements. These judgements and estimates have an impact on the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the actual results may differ significantly from these estimates.

The management continually evaluates such estimates and judgements, including those that have an impact on the fair value of financial instruments (more info is presented in Note 25), impairment of financial instruments (Note 9), non-controlling interest redemption liability (Notes 13, 20), goodwill (Note 16) and share-based payments (Note 23). The management relies on experience and other factors reasonable in the given situation when making these decisions and estimates.

Impairment of financial instruments

Accounting policy for financial assets disclosed in Note 25.

Inbank assesses, on a forward-looking basis, the expected credit losses (ECL) for any debt instrument carried at amortized cost. Inbank recognises a loss allowance for such losses at each reporting date. The measurement of ECL considers:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

ECL is measured on either a 12-month (12M) or Lifetime basis according to whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" that is described in the paragraphs below), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. The PD component is segmented by geographical region, product type, overdue days and by months since origination. PD is estimated using a Markov chain framework, where for each PD portfolio, an initial matrix of overdue migrations is constructed from actual last 24 months of rolling quarter overdue data, then Markov matrix multiplications are used to derive the cumulative lifetime probabilities of default.

- EAD is expressed by Inbank's assessment of the amounts Inbank expects to be owed at the time of default. For off-balance-sheet items, the EAD shall include an estimate of what amounts will be taken into account at the time of the default.
- Loss Given Default (LGD) represents Inbank's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage of loss per unit of exposure at the time of the default (EAD).

The ECL is calculated as a product of the main inputs - PD, LGD and EAD, discounted by portfolio original effective interest rate (EIR). Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the ECL calculation are monitored and reviewed on a quarterly basis.

Inbank calculates the impairment of financial assets according to the IFRS 9 standard, based on the expected credit loss (ECL) model. For estimating credit loss Inbank analysis historical data, considers overall economic environment, and makes predictions for the future economic development. From the latter, Inbank has provided estimates for the key inputs which are required to assess the expected credit loss, and which are described below:

- **Definition of default**. Inbank considers the financial asset as defaulted when the instrument is 90 or more days past due (considering the absolute threshold of 5 euros in case of retail receivables and 500 euros for non-retail receivables) or the financial instrument in which borrower is in significant financial difficulty and thus meets the unlikeliness to pay criteria, including the borrower being in bankruptcy, deceased, in court proceedings, classified as fraudulent or distressed restructuring indication is met. The criteria above have been applied to all financial instruments held by Inbank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD) throughout Inbank's expected credit loss calculations. An instrument is no longer considered to be in default when it no longer meets any of the default criteria for at least three consecutive months. When a loan is in default due to a non-performing forbearance measure having been applied, a 12 consecutive months probation period is applied.
- **Significant increase in credit risk** (SICR). Inbank assesses at the end of each reporting date whether the credit risk of a financial instrument has increased significantly since initial recognition. For retail receivables, the significant increase in credit risk is assumed to occur at more than 30 days past due. Additionally, if forbearance measures have been applied to the receivable due to the financial difficulties and the obligation is served properly, it is also considered the increase in credit risk. For the receivables classified as performing forborne the probation period is 24 months. Considering Inbank's usual business practise, the ability to collect information concerning customer financial behavior is limited, which makes it difficult to apply other criteria with reasonable effort. For non-retail receivables, the significant increase in credit risk is also assessed qualitatively, based on the financial statements submitted by counterparties on a regular basis. Inbank has not used the low credit risk exemption for any financial assets in the year.
- **LGD levels**. Loss Given Default (LGD) represents Inbank's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default. The LGDs are determined based on the factors which impact the recoveries made post default. The LGD component is segmented by geographical region, product type and collection strategy. LGD's are influenced by collection strategies, including contracted debt sales and price. During 2023, the previously signed agreements for sale of overdue receivables allowed Inbank to

keep stable recoveries, despite noticeable changes on the debt purchase market, mostly driven by capital cost increase. Part of these agreements also cover 2024, Inbank does not expect a significant impact to LGDs in 2024.

- **The assessment of macroeconomic impact**. To assess macroeconomic impact Inbank has developed a model which incorporates developments in the future economic environment in the expected credit loss calculation. The impact of different economic variables (incl. GDP change, inflation, unemployment rate) on portfolio PD was analyzed using regression analysis across countries in the portfolio, concluding the unemployment rate as the final variable. The macroeconomic projections are based on the latest available macroeconomic analysis by the national central banks of the portfolio countries and the major commercial banks and European banking institutions.
  The macroeconomic projections based on the unemployment rate for different scenarios used are following by the markets:
  - Positive scenario forecast: Estonia 7.0%, Latvia 6.3% , Lithuania 6.5%, Poland 2.7%.
  - Baseline scenario forecast: Estonia 7.2%, Latvia 6.5%, Lithuania 6.8%, Poland 3.4%.
  - Negative scenario forecast: Estonia 7.5%, Latvia 6.6%, Lithuania 6.9%, Poland 4.2%.

  Macroeconomic projections for Czechia are not calculated as it is considered an immaterial market. They are benchmarked to Poland projections as part of the CEE region.
  For an objective estimation of credit loss, Inbank uses three scenarios which include forward looking information for baseline, positive and negative scenarios. Inbank estimates that the baseline scenarios is more probable and relevant, the weight of the probability of the positive and negative scenarios are less significant. Perspectives for the development of economic environment and previous experience in the countries where Inbank operates are considered when assigning weights to the scenarios. As at 31 December 2023 the probability of the baseline scenario was estimated to be 66.6% (2022: 45%), positive scenario probability 16.7% (2022: 10%) and negative scenario probability 16.7% (2022: 45%); the scenario estimates have changed compared to 2022. Inbank updates forecasts of economic indicators and probabilities of scenarios at least once a year. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. Inbank considers these forecasts to represent its best estimate of the possible outcomes. Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative, or political changes, have also been considered, but are not considered to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis. Inbank has carried out a sensitivity analysis on key assumptions, which according to Inbank assessment have the most impact on the expected credit loss. In terms of macroeconomics, the impact of changes in the unemployment rate on the portfolio has been analyzed. The result of the analysis, which are both in unfavorable and favorable direction for Inbank, shows that if:
  - PD rates increase by 10%, the impact on the ECL is an increase by 0.8 million euros (2022: increase by 0.6 million euros).
  - PD rates decrease by 10%, the impact on the ECL is a decrease by 1.1 million euros.
  - LGD rates valid in the debt claim sales market increase by 10%, the impact on the ECL is an increase by 0.8 million euros. In 2022 analysis LGD rates increased by 10 p.p and the impact to ECL was an increase by 2.1 million euros.
  - LGD rates decrease by 10%, the impact on the ECL is a decrease by 1.1 million euros.

    - unemployment rate increases by 1 p.p, the impact on the ECL is an increase by 1.3 million euros. In the 2022 analysis, the unemployment rate increase was considered by 50% and the impact was an increase by 3.7 million euros.
    - unemployment rate decreases by 1 p.p, the impact on the ECL is a decrease by 1.7 million euros.
    - Scenario weights are adjusted by negative impact to 67%/0%/33% (base/ positive/ negative scenario respectively), the impact on the ECL is an increase by 0.1 million euros. In the 2022 analysis, the scenario weights were adjusted by 35%/5%/60% respectively and the impact on ECL was an increase by 0.4 million euros.
    - Scenario weights are adjusted by positive impact to 67%/33%/0% (base/positive/ negative scenario respectively), the impact on the ECL is a decrease by 0.4 million euros.
- **Debt management**. Inbank offers its customers a flexible approach in dealing with debts, the main supporting activity is the possibility to change the payment schedule, which would correspond to the changed solvency of the customer. More attention is continually paid to the development of the practice of inhouse collection and setting up the Czechia, recently launched country, payment reminder and collection process. New reports and views have been created to monitor the quality of the portfolio and movements between overdue groups. Inbank regularly sells past due loans, the internal processing of which is no longer expedient.
- **Grouping of instruments for loss measured on a collective basis**. For expected credit loss provisions modeled on a collective basis, a grouping of exposures is performed based on the shared risk characteristics, such that risk exposures within a group are homogeneous. For the grouping, there must be sufficient information available for Inbank to be statistically credible. Where sufficient information is not available internally, Inbank has considered benchmarking internal/ external supplementary data to use for modeling purposes. The characteristics and any supplementary data used to determine groupings are product type, contract type, market, number of overdue days of the contract, contract age as months in book. The appropriateness of groupings is monitored and reviewed on a periodic basis.

The components of expected credit loss calculations (PD, LGD and EAD) for retail exposures are derived from the internal historical data. Due to retail exposures being homogeneous, allowances resulting from expected credit loss are calculated based on historical payment behavior of those homogeneous loans and based on forward looking information. Allowances for non-retail exposures are calculated based on forward-looking information individually, depending on the probability of default and financial strength of the counterparty as well as the value of the collateral.

Inbank’s collaterals portfolio is immaterial because the majority of Inbank’s loan portfolio is represented by unsecured retail exposures (hire-purchase, loans, credit cards, claims), issued based on an analysis of the customer’s solvency. However, Inbank has issued a small volume of loans also to corporates, where the risk is hedged by various collaterals. As at 31 December 2023, the volume of secured loans was 2.7 million euros, which makes 0.3% (31 December 2022: 0.4%) of the total portfolio.

Non-controlling interest redemption liability

In addition to the purchase and sale agreement of Mobire Group OÜ signed January 2021, Inbank signed an option agreement to acquire 100% of the shares of Mobire Group OÜ, therefore the non-controlling interest is recognized as a buyout obligation. The redemption liability is recognised initially at the present value of the redemption price. In subsequent periods unwinding of discount is recognised under other operating expenses.

The discount rate is determined by considering interest rate, country and equity premiums. In addition to that, the management includes volatility assumptions, possible war risk and discount for lack of marketability in the final discount rate calculation. Repurchase obligation is mainly linked to the equity of Mobire Group OÜ at the end of the 2025 financial year.

Discounted repurchase obligation was estimated in the amount of 7,054 thousand euros as at 31 December 2023 (31 December 2022: 8,480 thousand euros), which has been adjusted by future profit assumptions with a post-tax discount rate of 19.9% (2022: 20.8%).

Undiscounted repurchase obligation was estimated in the amount of 7,562 thousand euros (31 December 2022: 9,588 thousand euros).

Redemption liability sensitivity is analyzed in two ways, as shown in the table below.

Redemption liability sensitivity analysis

	31.12.2023		31.12.2022	
In thousands of euros	-1%	+1%	-1%	+1%
Effect on change in discount rate	20	-19	40	-40
Effect on change in Euribor	627	-627	511	-511

Repurchase obligation is mainly linked to the equity of Mobire Group OÜ at the end of the 2025 financial year. Management derived its best estimate of the future profits from expected sales volumes and fees determined in the merchant contract, net of directly attributable costs. In addition to that, the management uses different scenarios considering different economic conditions within the next two years. Key factors in future forecasts are different revenue streams, sales volumes and gross margin forecasts based on recent market data and conditions.

The Euribor change also affects Mobire Group OÜ's funding cost. Euribor estimate for the next two years, depending on the scenario, falls in the range of 4.0% to 4.2%.

The discount rate for the defined repurchase obligation is revised quarterly and other assumptions are revised each year or when a significant change has occurred. When using the main assumptions, the management used previous years’ experience and its best estimate in respect of probable expectations. Expectations are more conservative due to the changes in the market situation and uncertainty.

For more details refer to Notes 13 and 20.

Note 3 Risk management

General information

Risk is defined as the possibility of a negative deviation from the expected financial results. Through its business activities, Inbank is associated with a wide range of different risks, predominantly credit risk, market risk, liquidity risk, and operational risk. Other risks include business risk, including strategic risk and reputational risk, and capital risk.

Acceptable risks, their levels and nature, as well as their consistency with both the Inbank's business model and strategic goals are defined as part of the risk appetite statement established by the Supervisory Board of AS Inbank. Risk management principles, requirements and areas of responsibility are described in the respective internal regulations. In accordance with the established capital management principles, Inbank must have a sufficient amount of eligible own funds to cover the risks in order to execute Inbank's strategic plan.

The purpose of Inbank's risk management framework is to identify risks and to measure and manage them appropriately. In the broader sense, the objective of risk management is to optimize Inbank's risk/ return trade-off and to increase the value of the company through minimisation of losses and reducing of the volatility of results. The first principle of Inbank's risk management framework is based on a solid risk culture and built on the principles of the three lines of defense. The first line of defense includes the business lines responsible for taking risks and managing them on a daily basis. The second line of defense is the risk control unit, responsible for establishing risk management methodologies and risk reporting. The third line of defense is the internal audit, performing independent oversight for the entire organization, including the risk control unit. The second principle of Inbank's risk management framework is based on managing risks in a centralized and cohesive structure on the basis of the Enterprise risk management (ERM) foundation, which accounts for the possibility of correlation between different business lines and risks.

The compliance of all defined risk tolerance limits is reported at least quarterly to the Supervisory Board of AS Inbank by the risk control unit. Any limit breaches are escalated immediately.

A more detailed overview of the risks is available on Inbank's homepage www.inbank.eu.

Credit risk

Credit risk reflects the potential loss, which arises from the counterparty's inability or unwillingness to meet its contractual obligations towards Inbank. Credit risk arises primarily from the loans and receivables issued to households, and to some extent, also to corporates, credit institutions, and central banks.

Inbank issues loans in five countries: Estonia, Latvia, Lithuania, Poland and Czechia. It is important for Inbank to monitor credit risk by country, as credit risk is strongly related to what is happening in the economic environment, including legislation, which may differ in the markets of the portfolio countries. The allocation of Inbank's receivables portfolio by assets and countries is outlined in the following table.

Allocation of assets exposed to credit risk by country

In thousands of euros

31.12.2023	**Estonia**	**Latvia**	**Lithuania**	**Poland**	**Czechia**	**Total**
Carrying amount of receivables from central banks	129,453	0	0	53,820	0	183,273
Carrying amount of receivables from credit institutions	2,200	442	2,643	4,943	440	10,668
Carrying amount of receivables from investments in debt securities	15,188	0	18,393	0	0	33,581
Carrying amount of receivables from households	220,332	90,155	195,581	414,386	10,700	931,154
Carrying amount of receivables from non-financial corporates	1,531	0	148	0	0	1,679
Carrying amount of receivables from other financial corporates	6,729	0	0	0	0	6,729
Carrying amount of other advances	195	424	1,700	175	0	2,494
Carrying amount of other financial assets	3,106	419	1,639	84	20	5,268
Total receivables	**378,734**	**91,440**	**220,104**	**473,408**	**11,160**	**1,174,846**
Nominal value of off-balance sheet credit risk related commitments	4,649	0	0	0	0	4,649

In thousands of euros

31.12.2022	**Estonia**	**Latvia**	**Lithuania**	**Poland**	**Czechia**	**Total**
Carrying amount of receivables from central banks	114,708	0	0	9,825	0	124,533
Carrying amount of receivables from credit institutions	10,282	1,393	2,471	6,510	146	20,802
Carrying amount of receivables from investments in debt securities	8,415	0	0	0	0	8,415
Carrying amount of receivables from households	200,441	69,770	166,939	308,961	280	746,391
Carrying amount of receivables from non-financial corporates	1,222	0	106	0	0	1,328
Carrying amount of receivables from other financial corporates	5,406	0	0	0	0	5,406
Carrying amount of other advances	183	432	1,154	205	1	1,975
Carrying amount of other financial assets	1,776	287	1,057	254	13	3,387
Total receivables	**342,433**	**71,882**	**171,727**	**325,755**	**440**	**912,237**
Nominal value of off-balance sheet credit risk related commitments	4,986	0	0	0	0	4,986

Credit risk management of Inbank in all its countries of operation is primarily governed by the various legal acts and guidelines established in accordance with the EU Consumer Credit Directive, as well as the corresponding internal provisions of Inbank, the core principle of which is responsible lending.

Inbank considers loan portfolio risk, concentration risk, country risk, and counterparty risk as part of credit risk. Inbank's credit risk management focuses on the avoidance of excessive risk and risk mitigation, using the following measures:
- below average contract maturity of issued loans;
- significantly below average amounts of issued loans;
- well diversified portfolio and limited risk exposures;
- optimal risk/return ratio for issued loans;
- taking of controlled risks and continuous risk profile monitoring;
- regularly carried out stress tests and scenario analyses.

Classification of receivables

Inbank's receivables are classified according to the credit decision and issuing process into retail receivables i.e., receivables from households and non-retail receivables i.e., receivables from corporates.

In Inbank, an exposure is classified as a retail exposure, i.e. the exposure to households, if the credit is issued to private individuals. In most cases, retail exposures are unsecured. Credit decisions are made, and loans are issued by using automated IT solutions, standardized processes and standard contractual terms. Individually, the retail exposures are immaterial but as a whole, constitute a large part of the portfolio and possess inherently similar characteristics. It significantly reduces the risks associated with granting such loans.

Exposures that do not comply with the requirements for retail exposures are considered as non-retail exposures, which are issued to the corporates and the credit decisions of which are, therefore, made individually by the Credit Committee and the risks of which are predominately hedged by various collaterals.

More details disclosed in Note 9.

Receivables from households

The core business of Inbank involves offering consumer finance solutions to households. By focusing on this, a high diversification of the loan portfolio and a low average loan amount have been achieved. In assessing private customers' credit solvency, credit behavior modeling is used that, in addition to customer's previous payment behavior, income and obligations, takes into account also other parameters associated with the customer's payment discipline. Inbank's credit behavior models are constantly changing in time and are updated according to the changes in the composition of the information used to make credit decisions and according to the changes in the economic environment.

More details disclosed in Note 9.

Allocation of receivables from households by probability of default

In thousands of euros			
31.12.2023			
Distribution of gross receivables	**Stage 1**	**Stage 2**	**Stage 3**
PD <0.5%	232,947	0	0
PD <3.0%	588,091	715	0
PD <10.0%	79,660	2,351	0
PD >10.0%	13,708	14,199	0
Default	0	0	21,417
Total gross receivables	**914,406**	**17,265**	**21,417**
Distribution of off-balance sheet commitments			
PD <0.5%	0	0	0
PD <3.0%	0	0	0
PD <10.0%	4,601	0	0
PD >10.0%	27	13	0
Default	0	0	8
Total off-balance sheet commitments	**4,628**	**13**	**8**
Total gross receivables and off-balance sheet commitments	**919,034**	**17,278**	**21,425**

In thousands of euros			
31.12.2022			
Distribution of gross receivables	**Stage 1**	**Stage 2**	**Stage 3**
PD <0.5%	197,848	0	0
PD <3.0%	410,541	2,047	0
PD <10.0%	112,572	2,184	0
PD >10.0%	14,419	13,115	0
Default	0	0	9,834
Total gross receivables	**735,380**	**17,346**	**9,834**
Distribution of off-balance sheet commitments			
PD <0.5%	0	0	0
PD <3.0%	4,065	0	0
PD <10.0%	43	0	0
PD >10.0%	0	12	0
Default	0	0	16
Total off-balance sheet commitments	**4,108**	**12**	**16**
Total gross receivables and off-balance sheet commitments	**739,488**	**17,358**	**9,850**

Off-balance sheet commitments presented in the table above are unused credit card limits.

Allocation of receivables from households in arrears by days is outlined in the following table.

Receivables from households by days in arrears

In thousands of euros						
31.12.2023	**Gross receivables**	**Impairment allowance**			**Net receivables**	**Impairment coverage**
Distribution of receivables		**Stage 1**	**Stage 2**	**Stage 3**		
0-3 days	898,068	-5,195	-72	-1,252	891,549	0.73%
4-30 days	25,255	-1,544	-64	-355	23,292	7.77%
31-89 days	14,751	0	-2,526	-780	11,445	22.41%
90-179 days	4,042	0	0	-2,199	1,843	54.40%
180+ days	10,972	0	0	-7,946	3,026	72.42%
Total receivables	**953,088**	**-6,739**	**-2,662**	**-12,532**	**931,155**	**2.30%**

In thousands of euros						
31.12.2022	**Gross receivables**	**Impairment allowance**			**Net receivables**	**Impairment coverage**
Distribution of receivables		**Stage 1**	**Stage 2**	**Stage 3**		
0-3 days	720,227	-4,953	-72	-419	714,783	0.80%
4-30 days	21,050	-1,601	-100	-154	19,195	8.80%
31-89 days	12,587	0	-2,407	-301	9,879	21.50%
90-179 days	2,626	0	0	-1,555	1,071	59.20%
180+ days	6,070	0	0	-4,607	1,463	75.90%
Total receivables	**762,560**	**-6,554**	**-2,579**	**-7,036**	**746,391**	**2.10%**

Inbank focuses on a region-based growth strategy. Inbank's receivables from households increased by 25% compared to 31 December 2022. The main growth came from the CEE region portfolio, while Poland continues with a stable growth trend, an additional impact came from the launch of several products on the new market Czechia, where the portfolio increased yearly by 10 million euros.

While the credit portfolio remains on good quality, there has been a slight increase in the impairment coverage (+0.2 p.p) in 2023 as the portfolio structure has changed and share of the defaulted portfolio has increased. The main reasons for the increase in the defaulted portfolio are the different debt sales strategy in Poland, where the defaulted receivables remain in the statement of financial position for a longer period before the sale to the debt purchaser, therefore also increasing the share of 90+ days overdue receivables of the portfolio. At the end of 2023 the amount of Poland defaulted agreements covered with these debt sales agreements was 6.3 million euros (2022: 3.7 million euros). Additionally, changes have been made during the year to the default definition (non-performing forborne criterias were adjusted, which impacted as a yearly increase in non-performing forborne gross portfolio by 4.9 million euros), which has increased the share of the non-performing forborne receivables in the portfolio.

Receivables from non-financial corporates and financial corporates

Inbank has also issued loans to corporates. Concerning loans to corporates, credit decisions are in each case made individually by the Credit Committee based on customer's solvency assessment. Additionally, risks related to the loans to corporates are mitigated by various collaterals.

Allocation of receivables from non-financial corporates and financial corporates by probability of default

In thousands of euros

31.12.2023

Distribution of gross receivables	**Stage 1**	**Stage 2**	**Stage 3**
PD <0.5%	2,494	0	0
PD <3.0%	8,355	0	0
PD <10.0%	73	0	0
PD >10.0%	0	7	0
Default	0	0	1
Total gross receivables	**10,922**	**7**	**1**
Distribution of off-balance sheet commitments			
PD <0.5%	0	0	0
PD <3.0%	0	0	0
PD <10.0%	0	0	0
PD >10.0%	0	0	0
Default	0	0	0
Total off-balance sheet commitments	**0**	**0**	**0**
Total gross receivables and off-balance sheet commitments	**10,922**	**7**	**1**

In thousands of euros

31.12.2022

Distribution of gross receivables	**Stage 1**	**Stage 2**	**Stage 3**
PD <0.5%	1,983	0	0
PD <3.0%	6,664	1	0
PD <10.0%	83	0	0
PD >10.0%	0	0	0
Default	0	0	0
Total gross receivables	**8,730**	**1**	**0**
Distribution of off-balance sheet commitments			
PD <0.5%	0	0	0
PD <3.0%	850	0	0
PD <10.0%	0	0	0
PD >10.0%	0	0	0
Default	0	0	0
Total off-balance sheet commitments	**850**	**0**	**0**
Total gross receivables and off-balance sheet commitments	**9,580**	**1**	**0**

Off-balance sheet commitments presented in the table above are unused credit limits.

Allocation of receivables from corporates in arrears by days is outlined in the following table.

Receivables from non-financial and financial corporates by days in arrears

In thousands of euros						
31.12.2023	**Gross receivables**	**Impairment allowance**			**Net receivables**	**Impairment coverage**
Distribution of receivables		**Stage 1**	**Stage 2**	**Stage 3**		
0-3 days	10,689	-26	0	0	10,663	0.24%
4-30 days	232	-1	-1	0	230	0.86%
31-89 days	7	0	0	0	7	0.00%
90-179 days	1	0	0	-1	0	100.00%
180+ days	1	0	0	0	1	0.00%
Total receivables	**10,930**	**-27**	**-1**	**-1**	**10,901**	**0.27%**

In thousands of euros						
31.12.2022	**Gross receivables**	**Impairment allowance**			**Net receivables**	**Impairment coverage**
Distribution of receivables		**Stage 1**	**Stage 2**	**Stage 3**		
0-3 days	8,730	-22	0	0	8,708	0.30%
4-30 days	0	0	0	0	0	0.00%
31-89 days	1	0	0	0	1	0.00%
90-179 days	0	0	0	0	0	0.00%
180+ days	0	0	0	0	0	0.00%
Total receivables	**8,731**	**-22**	**0**	**0**	**8,709**	**0.30%**

The quality of Inbank's non-retail receivables portfolio has been at a good level during the reporting period, the portfolio (including off-balance sheet commitments) has increased by 1.3 million euros compared to 2022. As this is not the company's core business, no significant portfolio growth has been expected.

Division of portfolio between stages and changes in the loss allowance

The division of portfolio between stages and the changes in the loss allowance are outlined in the following tables.

Movement of household portfolio between stages

In thousands of euros	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Gross carrying amount, 31.12.2021	**585,120**	**15,958**	**6,265**	**607,343**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	-15,373	15,373	0	0
to credit-impaired (from Stages 1 and 2 to Stage 3)	-6,813	-1,072	7,885	0
to 12-months ECL (from Stages 2 and 3 to Stage 1)	3,782	-3,585	-197	0
From Stage 3 to Stage 2	0	141	-141	0
New originated or purchased	432,198	0	0	432,198
Repayments and derecognised during the period	-257 888	-6 463	-1 417	-265 768
Total movements with impact on credit loss allowance charge for the period	**155,906**	**4,394**	**6,130**	**166,430**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	-5,646	-3,006	-2,561	-11,213
Gross carrying amount, 31.12.2022	**735,380**	**17,346**	**9,834**	**762,560**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	-17,366	17,366	0	0
to credit-impaired (from Stages 1 and 2 to Stage 3)	-14,301	-2,328	16,629	0
to 12-months ECL (from Stages 2 and 3 to Stage 1)	4,300	-4,267	-33	0
From Stage 3 to Stage 2	0	94	-94	0
New originated or purchased	505,370	0	0	505,370
Repayments and derecognised during the period	-288,805	-6,437	-974	-296,216
Total movements with impact on credit loss allowance charge for the period	**189,198**	**4,428**	**15,528**	**209,154**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	-10,172	-4,509	-3,945	-18,626
Gross carrying amount, 31.12.2023	**914,406**	**17,265**	**21,417**	**953,088**

Changes in loss allowance of household portfolio

In thousands of euros	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Impairment allowance, 31.12.2021	**4,960**	**1,641**	**4,717**	**11,318**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	-133	879	0	746
to credit-impaired (from Stages 1 and 2 to Stage 3)	-108	-277	2,746	2,361
to 12-months ECL (from Stages 2 and 3 to Stage 1)	62	-336	-90	-364
From Stage 3 to Stage 2	0	17	-63	-46
New originated or purchased	11,512	0	0	11,512
Derecognised during the period	-4,140	-185	-125	-4,450
Changes to ECL measurement model assumption	-2,707	2,043	2,077	1,413
Total movements with impact on credit loss allowance charge for the period	**4,486**	**2,141**	**4,545**	**11,172**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	-2,892	-1,203	-2,226	-6,321
Impairment allowance, 31.12.2022	**6,554**	**2,579**	**7,036**	**16,169**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	-229	1,159	0	930
to credit-impaired (from Stages 1 and 2 to Stage 3)	-230	-583	5,457	4,644
to 12-months ECL (from Stages 2 and 3 to Stage 1)	48	-479	-20	-451
From Stage 3 to Stage 2	0	7	-58	-51
New originated or purchased	12,585	0	0	12,585
Derecognised during the period	-4,219	-23	-433	-4,675
Changes to ECL measurement model assumption	-4,283	1,555	2,942	214
Total movements with impact on credit loss allowance charge for the period	**3,672**	**1,636**	**7,888**	**13,196**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	-3,487	-1,553	-2,392	-7,432
Impairment allowance, 31.12.2023	**6,739**	**2,662**	**12,532**	**21,933**

Movement of corporates portfolio between stages

In thousands of euros	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Gross carrying amount, 31.12.2021	**8,848**	**0**	**0**	**8,848**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	-1	1	0	0
to credit-impaired (from Stages 1 and 2 to Stage 3)	0	0	1	1
to 12-months ECL (from Stages 2 and 3 to Stage 1)	0	0	0	0
From Stage 3 to Stage 2	0	0	0	0
New originated or purchased	564	0	0	564
Repayments and derecognised during the period	-681	0	0	-681
Total movements with impact on credit loss allowance charge for the period	**-118**	**1**	**1**	**-116**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	0	0	-1	-1
Gross carrying amount, 31.12.2022	**8,730**	**1**	**0**	**8,731**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	-9	9	0	0
to credit-impaired (from Stages 1 and 2 to Stage 3)	-1	0	1	0
to 12-months ECL (from Stages 2 and 3 to Stage 1)	0	0	0	0
From Stage 3 to Stage 2	0	0	0	0
New originated or purchased	6,155	0	0	6,155
Repayments and derecognised during the period	-3,953	-3	0	**-3,956**
Total movements with impact on credit loss allowance charge for the period	**2,192**	**6**	**1**	**2,199**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	0	0	0	0
Gross carrying amount, 31.12.2023	**10,922**	**7**	**1**	**10,930**

Changes in loss allowance of corporates portfolio

In thousands of euros	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Impairment allowance, 31.12.2021	**25**	**0**	**0**	**25**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	0	0	0	0
to credit-impaired (from Stages 1 and 2 to Stage 3)	0	0	1	1
to 12-months ECL (from Stages 2 and 3 to Stage 1)	0	0	0	0
From Stage 3 to Stage 2	0	0	0	0
New originated or purchased	3	0	0	3
Derecognised during the period	0	0	0	0
Changes to ECL measurement model assumption	-6	0	0	-6
Total movements with impact on credit loss allowance charge for the period	**-3**	**0**	**1**	**-2**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	0	0	-1	-1
Impairment allowance, 31.12.2022	**22**	**0**	**0**	**22**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	-1	1	0	0
to credit-impaired (from Stages 1 and 2 to Stage 3)	0	0	1	1
to 12-months ECL (from Stages 2 and 3 to Stage 1)	0	0	0	0
From Stage 3 to Stage 2	0	0	0	0
New originated or purchased	15	0	0	15
Derecognised during the period	-16	0	0	**-16**
Changes to ECL measurement model assumption	7	0	0	**7**
Total movements with impact on credit loss allowance charge for the period	**5**	**1**	**1**	**7**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	0	0	0	0
Impairment allowance, 31.12.2023	**27**	**1**	**1**	**29**

Investments in debt securities

Limits on the credit risk of the debt securities are set according to the issuer in the Credit Committee. As at 31 December 2023, Inbank has invested in debt securities in the amount of 33.6 million euros (31 December 2022: 8.4 million euros), and Inbank's debt portfolio measured at amortized cost is allocated accordingly:

Investments in debt securities

In thousands of euros		31.12.2023			31.12.2022		
Counterparty type	**Credit rating**	**Gross carrying value**	**ECL**	**Carrying amount**	**Gross carrying value**	**ECL**	**Carrying amount**
Central government	A1-A2	32,132	13	32,119	0	0	0
Corporate	Not rated	1,476	14	1,462	8,425	10	8,415
Total		**33,608**	**27**	**33,581**	**8,425**	**10**	**8,415**

As of 31 December 2023, the bond portfolio includes debt securities of central governments and corporates with maturity dates between 28 March 2024 to 10 March 2027 and coupon rates from 0% to 13.5% and yields from 3.46% to 9%.

Credit ratings from external credit assessment institutions, which are published, monitored, and updated on a regular basis, and/or possible payment delays are considered for assessing the financial situation of the issuer of the debt securities in the bond portfolio. For investments in debt securities expected credit losses have been calculated. In total an impairment allowance of 28 thousand euros (2022: 10 thousand euros) has been recognised in the statement of financial position.

More details disclosed in Note 12.

Due from central banks and credit institutions

The management estimates that exposure to cash and cash equivalents, held at central banks and other credit institutions, inherently carries a low credit risk. This is achieved through the risk management policies of Inbank, which favor credit institutions with higher level of equity and strong credit rating for the placement of its liquid assets. Based on available market information, Inbank considers the credit quality of those financial institutions to be good.

Exposures to central banks and credit institutions according to external credit assessment institutions short-term counterparty risk rating classes (risk rating of the counterparty or, failing that, the risk rating of the counterparty's parent) are outlined in the following table. Exposures to euro area central banks are considered as low risk exposures and assigned to P-1 rating class.

Receivables from central banks and credit institutions by risk ratings

In thousands of euros	31.12.2023	31.12.2022
P-1	192,688	142,015
P-2	927	1,054
Not rated	326	2,266
Total receivables from central banks and credit institutions	**193,941**	**145,335**

In assessing the expected credit loss on the receivables from central banks and credit institutions, Inbank takes into account the credit ratings of the countries and credit institutions provided by external credit assessment Institutions and also possible payment delays are considered. As at 31 December 2023 and 31 December 2022, the receivables from central banks and credit institutions were not overdue. Considering the latter, the expected credit loss of the receivables from central banks and credit institutions is immaterial and therefore, no allowance has been recognised in the statement of financial position.

Concentration risk

Concentration risk, as an integral part of credit risk, arises from large exposures to an individual counterparty, to groups of connected counterparties or groups of unrelated counterparties, whose risk is affected by a common risk factor. Under concentration risk, Inbank considers the assets of one counterparty, related counterparties as well as those associated with one industry, geographical territory, or risk factor.

In its everyday business activities, Inbank avoids taking a concentration risk, focusing mainly on small and medium loans to avoid large exposure. Inbank does not rule out issuing large loans in the existence of sufficient collateral or compliance with other required conditions. As at 31 December 2023 and 31 December 2022, Inbank had no counterparties with the total exposure of greater than 10% of its own funds.

Market risk

Market risk is defined as the possibility of the value of Inbank's assets and liabilities or the value of their expected future cash flows to change adversely as a result of changes in market conditions.

The emergence of market risk is associated with Inbank's core business, but taking this risk is not an end in itself. The nature of Inbank's business activities implies that it has no commodity risk and equity risk exposures. Thus, the only types of market risk that Inbank is exposed to as a result of its current business activities, are the interest rate risk and currency risk. The management of these risks is described in the sections below.

Interest rate risk

Interest rate risk is a current or potential risk that unfavorable changes in the interest rates of Inbank's assets and liabilities may negatively affect its profit and equity.

Inbank is exposed to interest rate risk if the timings of revaluation of its main assets and liabilities as well as the maturity dates are different, if the interest rates of assets and liabilities can be adjusted at different time intervals or if the structure of assets and liabilities differs in currencies.

Inbank strives to secure low interest rate risk through limiting and matching the structure and maturities of interest-sensitive assets and liabilities. Interest income from issued loans significantly exceeds the interest expense paid for deposits, which allows to offset the potential adverse effect of interest rate risk to Inbank.

Inbank monitors and manages the interest rate risk pursuant to internal limits set by the Supervisory Board of AS Inbank. Interest rate risk for Economic Value of Equity and Net Interest Income are estimated monthly based on the scenarios set in the EBA's standardized approach to IRRBB. Estimated exposure is presented to the Asset-Liabilities Committee on a monthly basis, Management and Supervisory boards on a quarterly and ad hoc basis. To comply with the limits, Inbank can adjust the rates on its loans or enter into hedging instruments such as interest rate swaps. Inbank calculates and monitors its interest rate risk on a continuous basis. At the end of 2023, Inbank purchased Interest Rate Swaps with a nominal amount of 50 million euros. Purchased instruments have a maturity date of five years where Inbank pays fixed interest payments and receives floating interest payments, linked to six month Euribor.

The table below presents consolidated cashflow amounts of Inbank's interest bearing assets and liabilities, categorized by the maturity in fixed interest rates cashflows or the next repricing date of floating interest rate cashflows.

Interest rate risk exposures

In thousands of euros

31.12.2023	**Up to 1 month**	**1 to 6 months**	**6 to 12 months**	**>1 years**	**Total**
Total financial assets	364,792	242,207	130,526	464,667	1,202,192
Total financial liabilities	209,485	484,641	189,321	291,968	1,175,415
Net interest sensitivity gap	**155,307**	**-242,434**	**-58,795**	**172,699**	**26,777**

In thousands of euros

31.12.2022	**Up to 1 month**	**1 to 6 months**	**6 to 12 months**	**>1 years**	**Total**
Total financial assets	294,502	195,601	100,380	330,553	921,036
Total financial liabilities	106,322	339,908	151,226	256,057	853,513
Net interest sensitivity gap	**188,180**	**-144,307**	**-50,846**	**74,496**	**67,523**

As at 31 December 2023, a 1 percentage point increase in market interest rates would decrease Inbank's equity, that is, economic value, by -3,574 thousand euros (31 December 2022: decrease by -2,133 thousand euros) and decrease the annual profit by -570 thousand euros (31 December 2022: increase by +0,1 thousand euros). At the same time, a 1 percentage point decrease in market interest rates would increase Inbank's equity (economic value) by +813 thousand euros (31 December 2022: increase by +1,993 thousand euros) and decrease the annual profit by -106 thousand euros (31 December 2022: decrease by -703 thousand euros).

Currency risk

Currency risk is a risk arising from the different currency structures of Inbank's assets and liabilities. Changes in foreign exchange rates will change the value of assets and liabilities, as well as the value of income and expenses, calculated in the functional currency.

Currency risk arises from Inbank's operations in Poland and Czechia. Inbank generally holds the minimum foreign currency positions necessary for rendering services to customers. Inbank holds no assets or liabilities in currencies other than the euro, the Polish zloty, and the Czech koruna as at 31 December 2023. Inbank avoids excessive currency risk and mitigates it to a reasonable extent by maintaining the necessary balance between loans and deposits. When maintaining statement of financial position items is not enough to mitigate the currency risk below the risk appetite limit, derivative instruments, such as Foreign Exchange Forwards are used to protect Inbank against unwanted market movements. At the end of 2023, Inbank had an outstanding off-balance derivatives commitment of 17,063 thousand euros FX Forward transactions, marked to a market net value of 67 thousand euros (31 December 2022: 7,280 thousand euros FX Forward transactions, marked to a market net value of 37 thousand euros). Inbank uses foreign currency net open position monitoring, sensitivity analysis and stress testing to assess the impact of unfavorable changes in exchange rates, as well as measure and evaluate currency risk. The test scenario contains a simultaneous 10% adverse change of all currency positions in which Inbank holds a net open foreign currency position (euro positions are not considered as foreign currency positions). Exposure to net open FX position is presented to the Asset-Liabilities Committee on monthly basis, Management and Supervisory boards on quarterly and ad hoc basis. The limit to net open FX position is set in the Risk Appetite statement by the Supervisory Board of AS Inbank.

Inbank's open currency positions and the results of the sensitivity analysis are presented in the table below.

Open currency exposures

In thousands of euros				
31.12.2023	**EUR**	**PLN**	**CZK**	**Total**
Assets bearing currency risk	830,703	478,103	11,778	1,320,584
Liabilities bearing currency risk	712,545	483,502	447	1,196,494
Open position of derivative assets	11,420	5,644	0	17,064
Open position of derivative liabilities	5,644	0	11,420	17,064
Open currency position	**123,934**	**245**	**-89**	**124,090**
Impact on a 10% adverse change of FX rate		**25**	**-9**	**16**

In thousands of euros				
31.12.2022	**EUR**	**PLN**	**CZK**	**Total**
Assets bearing currency risk	689,851	329,754	890	1,020,495
Liabilities bearing currency risk	595,797	322,461	312	918,570
Open position of derivative assets	7,256	0	0	7,256
Open position of derivative liabilities	0	7,256	0	7,256
Open currency position	**101,310**	**37**	**578**	**101,925**
Impact on a 10% adverse change of FX rate		**4**	**58**	**62**

Liquidity risk

Liquidity risk is defined as a risk that Inbank's solvency is not sufficient to meet the contractual obligations within the time limit set without incurring significant costs, i.e. Inbank's companies cannot finance their activities sustainably and in a timely manner or they cannot liquidate their positions for fulfillment of their contractual obligations.

Inbank considers within liquidity reserves the balances with central banks and credit institutions, and debt securities of high quality and liquidity, which as at 31 December 2023 accounted for a total of 17% of the statement of financial position size (31 December 2022: 14%). High quality liquid assets of Inbank at 31 December 2023 included Government bonds of Estonia and Lithuania. Inbank's main funding source is retail deposits, which are attracted from the home markets of the parent company and branches, and through a deposit gathering platform from Germany, Austria, and the Netherlands to diversify risks. To a lesser extent, bank financing and subordinated bonds are used for funding.

The key measure used to manage Inbank's liquidity position is the approach based on the analysis of the maturity mismatch of assets and liabilities. In addition, liquidity risk is mitigated by maintaining liquidity reserves to be able to manage imbalances in the duration. Within the liquidity risk management framework, the main liquidity ratios as well as the proportions of assets and liabilities maturity dates are also regularly fixed. Inbank conducts stress tests on a regular basis and has established an effective contingency plan for addressing liquidity shortfalls in crisis situations. Liquidity risk management methodologies are based on liquidity risk policy and other internal regulations. Inbank has established internal limits for all key liquidity indicators.

The distribution of Inbank assets and liabilities by contractual maturities on the basis of undiscounted cash flows is outlined in the following table. Non-derivative assets and liabilities are presented by their remaining contractual maturity. Impaired loans are included at their carrying amounts net of impairment provisions, and based on the expected timing of cash inflows. Derivatives are presented based on their contractual maturities. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period.

Allocation of undiscounted cash flows from assets and liabilities by contractual maturity

In thousands of euros

31.12.2023	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	Total	Carrying amount
Assets							
Due from central banks and credit institutions	193,941	0	0	0	0	**193,941**	193,941
Investments in debt securities	417	2,043	12,290	20,460	0	**35,210**	33,581
Financial assets measured at fair value through profit or loss	79	0	0	0	0	**79**	79
Loans and advances	40,654	75,653	284,967	660,218	182,174	**1,243,666**	942,056
Other financial assets	4,672	110	0	214	272	**5,268**	5,268
Total assets	**239,763**	**77,806**	**297,257**	**680,892**	**182,446**	**1,478,164**	**1,174,925**
Liabilities							
Customer deposits	203,191	261,890	432,132	213,221	0	**1,110,434**	1,081,566
Financial liabilities measured at fair value through profit or loss	12	0	0	38	0	**50**	50
Subordinated debt securities	0	4,171	10,771	48,407	0	**63,349**	49,745
Other financial liabilities	23,953	217	772	9,827	0	**34,769**	34,769
Lease liability	833	1,537	4,718	19,327	0	**26,415**	26,158
Total liabilities	**227,989**	**267,815**	**448,393**	**290,820**	**0**	**1,235,017**	**1,192,288**
Off-balance sheet commitments	4,649	0	0	0	0	**4,649**	0
Maturity gap of assets and liabilities	**7,125**	**-190,009**	**-151,136**	**390,072**	**182,446**	**238,498**	**-17,363**

In thousands of euros

31.12.2022	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	Total	Carrying amount
Assets							
Due from central banks and credit institutions	145,335	0	0	0	0	**145,335**	145,335
Investments in debt securities	128	255	1,136	5,625	824	**7,969**	8,415
Financial assets measured at fair value through profit or loss	37	0	0	0	0	**37**	37
Loans and advances	33,132	63,653	233,571	534,570	136,358	**1,001,284**	755,100
Other financial assets	2,697	237	179	58	216	**3,387**	3,387
Total assets	**181,292**	**64,145**	**234,886**	**540,253**	**137,398**	**1,157,975**	**912,237**
Liabilities							
Customer deposits	95,836	228,717	275,126	246,581	0	**846,260**	828,894
Financial liabilities measured at fair value through profit or loss	0	0	0	0	0	**0**	0
Subordinated debt securities	0	478	4,583	31,468	0	**36,529**	30,570
Other financial liabilities	20,382	9,122	991	1,651	691	**32,837**	32,837
Lease liability	745	1,726	5,946	16,929	0	**25,346**	22,403
Total liabilities	**116,963**	**240,043**	**286,646**	**296,629**	**691**	**940,972**	**914,704**
Off-balance sheet commitments	4,986	0	0	0	0	**4,986**	0
Maturity gap of assets and liabilities	**59,343**	**-175,898**	**-51,760**	**243,624**	**136,707**	**212,017**	**-2,467**

More details about other financial assets and other assets disclosed in Note 17.

Operational risk

Operational risk is a risk of incurring a loss from the inadequacy of internal processes, people or systems not operating in the manner expected or from external events. Operational risk includes legal and compliance risk, personnel risk, and information technology risk.

Operational risk management includes the identification of key business processes and the key risks in each process, the implementation of adequate controls and their follow-up checks. Its purpose is to create and implement a stronger control framework in the area of operational risks. Inbank has an Operational Risk Board, which coordinates operational risk management with the aim of managing operational risks better and more efficiently. It develops and implements the internal processes and regulations necessary for the implementation of the policy, as well as the operational risk management processes and systems. Inbank has implemented processes to manage incidents and approve new products as well as established a business continuity plan for crisis situations. In addition, Inbank conducts annual operational risk training for all Inbank employees to raise awareness and mitigate and manage operational risks.

Capital

Inbank's own funds provide the capacity to absorb unexpected losses that cannot be avoided or mitigated and ensure that at all times a sufficient buffer of financial resources exists to meet obligations to stakeholders. In this way, Inbank's capital functions as a last resort protection against risk.

The following tables outline Inbank's constitution of own funds and the minimum requirements for bank-specific capital buffers as at 31 December 2023.

Own funds

In thousands of euros	**31.12.2023**	**31.12.2022**
Equity as reported in consolidated statement of financial position	124,090	101,924
Regulatory adjustments	-16,988	-13,203
Intangible assets	*-19,561*	*-17,445*
Adjustments due to IFRS 9 transitional arrangements	*2,573*	*4,242*
Common Equity Tier 1 capital	**107,102**	**88,721**
Additional Tier 1 capital	18,750	7,650
Tier 1 capital	**125,852**	**96,371**
Tier 2 capital	31,000	23,000
Own funds	**156,852**	**119,371**

In accordance with EU regulation, audited profit for the reporting period may be included in retained earnings upon prior approval by the competent authorities. The above calculations include the net profit earned but not yet approved by the competent authorities in the last three months of 2023 in the amount of 2,776 thousand euros (31 December 2022: earned but not yet approved in the last two months of 2022 in the amount of 1,225 thousand euros). Should the aforementioned profit be excluded from Inbank's own funds, it would decrease the own funds to 154,076 thousand euros (31 December 2022: to 118,146 thousand euros).

Capital buffers

	31.12.2023	31.12.2022
Institution-specific buffer requirement (as a percentage of total risk exposure amount)	3.19%	2.85%
of which: capital conservation buffer requirement	*2.50%*	*2.50%*
of which: countercyclical buffer requirement	*0.69%*	*0.35%*
of which: systemic risk buffer	*0.00%*	*0.00%*

The Supervisory Board of AS Inbank is responsible for the overall planning of the capital structure. Relevant capital planning contributes to Inbank being well-equipped to meet a situation that requires additional capital, and to provide an adequate buffer to support growth in existing markets as well as to enter new markets. Inbank's capital planning takes into consideration the following factors:

- the minimum capital required by laws and regulations, including buffers;
- the level of capital that is needed to cope with contingencies and stress situations;
- the shareholders' required rate of return and effective capital management;
- the level of capital required for counterparts to consider Inbank a reliable partner and to ensure a more efficient access to the funding market.

Inbank's financial and risk control units constantly monitor capital adequacy to ensure that the regulatory capital, leverage requirements and the capital threshold established by the Supervisory Board of AS Inbank are complied with. In addition, Inbank's financial recovery plan provides Inbank's management with wide range of actions to implement in case of capital stress.

During the financial year and the comparative period, Inbank has complied with all capital requirements.

Other information required under the Pillar III framework is available on Inbank's homepage www.inbank.eu.

Note 4 Operating segments

Operating segments are components that engage in business activities that may earn income or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM). The CODM allocates resources and assesses the performance for the entity. The functions of the CODM are performed by the Management Board of Inbank.

Inbank divides it’s operating segments according to business lines and the geographical location of activities in Estonia, Latvia, Lithuania, Poland and Czechia.

The following business lines are separated: banking business, rental, investments. The banking business segment includes Inbank and its subsidiaries Inbank Finance and Latvia. Lithuania, Poland and Czechia present separate units acting in those countries. The rental segment presents the Mobire business line in Inbank and Inbank Rent business, which has consolidated this business in Estonian, Latvian and Lithuanian markets. Investments business segment include all remaining entities not mentioned before. Key activity for those companies is holding companies and hardware rental.

Deposits collected through partner platforms in Germany, Austria and Netherlands are presented under the Estonian business segment.

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.

The banking business offers credit products with the largest product group being hire purchase. Inbank Ventures, which is part of the investment segment, offers hardware rental to Inbank companies, Mobire offers car rent services, Inbank Rent offers IT equipment rent 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 OÜ. 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.

COMD is responsible for the allocation of funds and the assessment of the profitability of business activities. Total income and net profit/loss are the measures primarily used by chief operating decision maker. The development of segment total income and net profit/loss is presented below, in which significant segments are presented separately.

Income of reported segments and net profit structure

In thousands of euros	Banking business					Rent	Invest-ments	Elimina-tions	Total
2023	**Estonia**	**Latvia**	**Lithuania**	**Poland**	**Czechia**				
Interest income based on EIR	47,567	9,386	19,504	41,048	460	4	159	-19,405	98,723
incl. income from external customers	*29,110*	*9,386*	*19,504*	*40,259*	*460*	*4*	*0*	*0*	*98,723*
incl. income from internal customers	*18,457*	*0*	*0*	*789*	*0*	*0*	*159*	*-19,405*	*0*
Fee and commission income	473	0	0	0	0	0	0	0	473
incl. loan administration fees	*311*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*311*
incl. other fees	*162*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*162*
Rental services	0	0	0	0	0	23,905	0	0	23,905
Sale of assets previously rented to customers	0	0	0	0	0	14,155	0	0	14,155
Other operating income	12,909	77	155	77	0	604	997	-14,050	769
incl. income from external customers	*432*	*48*	*136*	*93*	*0*	*604*	*9*	*-553*	*769*
incl. income from internal customers	*12,477*	*29*	*19*	*-16*	*0*	*0*	*988*	*-13,497*	*0*
Total income	**60,949**	**9,463**	**19,659**	**41,125**	**460**	**38,668**	**1,156**	**-33,455**	**138,025**
Net gains from financial assets measured at fair value	40	0	0	-54	0	0	0	0	-14
Foreign exchange rate gains/losses	-294	0	0	423	-2	0	1	0	128
Interest expense	-23,091	-2,335	-5,116	-29,247	-418	-4,528	0	19,404	-45,331
Fee and commission expenses	-1,954	-252	-947	-972	-74	0	0	0	-4,199
incl. loan initiation fees	*-313*	*-154*	*-266*	*-660*	*-70*	*0*	*0*	*0*	*-1,463*
incl. loan administration fees	*-1,219*	*-80*	*-573*	*-309*	*0*	*0*	*0*	*0*	*-2,181*
incl. other fees	*-422*	*-18*	*-108*	*-3*	*-4*	*0*	*0*	*0*	*-555*
Cost of rental services	0	0	0	0	0	-15,896	0	0	-15,896
Cost of assets sold previously rented to customers	0	0	0	-1	0	-12,597	0	42	-12,556
Total expenses	**-25,299**	**-2,587**	**-6,063**	**-29,851**	**-494**	**-33,021**	**1**	**19,446**	**-77,868**
Operating expenses	-23,263	-4,033	-8,368	-8,725	-1,782	-3,316	-1,492	14,045	-36,934
incl. depreciations, amortization	*-4,578*	*-178*	*-752*	*-173*	*-64*	*-20*	*-309*	*67*	*-6,007*
Share of profit from associates	501	0	0	0	0	0	1	-252	250
Impairment losses on loans and advances	-4,228	-1,406	-2,347	-4,979	-243	0	0	0	-13,203
Profit before income tax	**8,660**	**1,437**	**2,881**	**-2,430**	**-2,059**	**2,331**	**-334**	**-216**	**10,270**
Income tax	0	-260	-468	332	328	0	0	0	-68
Net profit/loss	**8,660**	**1,177**	**2,413**	**-2,098**	**-1,731**	**2,331**	**-334**	**-216**	**10,202**
Capital expenditures	4,349	0	353	0	0	109	0	0	4,811
Deferred tax asset	0	0	0	4,061	444	0	0	0	4,505
Deferred tax liabilities	0	0	-204	0	0	0	0	0	-204
Total assets	**1,084,803**	**91,846**	**204,009**	**479,099**	**11,856**	**106,898**	**17,954**	**-675,881**	**1,320,584**
Total liabilities	**995,689**	**84,374**	**181,374**	**486,162**	**14,388**	**91,617**	**7,083**	**-664,193**	**1,196,494**
Total equity	**89,114**	**7,472**	**22,635**	**-7,063**	**-2,532**	**15,281**	**10,871**	**-11,688**	**124,090**
Full time employees	206	32	61	71	15	45	-	-	430

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In thousands of euros	Banking business					Rent	Invest-ments	Elimina-tions	Total
2022	**Estonia**	**Latvia**	**Lithuania**	**Poland**	**Czechia**				
Interest income based on EIR	30,717	6,800	15,600	23,956	3	4	0	-8,876	68,204
incl. income from external customers	*21,841*	*6,800*	*15,600*	*23,956*	*3*	*4*	*0*	*0*	*68,204*
incl. income from internal customers	*8,876*	*0*	*0*	*0*	*0*	*0*	*0*	*-8,876*	*0*
Fee and commission income	387	0	0	0	0	0	0	0	387
incl. loan administration fees	*184*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*184*
incl. other fees	*203*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*203*
Rental services	0	0	0	0	0	18,152	0	0	18,152
Sale of assets previously rented to customers	0	0	0	0	0	9,928	0	0	9,928
Other operating income	9,236	71	112	152	0	503	817	-10,350	541
incl. income from external customers	*357*	*50*	*79*	*69*	*0*	*434*	*8*	*-456*	*541*
incl. income from internal customers	*8,879*	*21*	*33*	*83*	*0*	*69*	*809*	*-9,894*	*0*
Total income	**40,340**	**6,871**	**15,712**	**24,108**	**3**	**28,587**	**817**	**-19,226**	**97,212**
Net gains from financial assets measured at fair value	-15	0	0	47	0	0	0	0	32
Foreign exchange rate gains/losses	359	0	0	-1,136	-3	0	0	0	-780
Interest expense	-12,258	-1,039	-3,005	-11,280	-21	-1,404	-10	8,865	-20,152
Fee and commission expenses	-1,506	-210	-825	-731	-3	0	0	0	-3,275
incl. loan initiation fees	*-260*	*-130*	*-220*	*-524*	*-2*	*0*	*0*	*0*	*-1,136*
incl. loan administration fees	*-922*	*-58*	*-548*	*-200*	*-1*	*0*	*0*	*0*	*-1,729*
incl. other fees	*-324*	*-22*	*-57*	*-7*	*0*	*0*	*0*	*0*	*-410*
Cost of rental services	0	0	0	0	0	-13,317	0	0	-13,317
Cost of assets sold previously rented to customers	0	0	0	-3	0	-7,169	-1	-1,190	-8,363
Total expenses	**-13,420**	**-1,249**	**-3,830**	**-13,103**	**-27**	**-21,890**	**-11**	**7,675**	**-45,855**
Operating expenses	-16,661	-3,259	-7,864	-7,138	-915	-3,464	-2,571	11,553	-30,319
incl. depreciations, amortization	*-3,092*	*-180*	*-792*	*-146*	*-47*	*-18*	*-252*	*55*	*-4,472*
Share of profit from associates	-3	0	0	0	0	0	12,381	-959	11,419
Impairment losses on loans and advances	-3,961	-1,217	-2,351	-3,640	-1	0	0	0	-11,170
Profit before income tax	**6,295**	**1,146**	**1,667**	**227**	**-940**	**3,233**	**10,616**	**-957**	**21,287**
Income tax	-2	0	-125	-194	125	0	0	0	-196
Net profit/loss	**6,293**	**1,146**	**1,542**	**33**	**-815**	**3,233**	**10,616**	**-957**	**21,091**

(continued on next page)

(continued from previous page)

In thousands of euros	**Banking business**					**Rent**	**Invest-ments**	**Elimina-tions**	**Total**
2022	**Estonia**	**Latvia**	**Lithuania**	**Poland**	**Czechia**				
Capital expenditures	-3,503	0	-482	0	0	0	0	1	-3,984
Deferred tax asset	0	0	0	-3,037	-129	0	0	1	-3,165
Deferred tax liabilities	0	0	113	0	0	0	0	75	188
Total assets	**913,985**	**71,830**	**174,357**	**329,822**	**890**	**75,774**	**25,930**	**-572,093**	**1,020,495**
Total liabilities	**815,707**	**65,535**	**154,135**	**334,302**	**1,761**	**63,416**	**8,513**	**-524,798**	**918,571**
Total equity	**98,278**	**6,295**	**20,222**	**-4,480**	**-871**	**12,358**	**17,417**	**-47,295**	**101,924**
Full time employees	146	33	64	60	11	38	-	-	352

More details are disclosed about interest income based on EIR and interest expense in Note 5, about fee and commission income and expense in Note 6, about other operating income and expenses in Note 7, about operating expenses in Note 8, about impairment losses on loans and advances in Note 9, about income tax in Note 10 and about share of profit from associates in Note 13.

Note 5 Net interest income

Net interest income

In thousands of euros	2023	2022
Interest income based on EIR		
Loans to households	92,334	67,032
Loans to corporates	775	117
Central banks, financial and credit institutions	5,614	1,055
Total interest income	**98,723**	**68,204**
Interest expense		
Deposits received	-41,335	-17,441
Debt securities sold	-2,757	-2,112
Lease liability	-1,239	-599
Total interest expense	**-45,331**	**-20,152**
Net interest income	**53,392**	**48,052**

More details about interest income and expense based on business disclosed in Note 4.

Note 6 Net fee and commission income

Net fee and commission income

In thousands of euros	2023	2022
Fee and commission income		
Households	471	387
of which: recognised over time	*278*	*165*
of which: recognised point in time	*193*	*222*
Corporates	2	0
of which: recognised over time	*2*	*0*
Total fee and commission income	**473**	**387**
Fee and commission expenses		
Loan initiation fees	-1,463	-1,136
Loan administration expenses	-2,181	-1,729
Other fee expenses	-555	-410
Total fee and commission expenses	**-4,199**	**-3,275**

More details about fee and commission income and expense based on business segments disclosed in Note 4.

Note 7 Other operating income and cost of rental services

Other operating income

In thousands of euros	2023	2022
Fines and penalties	718	525
Other income	51	16
Total other operating income	**769**	**541**

Cost of rental services

In thousands of euros	2023	2022
Depreciations, asset for rent	-11,124	-8,065
Other costs, rent	-4,772	-5,252
Total cost of rental services	**-15,896**	**-13,317**

More details about other operating income based on business segments disclosed in Note 4.

Note 8 Operating expenses

Operating expenses

In thousands of euros	2023	2022
Personnel expenses		
Personnel expense	12,900	10,971
Social and other taxes	3,728	2,851
Total personnel expenses	**16,628**	**13,822**
Marketing expenses		
Advertising and marketing	2,603	2,625
Sales costs	663	725
Total marketing expenses	**3,266**	**3,350**
Administrative expenses		
IT expenses	2,757	2,244
Office maintenance and workplace expenses	1,753	1,269
Legal and recovery proceeding expenses	953	1,140
Employee related expenses	775	760
Contributions to guarantee fund	2,157	472
Supervision expenses	419	136
Training and business trip expenses	642	539
Outsourced services	268	354
Transportation expenses	321	262
Tax expenses	210	189
Fines	2	118
Other	776	1,192
Total administrative expenses	**11,033**	**8,675**

Inbank does not have pension arrangements separate from the compulsory state pension system of any country it operates.

Pursuant to Estonia legal regulations, an employer is obliged to pay contributions to social security (33%) of which health insurance (13%) and pension insurance (20%), unemployment insurance (0.8%).

Pursuant to Polish law, the employer is obliged to pay contributions to social security (29.97%) out of which health insurance (9%), accident insurance (0.67%), unemployment insurance and guaranteed employee benefits fund (2.55%) as a percentage of the assessment base.

Pursuant to Lithuanian law, the employer is obliged to pay contributions to social security which consists unemployment social security contribution (1.31%), contributions to the long term benefit fund (0.16%), Social insurance for accidents at work and occupational diseases (0.14%) as a percentage of the assessment base.

Pursuant to Latvian law, the employer is obliged to pay contributions to social security (34.09%) of which pensions (23.91%), sickness and maternity insurance (3.47%), disability insurance (2.29%), unemployment insurance (1.6%), parental insurance (1.16%) as a percentage of the assessment base.

Pursuant to Czechia law, the employer is obliged to pay contributions to health insurance (9%) and social security (25%), of which sickness insurance (2.3%), pension insurance (21.5%) and to state employment policy (1.2%).

These expenses are recognised in the statement of comprehensive income in the period in which the employee was entitled to a salary.

More details about operating expenses based on business segments disclosed in Note 4.

Average number of employees

Average number of employees	**31.12.2023**	**31.12.2022**
Estonia	213	154
Lithuania	65	56
Latvia	37	34
Poland	66	61
Czechia	13	12
Total	**394**	**317**

Services provided by the auditor

In thousands of euros	**2023**	**2022**
Audit of the Inbank financial statements for the year ended	288	263
Other services provided to Inbank	67	91
Total	**355**	**354**

Personnel expenses include the bonus reserve of 861 thousand euros (2022: 1,504 thousand euros) which makes 5% of total personnel expenses (2022: 11%).

In the 2023 financial year, Inbank capitalized 4,810 thousand euros (2022: 4,073 thousand euros) of personnel expenses as intangible assets.

Note 9 Loans and advances

Distribution of receivables by customer sector

In thousands of euros	31.12.2023	31.12.2022
Distribution of receivables by customer sector		
Households	953,088	762,560
Corporates	10,930	8,731
Loans and advances before impairment allowance	**964,018**	**771,291**
Impairment allowance	-21,962	-16,191
Total loans and advances	**942,056**	**755,100**

More details about loans and advances disclosed in Notes 3 and 25.

Changes in impairments

In thousands of euros	31.12.2023	31.12.2022
Impairment allowance balance at the beginning of the period	-16,191	-11,343
Impairment provisions set up during the reporting period	-25,310	-19,215
Written off and sold out from financial position during the period	19,539	14,367
Total impairment	**-21,962**	**-16,191**

Impairment losses on loans and advances

In thousands of euros	2023	2022
Impairment losses during the reporting period	-25,310	-19,215
Recoveries from loans written off and sold out from financial position	12,107	8,045
Total impairment losses on loans and advances	**-13,203**	**-11,170**

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, if these events have appeared before the sale transaction was completed). The difference between the sale price and the carrying amount of debt is recognised in the profit and loss and other comprehensive income under line impairment losses on loans and advances. The total amount of debt is written off in the statement of financial position.

More details about impairment losses on loans and advances based on business segments disclosed in Note 4.

Note 10 Income tax

Income tax

In thousands of euros	2023	2022
Income tax recognized in profit and loss and other comprehensive income	-988	-998
Deferred tax assets	920	802
Total	**-68**	**-196**

Income tax expense for the year

In thousands of euros	2023	2022
Profit before taxes	10,270	21,287
Theoretical tax charge at statutory rate (14%)	-1,438	-2,980
Non-taxable income	1,155	1,011
Non-deductible expenses	-846	-898
Effects of different tax rates in other countries	1,176	2,791
Other adjustments	-115	-120
Income tax expense for the year	**-68**	**-196**

Deferred taxes analyzed by type of temporary difference are outlined in the following table.

Deferred taxes

In thousands of euros	2023	2022
Deferred tax assets		
Credit loss allowance of loans and advances	1,636	1,105
Loans and advances	3,184	2,888
Tax loss carry forward	460	129
Other	256	213
Deferred tax asset	**5,536**	**4,335**
Deferred tax liabilities		
Deferred expenses	1,213	1,277
Other	22	79
Deferred tax liabilities	**1,235**	**1,356**
Net deferred tax position	**4,301**	**2,979**

The tax asset resulting from Poland can be used to reduce future tax liability.

The distribution of retained earnings as dividends to the owners is subject to income tax at the maximum rate of 20/80 on the amount paid out as net dividends. As of 31 December 2023, Inbank's retained earnings amounted to 77,795 thousand euros, from which 6,566 thousand euros would be possible to distribute as dividends, taking into account the capital requirements (31 December

2022: 67,522 thousand euros, from which 4,548 thousand euros would be possible to distribute as dividends). The corresponding income tax would amount to 1,642 thousand euros (31 December 2022: 1,137 thousand euros).

More details about income tax based on business segments disclosed in Note 4.

Note 11 Cash and cash equivalents

Cash and cash equivalents

In thousands of euros	31.12.2023	31.12.2022
Due from central banks	162,253	112,544
Due from credit institutions	10,668	18,345
Total cash and cash equivalents	**172,921**	**130,889**

All balances in table above are with original maturity of less than three months and insignificant credit risk but excludes mandatory reserves at central banks, which represent mandatory reserve deposits which are not available to finance day to day operations.

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

Due to the short duration of the cash and cash equivalents (less than three months), the fair value approximates the carrying value.

During the year ended 31 December 2023, the cash held at central banks earned interest in the amount of 5,610 thousand euros (2022: 648 thousand euros).

More details about amounts due from central banks and credit institutions disclosed in Note 3.

Note 12 Investments in debt securities

Investments in debt securities

In thousands of euros	**31.12.2023**	**31.12.2022**
Investments in debt securities	33,411	8,378
incl. investments in central government debt securities	*32,018*	*0*
incl. investments in corporate debt securities	*1,393*	*8,378*
Interest accruals	170	37
Total investments in debt securities	**33,581**	**8,415**

As of 31 December 2023, the bond portfolio includes debt securities of central governments and corporates with maturity dates between 28 March 2024 to 10 March 2027 and coupon rates from 0% to 13.5% and yields from 3.46% to 9%.

As of 31 December 2022, Inbank's debt securities portfolio consists of securities with different maturities between 1 December 2023 and 1 August 2029, with an coupon rate from 3% p.a. + 12 months Euribor to 11.5% and yield from 3% p.a. + 12 months Euribor to 14.5%.

More details about investments in debt securities disclosed in Notes 3 and 25.

Note 13 Business combinations and investments in associates and subsidiaries

Inbank AS is registered and operating in Estonia with branches in Czechia, Lithuania and Poland.

The companies listed below belong to the consolidation group of AS Inbank as at 31 December 2023:

				31.12.2023		31.12.2022	
Company name	**Year of purchase/ founded**	**Location**	**Activity**	**Holding (%)**	**Cost (thou. EUR)**	**Holding (%)**	**Cost (thou. EUR)**
SIA Inbank Latvia	2014	Latvia	Financing	100	519	100	519
Inbank Ventures OÜ (formerly Maksekeskus Holding OÜ)	2016	Estonia	Holding activity and hardware rental	100	454	100	454
Inbank Payments OÜ	2019	Estonia	Holding company	100	3	100	3
AS Inbank Finance	2021	Estonia	Financing	100	3,100	100	3,100
IBF Polska sp. z.o.o	2022	Poland	Financing	100	44	100	44
AS Inbank Rent	2023	Estonia	Rent	100	500		
Inbank Rent SIA	2023	Latvia	Rent	100	3		
Mobire Group OÜ	2021	Estonia	Rent	66	9,660	53	9,660
Mobire Eesti AS	2021	Estonia	Rent	66		66	
Mobire Latvija SIA	2021	Latvia	Rent	66		66	
Mobire Lietuva UAB	2021	Lithuania	Rent	66		66	

More details are disclosed in Note 4.

Equity of major subsidiaries

In thousands of euros	**31.12.2023**	**31.12.2022**
SIA Inbank Latvia	7,471	6,295
Mobire Group OÜ	14,792	12,358
AS Inbank Finance	22,244	43,486
Inbank Ventures OÜ (formerly Maksekeskus Holding OÜ)	10,869	17,415
AS Inbank Rent	489	-
Inbank Rent SIA	3	-

On 20 June 2022, the Czechia National Bank granted a banking license to operate in the Czech Republic as a bank. License is issued for an indefinite period. By the end of 2023, the branch in Czechia already had a loan portfolio exceeding 10 million euros (31 December 2022: 280 thousand euros).

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 it's subsidiary in Estonia under the name of AS Inbank Rent. Key activity of the subsidiary is the rental business. On 8 November 2023 AS Inbank Rent established it's subsidiary in Latvia under the name of Inbank Rent SIA to scale rental business outside Estonia.

20 June 2023 Inbank acquired additional 12.67% of Mobire Group OÜ shares. Total Inbank share into Mobire Group OÜ after acquisition was 66%. Acquisition of shares was made out of non-controlling interest redemption liability disclosed in Note 20.

Investments in associates

In thousands of euros	2023	2022
Opening balance	**1,065**	**774**
Share of loss for the year	-136	45
Equity contribution, associates	0	246
Acquisition of associate	76	0
Sale of associate	-864	0
Closing balance	**141**	**1,065**

Financial information of associates

In thousands of euros	Paywerk AS		AS Aktiva Portfolio	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Current assets	249	629	-	3,110
Non-current assets	1,325	958	-	6,488
Current liabilities	131	92	-	2,160
Non-current liabilities	0	0	-	5,236
Revenue	15	1	-	1,601
Profit or loss from continuing operations	-830	-1,180	-	-100
Other comprehensive income	-	-	-	-
Total comprehensive income	-830	-1,180	-	-100
Retained earnings	-2169	-1,355	-	-449
Total Equity	**1,443**	**1495**	**-**	**2,202**
Holding (%)	27.1	34	-	29
Carrying amount	141	317	-	748

The only reconciling difference between the above amounts and the carrying amount of the investments in associates is due to profit allocation agreements signed between investors.

Inbank has not received dividends from associates.

Maksekeskus AS is one of the largest payment services providers in Estonia, also operating in Latvia and Lithuania. As of 31 December 2021, the investment was classified as an asset held for sale and was reported as "Associates held for sale". On 1 July 2022, Inbank successfully completed the 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 into 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.

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

Note 14 Tangible assets

Tangible assets

In thousands of euros	Cars	*of which: cars used for rent*	Other tangible assets	*of which: other tangible assets used for rent*	Total
Cost, 01.01.2022	20,415	*20,206*	2,219	*0*	22,634
Accumulated amortization	-2,145	*-2,067*	-1,342	*0*	-3,487
Opening carrying value	**18,270**	***18,139***	**877**	***0***	**19,147**
Additions	27,182	*27,182*	535	*0*	27,717
Write-offs	0	*0*	-150	*0*	-150
Write-offs (accumulated amortization)	0	*0*	140	*0*	140
Amortization charge	-4,503	*-4,468*	-369	*0*	-4,872
Transfers	6,551	*6,550*	0	*0*	6,551
Closing carrying value	**47,500**	***47,403***	**1,033**	***0***	**48,533**
Cost, 31.12.2022	53,233	*53,025*	2,335	*0*	55,568
Accumulated amortization	-5,733	*-5,622*	-1,302	*0*	-7,035
Carrying value	**47,500**	***47,403***	**1,033**	***0***	**48,533**
Cost, 01.01.2023	53,233	*53,025*	2,335	*0*	55,568
Accumulated amortization	-5,733	*-5,622*	-1,302	*0*	-7,035
Opening carrying value	**47,500**	***47,403***	**1,033**	***0***	**48,533**
Additions	35,749	*35,749*	1,683	*674*	37,432
Write-offs	0	*0*	-228	*0*	-228
Write-offs (accumulated amortization)	0	*0*	224	*0*	224
Amortization charge	-7,712	*-7,684*	-877	*-28*	-8,589
Transfers	-2,179	*-2,357*	13	*0*	-2,166
Closing carrying value	**73,358**	***73,111***	**1,848**	***646***	**75,206**
Cost, 31.12.2023	84,885	*84,530*	3,581	*674*	88,466
Accumulated amortization	-11,527	*-11,419*	-1,733	*-28*	-13,260
Carrying value	**73,358**	***73,111***	**1,848**	***646***	**75,206**

Depreciation of Mobire's property, plant and equipment is included in other operating expenses from the perspective of the consolidation group.

Transfers contain assets used for rental business transfer between tangible asset and short term asset, after the rental contract is ended and the asset is no longer serving an active contract.

Note 15 Right of use assets and lease liability

Inbank rents different office spaces. Leases have been entered into for a fixed period of 1 to 5 years. Comparatives for additions of the cars include leases which are entered in with the acquisition of a Mobire Group OÜ in 2021.

Distribution of right to use assets

In thousands of euros	**Buildings**	**Vehicles**	**Total**	***of which: assets used for rent***
Carrying amount, 01.01.2022	**1,942**	**23,289**	**25,231**	***23,289***
Additions	1,003	8,118	9,121	*8,118*
Amortization charge	-614	-3,446	-4,060	*-3,446*
Termination and modification of lease agreements	-429	-6,616	-7,045	*-6,616*
Carrying amount, 31.12.2022	**1,902**	**21,345**	**23,247**	***21,345***
Carrying amount, 01.01.2023	**1,902**	**21,345**	**23,247**	***21,345***
Additions	876	12,235	13,111	*12,235*
Amortization charge	-643	-3,051	-3,694	*-3,051*
Termination and modification of lease agreements	-73	-5,875	-5,948	*-5,875*
Carrying amount, 31.12.2023	**2,062**	**24,654**	**26,716**	***24,654***

Interest expense from lease liability of the financial year was 1,239 thousand euros (2022: 599 thousand euros) and lease payments paid 9.4 million euros (2022: 11 million euros). Rental expenses related to short-term leases are recognised under operating expenses and were 119 thousand euros in 2023 (2022: 128 thousand euros).

Undiscounted lease payments expected after reporting date

In thousands of euros	**31.12.2023**	**31.12.2022**
Year 1	7,087	7,470
Year 2	4,893	5,465
Year 3	4,947	4,020
Year 4	4,826	2,667
Year 5	4,660	2,362
Total undiscounted lease payments receivable	**26,413**	**21,984**

More details disclosed in Notes 20 and 25.

Note 16 Intangible assets

Intangible assets

In thousands of euros	Licenses	Software	Goodwill	Total
Cost, 01.01.2023	163	25,071	8,923	34,157
Accumulated amortization	-133	-7,775	0	-7,908
Carrying value	**30**	**17,296**	**8,923**	**26,249**
Additions	63	9,493	0	9,556
of which: internally generated assets	*0*	*4,811*	*0*	*4,811*
Write-offs	0	-47	0	-47
Amortization charge	-22	-4,830	0	-4,852
Closing carrying value	**71**	**21,912**	**8,923**	**30,906**
Cost, 31.12.2023	126	34,145	8,923	43,194
Accumulated amortization	-55	-12,233	0	-12,288
Carrying value	**71**	**21,912**	**8,923**	**30,906**

In thousands of euros	Licenses	Software	Goodwill	Total
Cost, 01.01.2022	163	18,299	8,923	27,385
Accumulated amortization	-125	-4,837	0	-4,962
Carrying value	**38**	**13,462**	**8,923**	**22,423**
Additions	0	7,319	0	7,319
of which: internally generated assets	*0*	*3,985*	*0*	*3,985*
Write-offs	0	-33	0	-33
Amortization charge	-8	-3,452	0	-3,460
Closing carrying value	**30**	**21,281**	**8,923**	**30,234**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Inbank are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

Management has carried out tests of a recoverable amount of goodwill as of 31 December 2023 and 31 December 2022. The cash-generating units of goodwill are segments, which are entities of Inbank. The breakdown of goodwill between segments is as follows:

The breakdown of goodwill between segments

In thousands of euros	**31.12.2023**	**31.12.2022**
Business segment		
Mobire Group OÜ (Estonia)	2,766	2,766
AS Inbank filialas (Lithuania)	5,919	5,919
Other (Estonia)	238	238
Total	**8,923**	**8,923**

For 31 December 2023, the management tested goodwill by comparing the value in use of business with its carrying amount. Value in use was calculated using a discounted cash flow model (DCF model).

The calculations use the projections based on financial budgets approved by the management covering a three year period. Any forecast earnings beyond the planning period are derived on the basis of the last year of the planning period and a long-term growth rate or business growth and expansion plans. The most important assumptions in the three-year plan are the executive management's estimate of net profit, including credit impairments, growth in each economy, interest rate environment and the trend in risk weighted assets. The present value of such perpetual earnings growing at a sustainable rate (referred to as terminal value) takes into consideration macroeconomic parameters and economically sustainable cash flows. Inbank uses 2% as the sustainable growth rate in the reporting year modeling (2022: 3%).

The value in use is determined by discounting the cash flows at a rate that takes into account present market rates and the specific risks of the business. The discount rate comprises a risk-free interest rate together with a market risk premium that itself is multiplied by a factor that represents the systematic market risk (beta factor). In addition to that, Estonian goodwill test considers country-risk and war-risk premiums, a non-marketability component and volatility when calculating the discount rate, and also takes into account the actual funding cost. The values used to establish the discount rates are determined using external and internal sources of information. For Lithuania goodwill testing, an after-tax discount rate of 7.65% was used (2022: 10.9%). For Estonia goodwill testing, an after-tax discount rate of 7.8% was used (2022: 8.8%).

Given a reasonable change in any of the above assumptions there would be no impairment indication for any business segment. An increase in the discount rate by 1 percentage point would decrease the recoverable amount of the Lithuanian business segment by 6.4 million euros (2022: 7.5 million euros). An increase in the discount rate by 1 percentage point would decrease the recoverable amount of the Estonian business segment by 20 million euros (2022: 30 million euros). Inbank is also confident there is room for a reasonable change in the net profit assumption for these units without causing an impairment loss.

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

Note 17 Other financial assets and other assets

Other financial assets and other assets

In thousands of euros	31.12.2023	31.12.2022
Other financial assets		
Prepaid guarantee amounts	516	358
Accrued receivables	3,714	3,029
Other financial assets	1,038	0
Total other financial assets	**5,268**	**3,387**
Other assets		
Prepaid expenses	4,327	3,303
Inventory	2,494	1,535
Prepaid taxes	679	576
Other assets	685	547
Total other assets	**8,185**	**5,961**

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

Inventory disclosed as other assets is related with rental business and assets not rented out through active rent agreements. Asset which is rented through active rent agreements is disclosed in Note 14.

Other financial assets contain 1,038 thousand euros (31 December 2022: 0 euro) receivables from commercial banks which are pledged and are therefore not available for general use by Inbank. The restricted cash relates to the pledge required under derivatives trading agreements.

More details about other financial assets and other assets disclosed in Notes 3 and 25.

Note 18 Customer deposits

Customer deposits

In thousands of euros	31.12.2023	31.12.2022
Customer deposits		
Deposits from households	1,069,810	814,057
Deposits from non-financial corporates	11,566	14,547
Deposits from financial corporates	190	290
Total customer deposits	**1,081,566**	**828,894**

Deposits by clients' residency

In thousands of euros	31.12.2023	31.12.2022
Deposits by clients' residency		
Estonia	52,392	62,988
Germany	245,993	353,109
Poland	474,466	312,356
Austria	18,444	16,358
Netherlands	276,562	81,218
Lithuania	13,607	2,721
Other residence	102	144
Total deposits by clients' residency	**1,081,566**	**828,894**

Deposits also include an accrued interest liability in the amount of 19,540 thousand euros (31 December 2022: 11,945 thousand euros).

More details about customer deposits disclosed in Note 25.

Note 19 Subordinated debt securities

Subordinated debt securities

In thousands of euros	31.12.2023	31.12.2022
Subordinated debt securities issued	49,750	30,650
Interest accruals and other costs	-5	-80
Total subordinated debt securities	**49,745**	**30,570**

Subordinated debt securities detailed information

Subordinated debt securities	Nominal price	Amount	Interest rate	Issue date	Maturity date
EE3300111590	10,000 EUR	315	12.0%	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	1,110	12.0%	06.06.2023	perpetual
EE3300003714	1,000 EUR	8,000	9.0%	13.12.2023	13.12.2033

Inbank's subordinated bonds include Additional Tier 1 bonds included in Tier 1 capital. AT1 capital instrument is a perpetual subordinated financial instrument, which bears interest on its Outstanding Nominal Value from and including their Issue Date to, but excluding, the date of any final redemption at the interest rate per annum specified in table above. The coupon payments may be deferred or canceled 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 amortized 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 20 Other financial liabilities and other liabilities

Other financial liabilities and other liabilities

In thousands of euros	31.12.2023	31.12.2022
Financial liabilities		
Accounts payable	25,452	29,933
Lease liability	26,159	13,923
Non-controlling interest redemption liability	7,054	8,480
Client prepayments	2,262	2,904
Total financial liabilities	**60,927**	**55,240**
Other liabilities		
Payables to employees	1,924	2,360
Payroll taxes	1,095	864
Other liabilities	672	456
Total other liabilities	**3,691**	**3,680**

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

21 June 2023 Inbank Ventures OÜ acquired an additional 12% of Mobire Group OÜ shares. Amount paid was released from redemption liability and decreased price payable in final redemption after the end of 2025.

In addition to the purchase and sale agreement, Inbank signed an option agreement to acquire 100% of the shares of Mobire Group OÜ, therefore the non-controlling interest is recognized as a buyout obligation.

Non-controlling interest redemption liability was estimated at 7,054 thousand euros as at 31 December 2023 (31 December 2022: 8,480 thousand euros) amount, which has been adjusted by future profit assumptions with post-tax discount rate 19.9% (2022: 20.8%). The discount rate is determined by considering interest rate, country and equity premiums.

In addition to that, the management includes volatility assumptions, possible war risk and discount for lack of marketability in the final discount rate calculation. Sensitivity analysis for redemption liability presented in Note 2.

More information about lease liability disclosed in Note 15.

More details about other financial liabilities and other liabilities disclosed in Note 25.

Note 21 Contingent liabilities

Contingent liabilities

In thousands of euros	31.12.2023	31.12.2022
Revocable commitments		
Liability in contractual amount	4,649	4,986
incl. unused credit card limits	*4,649*	*4,136*
Expected credit loss (ECL)	23	30

In different countries where Inbank operates, the Tax authority has the right to inspect the company's tax records within 3 to 10 years after submitting the tax return and upon finding errors, impose additional taxes, interest and fines. The tax authorities have not performed any tax audits at Inbank during 2023 and 2022.

Inbank's management estimates that in 2023 there are no such circumstances that may lead the tax authorities to impose significant additional taxes on Inbank.

Note 22 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	295,000	29	1,419	1,448
Balance, 31.12.2022	**10,262,197**	**1,026**	**31,855**	**32,881**
Balance, 01.01.2023	**10,262,197**	**1,026**	**31,855**	**32,881**
Share issue	601,957	60	11,708	11,768
Balance, 31.12.2023	**10,864,154**	**1,086**	**43,563**	**44,649**

More information on shares issued under employee stock options presented in Note 23.

Shareholders who hold more than 5% of company shares

Shareholder name	Holding amount 31.12.2023
Cofi Investeeringud OÜ	25.08%
Luciano Orsero	9.21%
Roberto de Silvestri	8.39%
Andrea Agostinone	7.80%
Elio Tomaso Giovanni Cravero	7.62%
Patrizia Salice	5.06%

Inbank's share capital consists of 10,864 thousand shares (2022: 10,262 thousand shares) with a nominal value of 0.10 euro. All issued shares have been paid. The share premium reflects the difference between the nominal value of the shares and the contributions received.

Note 23 Share-based payments

Inbank has entered into option agreements with members of the Management Board and equivalent staff, granting the right to acquire the company's shares at the previously agreed terms and conditions.

Employee share options

	2023		2022	
	Weighted average exercise price per share (EUR)	Number of shares to be issued	Weighted average exercise price per share (EUR)	Number of shares to be issued
As at 1 January	**9.77**	**549,600**	**7.60**	**433,400**
Granted during the year	17.43	144,000	9.10	431,000
Exercised during the year	0.00	0	4.84	-295,000
Forfeited during the year	16.11	-20,275	13.03	-19,800
As at 31 December	**11.21**	**673,325**	**9.77**	**549,600**

Outstanding share options

		31.12.2023		31.12.2022	
Grant date	Expiry date	Weighted average exercise price per share (EUR)	Number of options	Weighted average exercise price per share (EUR)	Number of options
2021	2024	13.00	121,075	12.96	131,600
2022	2025	8.76	451,250	9.10	418,000
2023	2026	20.00	101,000	-	0
Total			**673,325**		**549,600**

The precondition for the exercising of the share options is an ongoing employment relationship after a period of three years has elapsed and the achievement of certain financial targets established by Inbank. The share options cannot be redeemed for cash.

The fair value of the share options is determined on the date of issuance of the option. The date of issuance of the option is the date on which the parties mutually agreed on the terms and conditions of the option. Inbank uses the Black-Scholes model in determining the fair value of the option, considering the terms and conditions related to the issuance of the option. The following inputs have been used for options issued:

- Weighted-average share price: 17.17 euros (2022: 16.24 euros);
- Assumed average volatility: 19.1% (average listed peers banks volatility in past 3 years) (2022: 24.3%);
- Option lifetime: 3 years (2022: 3 years);
- Average risk-free interest rate: 1.44% (2022: 1.22%).

The share-based payment reserve is recorded under other reserves in equity over a period of three years. At the end of each reporting period, Inbank estimates how many shares will be realized at non-market prices and adjusts the reserve accordingly. As at 31 December 2023, the reserve amounted to 925 thousand euros (31 December 2022: 389 thousand euros).

Personnel expenses related to the option agreements in 2023 amounted to a total of 562 thousand euros (2022: 474 thousand euros).

Note 24 Reserves

Reserves

In thousands of euros	31.12.2023	31.12.2022
Statutory reserve	103	100
Voluntary reserve	1,330	1,329
Share based payments reserve	926	389
Other accumulated comprehensive income	-713	-297
Total reserves	**1,646**	**1,521**

The statutory reserve is a mandatory capital reserve which is formed using annual net profit transfers to comply with the requirements of the Estonian Commercial Code. Each financial year, at least one-twentieth of net profit has to be transferred to the legal reserve, until the reserve reaches one-tenth of share capital. The legal reserve may be used to cover losses or to increase share capital. It may not be used to make distributions to shareholders.

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

Share based payments reserve is created based on motivation plans issued for employees. 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. For more details refer to Note 23.

Other accumulated comprehensive income contains a currency translation reserve only. This reserve is created by consolidating Inbank entities whose functional currency is different from Inbank's functional currency.

The results and financial position of each group entity are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the respective reporting period;
- income and expenses are translated at average exchange rates for the respective reporting period;
- components of equity are translated at the historic rate; and
- all resulting exchange differences are recognised in other comprehensive income.

Note 25 Fair value of financial assets and liabilities

The financial instruments not measured at fair value through profit and loss at each statement of financial position date are summarized in the table below.

Fair value of financial assets and liabilities

In thousands of euros		31.12.2023			31.12.2022		
	Note	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level
Assets							
Cash and cash equivalents	11	172,921	172,921	2	130,889	130,889	2
Mandatory reserves at central banks	11	21,020	21,020	2	14,446	14,446	2
Investments in central government debt securities	12	31,928	32,119	2	-	-	-
Investments in corporate debt securities	12	1,458	1,462	3	8,415	8,415	3
Loans and advances - households	9	920,394	931,155	3	746,391	746,391	3
Loans and advances - corporates	9	10,901	10,901	3	8,709	8,709	3
Other financial assets	17	5,268	5,268	2	3,387	3,387	2
Total assets		**1,163,890**	**1,174,846**		**912,237**	**912,237**	
Liabilities							
Customer deposits	18	1,069,720	1,081,566	2	798,444	828,894	2
Subordinated debt securities	19	30,424	31,003	2	20,216	22,952	2
Subordinated debt securities (AT1)	19	18,110	18,742	3	6,858	7,618	3
Redemption liability	20	7,054	7,054	3	8,480	8,480	3
Other financial liabilities	20	27,714	27,714	2	46,760	46,760	2
Total liabilities		**1,153,022**	**1,166,079**		**880,758**	**914,704**	

All financial assets and liabilities listed in table above are accounted for at amortized cost.

Inbank does not own financial assets or liabilities which valuation is done based on level 1 inputs. Valuations for these types of assets or liabilities are determined by reference to unadjusted quoted market prices for identical instruments in active markets where the quoted prices are readily available, and the prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 financial assets and liabilities all significant inputs to the valuation models are observable either directly or indirectly. Level 2 valuation techniques include using discounted cash flows, option pricing models, recent transactions and the price of another instrument that is substantially the same. Examples of observable inputs are foreign currency exchange rates (Polish zloty and Czech koruna), binding securities price quotations (Government bonds), market interest rates (Euribor, Pribor, Vilibor), volatilities implied from observable index prices for the same term and actual transactions with one or more external counterparts. An input can transfer from being observable to being unobservable during the holding period due to for example illiquidity of the instrument.

To estimate the unobservable price for level 3 instruments different methods are applied depending on the type of available data. Input to these methods are primarily prices, proxy prices, market indicators and company information. When valuation models are used to determine the fair value of financial instruments in level 3, the transaction price paid or received is assessed as the best evidence of fair value at initial recognition. If the fair value of financial instruments includes more than one unobservable input, the unobservable inputs are aggregated in order to determine the classification of the entire instrument. The level in the fair value hierarchy within which a financial instrument is classified is determined on the basis of the lowest level of input that is significant to the fair value in its entirety.

During valuation of level 3 instruments such as Investments in corporate debt securities, loans and advances, subordinated debt securities (AT1) Inbank uses a discount rate calculated from Inbank's internal funding costs. Methods and valuation techniques for non-controlling interest redemption liability are disclosed in Note 20. For short term assets and liabilities fair value is set based on carrying value.

Note 26 Related parties

Members of the Management Board and are entitled for a fee of three calendar months remuneration in case of contract termination initiation by Inbank or when the board member's contract expires.

Members of the Management Board and Supervisory board held share options as per table listed below.

In number of share options issued

	31.12.2023	31.12.2022
Share options held by Management Board	316,500	296,500
Share options held by Supervisory Board	55,500	51,500

In 2023 members of the Management Board and Supervisory Board have not exercised any options for the purchase of shares (in 2022: 135,000 shares).

No other short or long term benefits are applied.

Remuneration of the Management Board and Supervisory Board

In thousands of euros	**2023**	**2022**
Remuneration of the Management Board and Supervisory Board	1,329	1,036

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

- Shareholders with significant influence or control over Inbank,
- Members of the Management Board and Supervisory Board and legal entities controlled by them (hereinafter: the management),
- 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	**31.12.2023**			**31.12.2022**		
Balances as of end of reporting period	**Management**	**Associates**	**Total**	**Management**	**Associates**	**Total**
Investments in debt securities	0	0	**0**	0	7,400	**7,400**
Loans and advances	282	0	**282**	106	0	**106**
Impairment allowance	-3	0	**-3**	-1	0	**-1**
Deposits and subordinated debt securities	3,052	0	**3,052**	1,100	0	**1,100**

Transactions

In thousands of euros	**12 months 2023**			**12 months 2022**		
Transactions	**Management**	**Associates**	**Total**	**Management**	**Associates**	**Total**
Interest income	19	199	**218**	25	258	**283**
Interest expenses	211	0	**211**	82	0	**82**
Services purchased	462	0	**462**	97	0	**97**
Impairment expenses	2	0	**2**	1	0	**1**

Services purchased from management contain consultations and rent. Rent contract end date is August 2024 and consultation contracts can be canceled within 1 week notice. All conditions meet market prices and practices.

The table provides an overview of the significant transactions and balances with related parties. Inbank finances its subsidiaries and branches with loans issued under market conditions. Interest rates are between 0% and 9.99% (2022: 0% and 5.2%). Such loans are eliminated from the consolidated financial statements.

Loans given to Management Board members are issued on market terms, with an interest rate 5.9%-20% (2022: 5.9%-20%). Debt claims in the amount of 8,361 thousand euros have been sold to the associated company in 2023 (2022: 12,481 thousand euros). The interest rate of deposits received from related parties matches with the interest rate offered to customers, interest rates are between 1.32% and 8% (2022: 1.8 and 8%).

More details about loans are disclosed in Note 9.

Note 27 Events after the end of the reporting period

There are no post balance sheet events to report.

Note 28 Parent company's separate statement of financial position

In thousands of euros	31.12.2023	31.12.2022
Assets		
Cash and cash equivalents	171,119	126,125
Mandatory reserves at central banks	21,020	14,446
Investments in debt securities	32,119	8,415
Financial assets measured at fair value through profit or loss	79	37
Loans and advances	969,381	740,821
Investments in subsidiaries and associates	4,119	41,114
Other financial assets	4,043	3,241
Tangible assets	319	361
Right of use assets	1,407	1,728
Intangible assets	27,251	23,233
Other assets	4,111	2,853
Deferred tax assets	4,505	3,166
Total assets	**1,239,473**	**965,540**
Liabilities		
Customer deposits	1,087,903	844,095
Financial liabilities measured at fair value through profit or loss	50	0
Other financial liabilities	18,400	18,303
Current tax liability	45	0
Deferred tax liability	204	113
Other liabilities	3,250	2,853
Subordinated debt securities	49,745	30,570
Total liabilities	**1,159,597**	**895,934**
Equity		
Share capital	1,086	1,026
Share premium	43,563	31,855
Statutory reserve	103	100
Other reserves	1,419	1,392
Retained earnings	33,705	35,233
Total equity	**79,876**	**69,606**
Total liabilities and equity	**1,239,473**	**965,540**

Note 29 Parent company's separate statement of comprehensive income

In thousands of euros	2023	2022
Interest income based on EIR	74,417	46,943
Interest expense	-43,250	-19,582
Net interest income	**31,167**	**27,361**
Fee and commission income	472	385
Fee and commission expenses	-3,582	-2,838
Net fee and commission income/expenses	**-3,110**	**-2,453**
Other operating income	5,574	3,843
Other operating expenses	-1	-3
Net operating income/expenses	**5,573**	**3,840**
Net gains/losses from financial assets measured at fair value	-14	32
Foreign exchange rate gain/losses	127	-783
Net gain/losses from financial items	**113**	**-751**
Total net interest, fee and other income and expenses	**33,743**	**27,997**
Personnel expenses	-11,546	-9,078
Marketing expenses	-1,861	-1,979
Administrative expenses	-9,105	-6,399
Depreciations, amortization	-5,522	-4,035
Total operating expenses	**-28,034**	**-21,491**
Share of profit/loss from associates	501	-3
Impairment losses on loans and advances	-7,945	-6,312
Profit before income tax	**-1,735**	**191**
Income tax	192	-196
Profit for the period	**-1,543**	**-5**
Other comprehensive income that may be reclassified subsequently to profit or loss		
Currency translation differences	-417	-1
Total comprehensive income for the period	**-1,960**	**-6**

Note 30 Parent company's separate statement of cash flows

In thousands of euros	2023	2022
Cash flows from operating activities		
Interest received	73,116	45,909
Interest paid	-35,613	-15,454
Fees received	472	385
Fees paid	-3,582	-2,838
Other operating income received	5,574	3,846
Other operating expenses paid	-1	-3
Personnel expenses	-16,174	-12,723
Administrative and marketing expenses	-10,808	-14,126
Income tax paid	-818	-2,097
Cash flows from operating activities before changes in the operating assets and liabilities	**12,166**	**2,899**
Changes in operating assets		
Loans and advances	-233,628	-174,539
Mandatory reserves at central banks	-6,574	-6,542
Other financial assets	-802	-474
Other assets	-1,788	-2,124
Changes of operating liabilities		
Customer deposits	236,213	222,019
Other financial liabilities	381	5,607
Other liabilities	876	7,408
Net cash from operating activities	**6,844**	**54,254**
Cash flows from investing activities		
Investments in debt securities	-37,682	-4,133
Repayments of debt securities	12,403	3,342
Acquisition of tangible assets	-409	-166
Acquisition of intangible assets	-4,091	-3,125
Acquisition of associates	0	-595
Capital distributions to shareholders other than dividends	36,247	0
Sale of associates	1,248	0
Net cash used in/from investing activities	**7,716**	**-4,677**
Cash flows from financing activities		
Share capital contribution (including share premium)	12,039	1,447
Subordinated debt securities issued	19,133	0
Repayments of debt securities	0	-6,503
Lease liability payments	-720	-1,372
Net cash used in/from financing activities	**30,452**	**-6,428**

(continued on next page)

Note 30 Parent company’s separate statement of cash flows (continued)

(continued from previous page)

In thousands of euros	**2023**	**2022**
Effect of exchange rate changes	-18	-790
Cash and cash equivalents at the beginning of the reporting period	**126,125**	**83,766**
Net increase/decrease in cash and cash equivalents	44,994	42,359
Cash and cash equivalents at the end of the reporting period	**171,119**	**126,125**

Cash and cash equivalents

In thousands of euros	**2023**	**2022**
Non-restricted current account with central banks	150,099	111,679
Due from other credit institutions within three months	21,020	14,446
Total cash and cash equivalents	**171,119**	**126,125**

Note 31 Parent company's separate 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**	**30,437**	**96**	**1,625**	**34,666**	**67,821**
Profit for the period	0	0	0	0	-5	-5
Other comprehensive income	0	0	0	-1	0	-1
Total comprehensive income	**0**	**0**	**0**	**-1**	**-5**	**-6**
Paid in share capital	29	1,418	0	0	0	1,447
Share-based payment reserve	0	0	0	-232	576	344
Transfer to statutory reserve capital	0	0	4	0	-4	0
Balance, 31.12.2022	**1,026**	**31,855**	**100**	**1,392**	**35,233**	**69,606**
Carrying amount of holdings under control and significant influence					-41,114	-41,114
Value of holdings under control and significant influence under equity method					73,432	73,432
Adjusted unconsolidated equity, 31.12.2022					**67,551**	**101,924**
Balance, 01.01.2023	**1,026**	**31,855**	**100**	**1,392**	**35,233**	**69,606**
Profit for the period	0	0	0	0	-1,543	-1,543
Other comprehensive income	0	0	0	-417	0	-417
Total comprehensive income	**0**	**0**	**0**	**-417**	**-1,543**	**-1,960**
Paid in share capital	60	11,708	0	0	0	11,768
Share-based payment reserve	0	0	0	444	18	462
Transfer to statutory reserve capital	0	0	3	0	-3	0
Balance, 31.12.2023	**1,086**	**43,563**	**103**	**1,419**	**33,705**	**79,876**
Carrying amount of holdings under control and significant influence					-4,119	-4,119
Value of holdings under control and significant influence under equity method					48,333	48,333
Adjusted unconsolidated equity, 31.12.2023					**77,919**	**124,090**

Management Board declaration

The Management Board of AS Inbank declares its responsibility for preparing the Consolidated financial statements for Inbank for the financial year of 2023 and confirms that:

- According to the Management Board's best knowledge the consolidated financial statements gives a true and fair view of assets, liabilities, statement of financial position and profit and loss from entities included in the AS Inbank consolidation group as a whole and the management report provides a true and fair view of the development of the business operations and results as well as its financial position and includes a description of the main risks and uncertainties in AS Inbank and AS Inbank consolidation group as a whole;
- Inbank's Consolidated financial statements is prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

5 March 2024

/signed digitally/

Priit Põldoja
Chairman of the Management Board

Independent auditor's report

To the Shareholders of AS Inbank

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of AS Inbank (the "Bank") and its subsidiaries (together – the "Group") as at 31 December 2023, and the Group´s consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 5 March 2024.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Bank and its subsidiaries are in accordance with the applicable law and regulations in the Republic of Estonia and that we have not provided non-audit services that are prohibited under § 59^1 of the Auditors Activities Act of the Republic of Estonia.

The non-audit services that we have provided to the Bank and its subsidiaries in the period from 1 January 2023 to 31 December 2023 are disclosed in the management report.

AS PricewaterhouseCoopers
Tatari 1, 10116 Tallinn, Estonia; License No. 6; Registry code: 10142876
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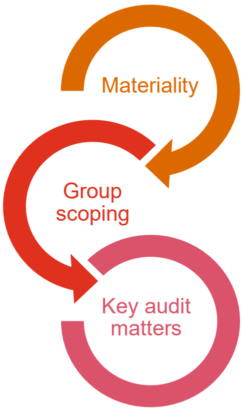
Our audit approach

Overview



- Overall Group audit materiality is EUR 1,240 thousand, which represents 1% of the Group's net assets.

- We tailored our audit scope based on the risk and size of entities within the Group and performed either a full scope audit or specific audit procedures over material income statement and balance sheet line items. At the Group level, we tested the consolidation process to confirm our conclusion that no material misstatements exist that may affect the consolidated financial statements.

- Valuation of expected credit loss allowance of loans and advances to household customers.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Management Board made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group audit materiality	EUR 1,240 thousand
How we determined it	1% of net assets
Rationale for the materiality benchmark applied	We have applied this benchmark, as the Group is going through rapid growth investing heavily in subsidiaries and branches. Therefore, net assets is a relevant measure used by investors, regulators and other stakeholders when assessing the performance of the Group. We chose 1%, which is consistent with quantitative materiality thresholds used for this benchmark.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of expected credit loss allowance of loans and advances to household customers (refer to Note 1 “Material accounting policy information”, Note 2 “Significant accounting estimates and judgements”, Note 3 “Risk management” and Note 9 “Loans and advances” for further details. As at 31 December 2023, gross loans and advances to the household customers amount to EUR 953,088 thousand against which credit loss allowance in the amount of EUR 21,933 thousand has been recognised. We focused on this area because application of IFRS 9 “Financial instruments” 3-stage expected credit loss (ECL) model requires management to use complex calculations with subjective inputs to assess the timing and the amount of expected credit losses. The key features of the ECL model include: • classification of loans to 3 stages based on the assessment of significant increase in credit risk and definition of default; • assessment of credit risk parameters such as probability of default (PD), loss given default (LGD) and exposure at default (EAD) based on complex modelling techniques and estimates determined by the management; • application of forward looking and probability-weighted information in the ECL assessment.	We assessed whether the Group’s accounting policies in relation to assessing the impairment of loans and advances to household customers complied with International Financial Reporting Standards as adopted by European Union. We assessed the design and operating effectiveness of the controls over expected credit loss data and calculations. We performed procedures to test the significant inputs used in the expected credit loss (ECL) model, such as probability of default (PD), exposure at default (EAD) and loss given default (LGD). We performed detailed audit procedures in the following areas: • the completeness and accuracy of data used in the ECL calculation; • the compliance of key inputs used in ECL calculation system with ECL methodology; • the accuracy and compliance of 12-month and lifetime ECL calculations with the Group ECL methodology; • the accuracy of discounting in the ECL calculations; • the accuracy and completeness of data used for staging of loans (including applying the criteria for determining significant increase in credit risk and definition of default). We have assessed the reasonableness of key assumptions made by management, which serve as critical inputs in the allowance model, such as weights of different scenarios and forecasts of key macroeconomic information.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In order to achieve this objective, based on the size and risk characteristics, we performed a full scope audit of the special purpose financial information for the consolidation purpose for the following entities within the Group: AS Inbank (Estonia head quarter and branches in Lithuania, Poland and Czechia), AS Inbank Finance, Inbank Latvia SIA (Latvia) and Mobire Group OÜ. Additionally, we performed audit of specific elements of the statement of financial position and the statement of profit and loss for Inbank Ventures OÜ. At the Group level we tested the consolidation process and performed additional analytical procedures over the components in scope to confirm our conclusion that no material misstatements exist that may affect the consolidated financial statements. Information describing the structure of the Group is included in note 13 of the consolidated financial statements.

Reporting on other information including the Management report

The Management Board is responsible for the other information. The other information comprises A year in numbers Milestones, Our business, Message from the Chairman of the Supervisory Board, the Management report, Management Board declaration and Profit allocation proposal (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information, including the Management report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management report, we also performed the procedures required by the Auditors Activities Act of the Republic of Estonia. Those procedures include considering whether the Management report is consistent, in all material respects, with the consolidated financial statements and is prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia.

Based on the work undertaken in the course of our audit, in our opinion:
- the information given in the Management report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements; and
- the Management report has been prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the presentation of consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged based our agreement by the Management Board of the Bank to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of AS Inbank for the year ended 31 December 2023 (the "Presentation of the Consolidated Financial Statements").

Description of a subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the Management Board of the Bank to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the Management Board and those charged with governance

The Management Board of the Bank is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (Estonia) 3000 (revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" (ISAE (EE) 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE (EE) 3000 (revised) will always detect the existing material misstatement (significant non-compliance with the requirements).

Quality management requirements and professional ethics

We apply International Standard on Quality Management (Estonia) 1 (revised), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Consolidated Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's' use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

Appointment and period of our audit engagement

We were first appointed as auditors of AS Inbank, as a public interest entity, on 29 March 2017 for the financial year ended 31 December 2017. Our appointment has been renewed by tenders and shareholder resolutions in the intermediate years, representing the total period of our uninterrupted engagement appointment for AS Inbank, as a public interest entity, of 7 years. In accordance with the Auditors Activities Act of the Republic of Estonia and the Regulation (EU) No 537/2014, our appointment as the auditor of AS Inbank can be extended for up to the financial year ending 31 December 2036.

AS PricewaterhouseCoopers

/digitally signed/

Lauri Past
Certified auditor in charge, auditor's certificate no. 567

/digitally signed/

Kristi Ziugov
Auditor's certificate no. 650

5 March 2024
Tallinn, Estonia

This independent auditor's report should only be used with the document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: https://www.nasdaqbaltic.com/statistics/et/instrument/EE3300001544/reports?date=2024-03-05).

Profit allocation proposal

The Management Board of AS Inbank proposes to the general meeting of shareholders to allocate the profit as follows:

- 10,196 thousand euros to retained earnings;
- 6 thousand euros to statutory reserve.

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