



# Webinar on 9M 2024 consolidated financial results



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# Another strong quarter for INDEXO Group with 43% y-o-y revenue growth in pension business and first 10 000 customers joining INDEXO Bank

Pension business delivering **solid financial results** and generates cash flow to support INDEXO Group further development

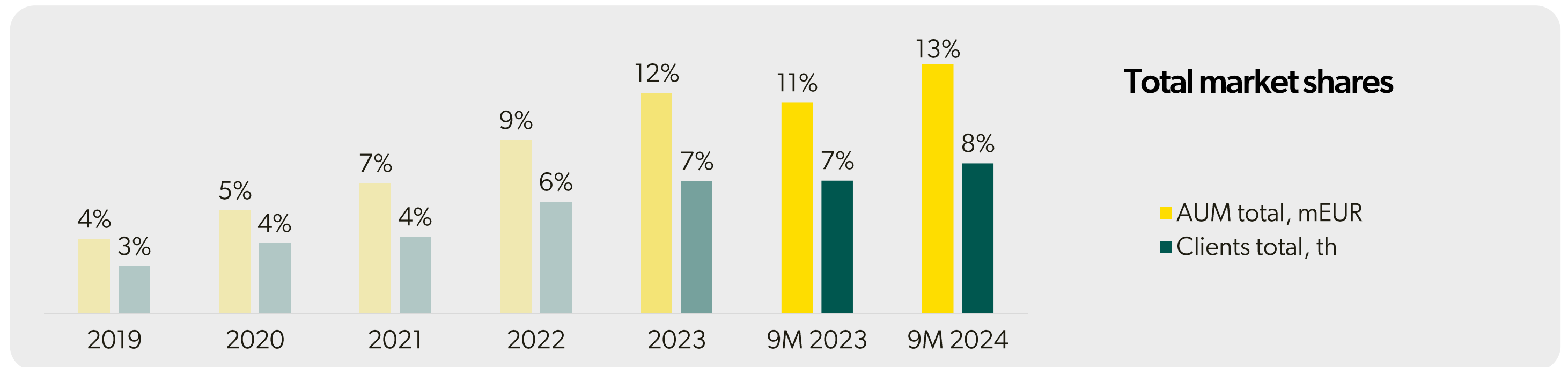
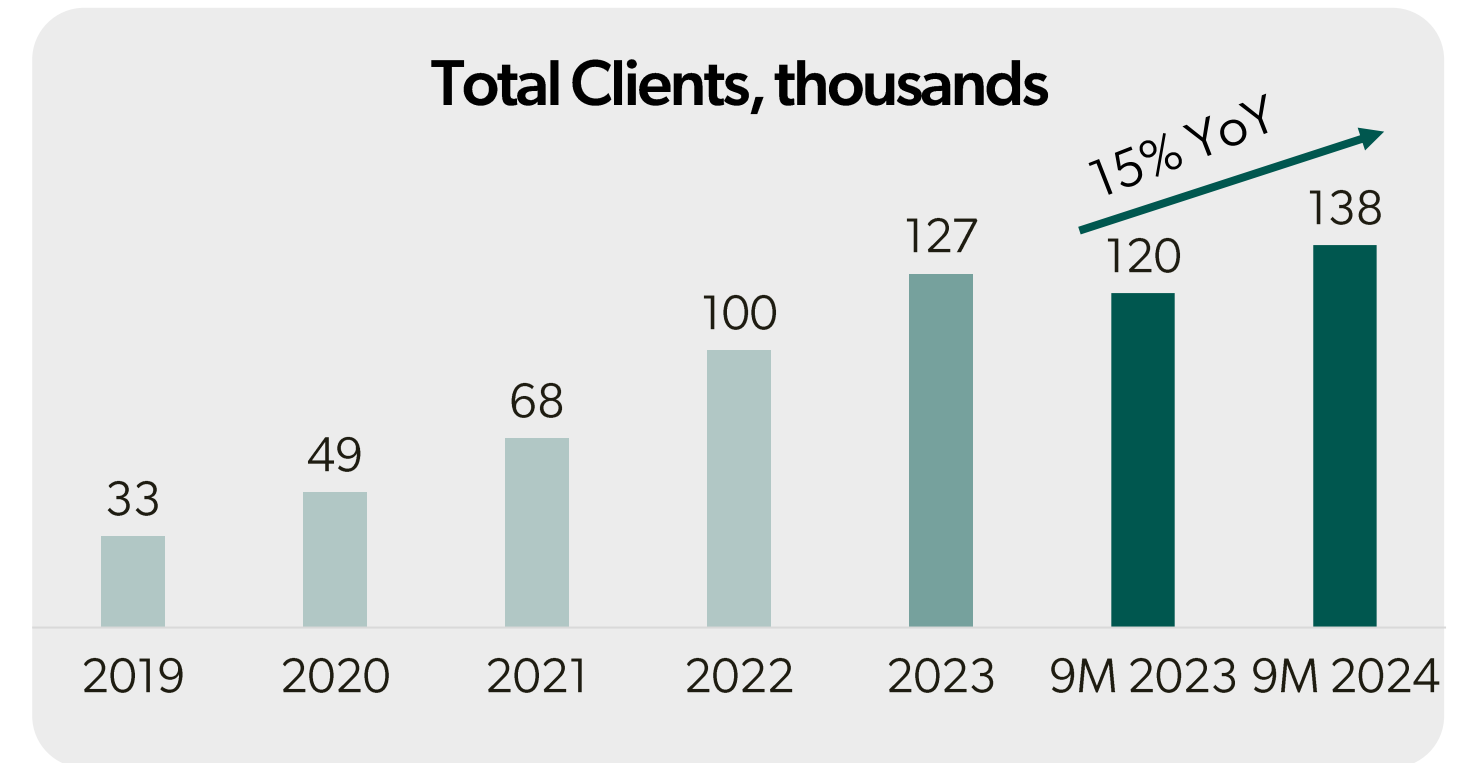
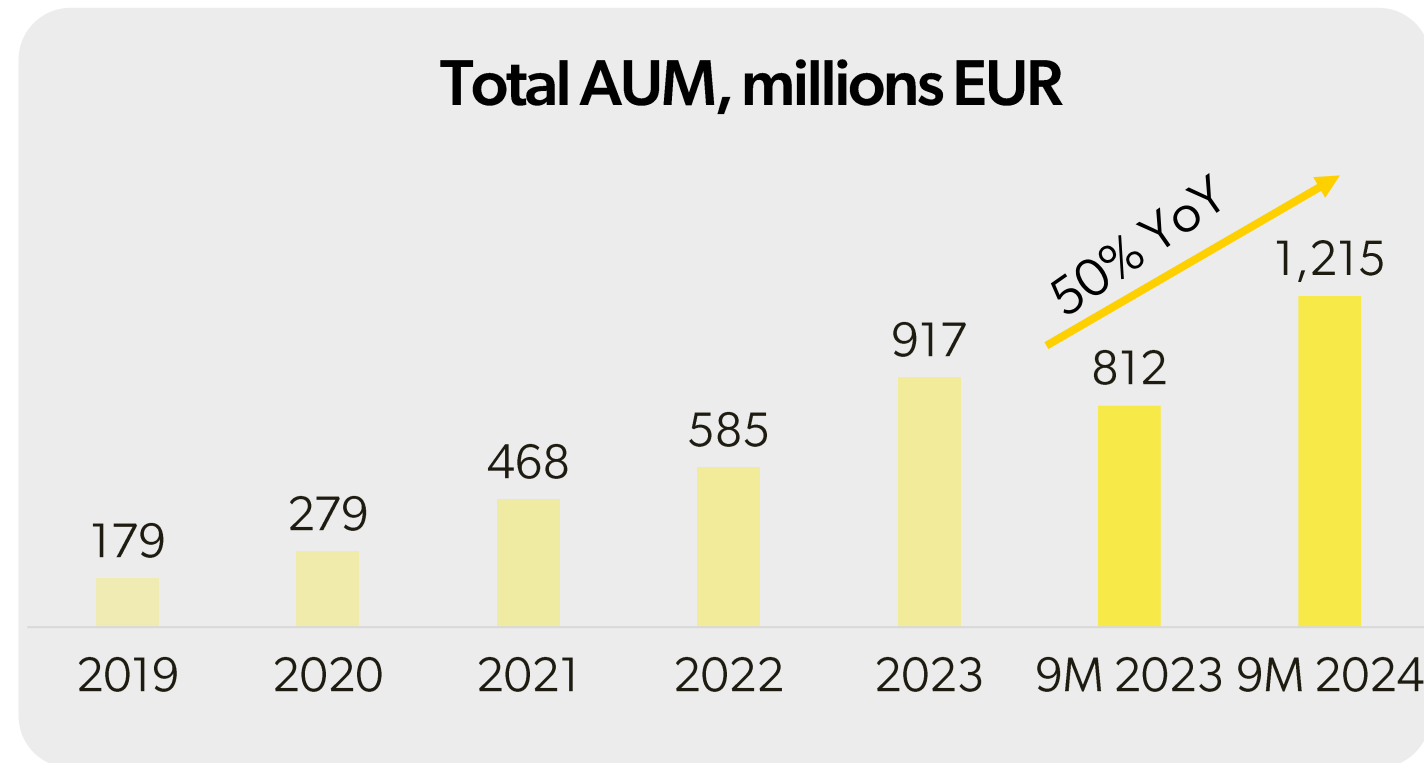
INDEXO 2<sup>nd</sup> and 3<sup>rd</sup> pension pillar equity plans are **among the best-performing** in the Latvian market

INDEXO Bank finally is in the market, and **attracted 9MEUR deposits during first month**

INDEXO Bank is enhancing its **Private customer offering with new services to be released already in Q4 2024**

INDEXO well positioned **to continue banking market disruption** in 2025

# Impressive growth of AUM and Clients



# Pension business delivering strong results, Q3 result impacted by operational expense one-offs

Quarterly net profit/ (loss) of pension business, thousand EUR

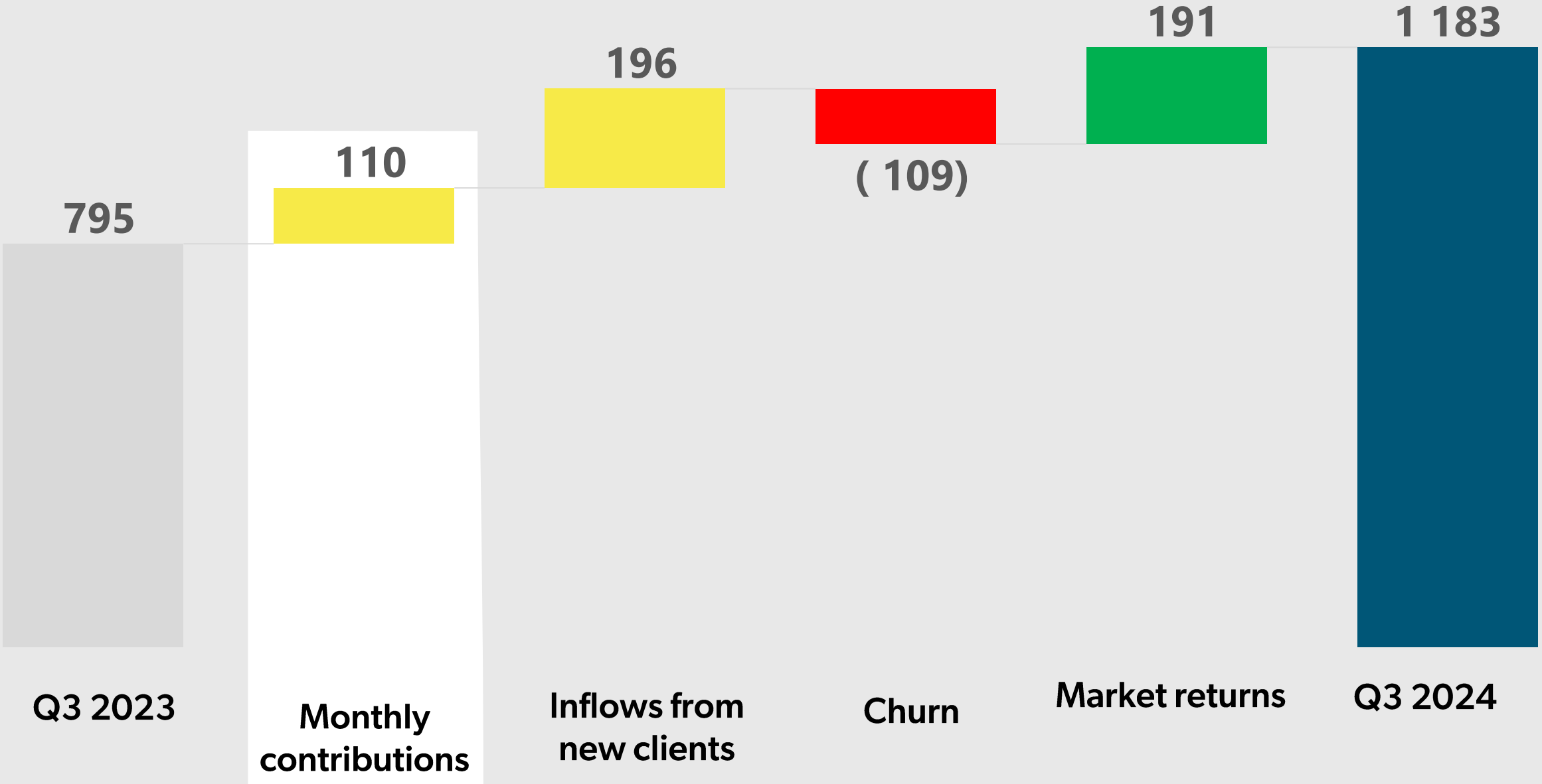


\* - Despite having a higher commission income, due to higher AUM, the net profit before redistribution is lower due to reallocation of expenditures from the Bank and higher client acquisition costs. New IT investments were also made, we paid more in salaries, capitalized less of salespeople salaries and had a new lease asset, which we started to depreciate.

# Our business growth in 2<sup>nd</sup> pillar can be attributed to **growing monthly contributions** and new customers joining INDEXO

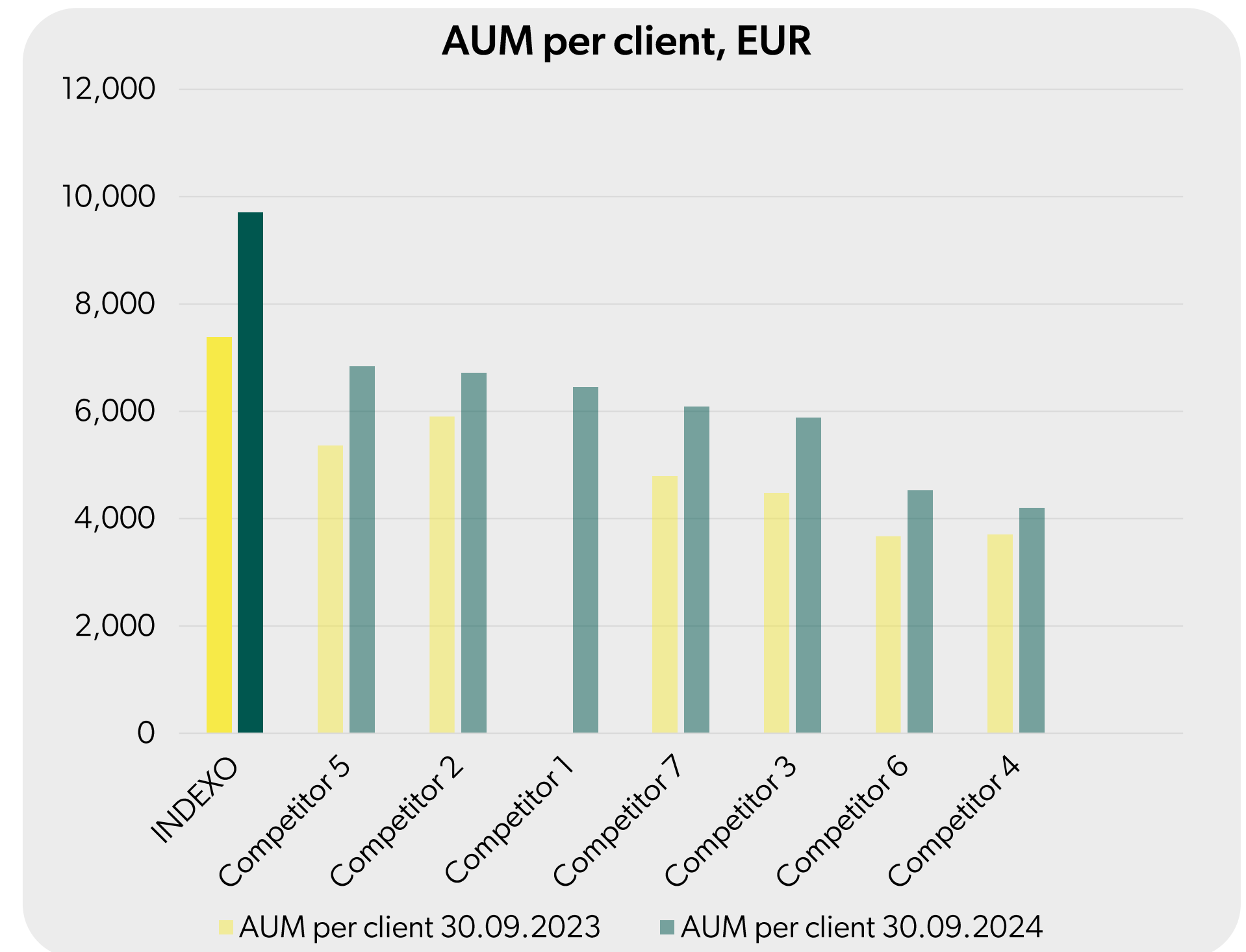
From: 8.5 million euro in September 2023  
 To: 10.2 million euro in September 2024  
**20% increase**

2<sup>nd</sup> Pillar pension AUM growth drivers Q3 2023 – Q3 2024  
 Millions EUR, based on management estimates



# INDEXO has the highest AUM per client and the gap between us and competitors is increasing

Manager	Yearly Change of AUM per client, EUR	% change
INDEXO	2 317	31.4%
Competitor 5	1 478	27.6%
Competitor 2	810	13.7%
Competitor 7	1 287	26.8%
Competitor 3	1 400	31.3%
Competitor 6	854	23.3%
Competitor 4	494	13.3%



# INDEXO pension business strong and profitable to support INDEXO Group

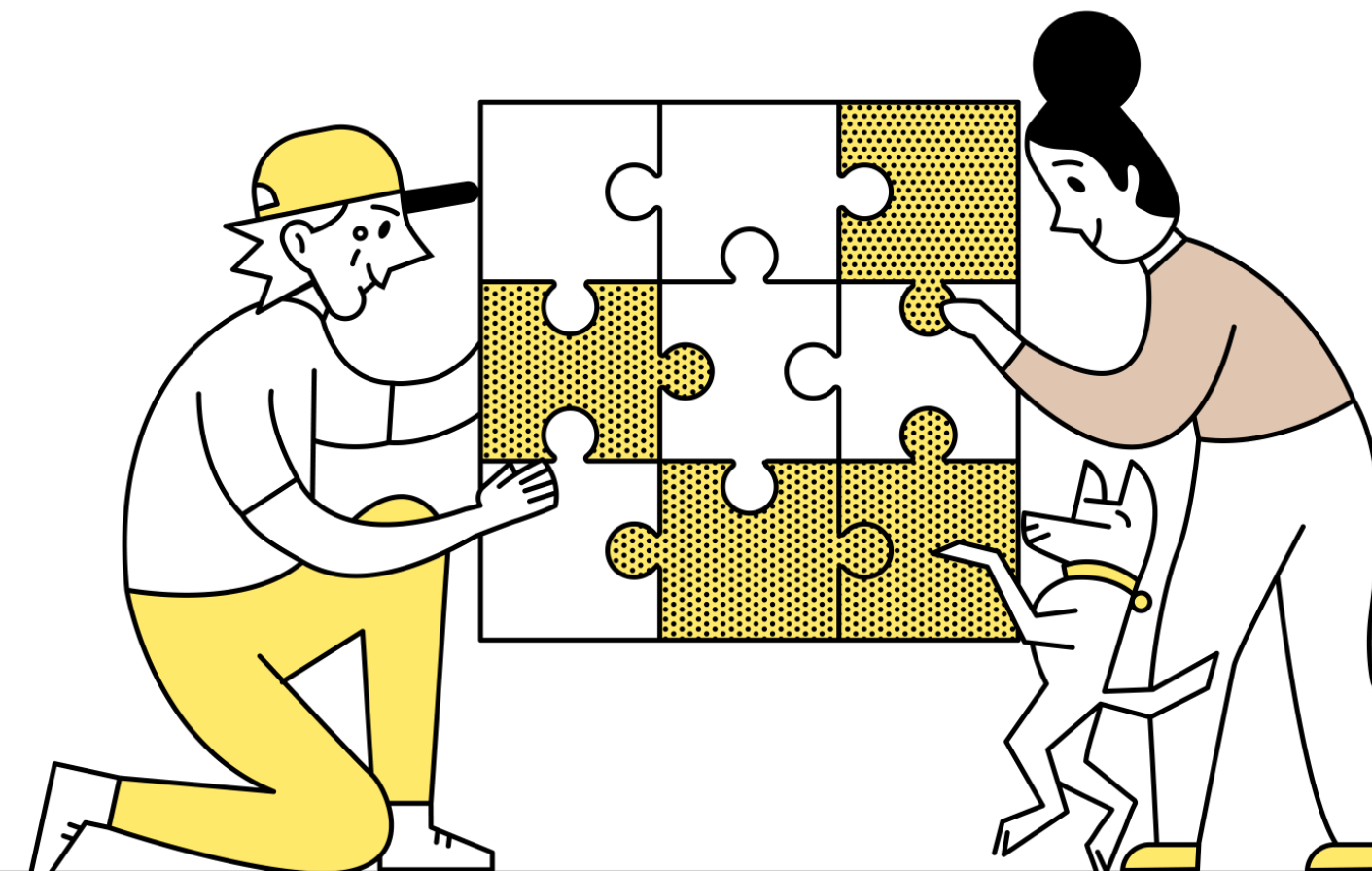
- Increase in the client base and AUM have contributed to 43% y-o-y growth in commission income
- Administrative expense increase by 11% y-o-y driven by higher costs in several positions
- Pension business net profit in September 94 372 EUR

INDEXO Pension business results, EUR	Jan-Sep 2024 Unaudited, EUR	Jan-Sep 2023 Unaudited, EUR
Commission income	3 163 762	2 210 634
Interest income/(expense)	(261 555)*	16 572
Administrative and other expenses for pension management	(976 385)	(876 967)
<b>Operating income before client acquisition and other business project expenses</b>	<b>1 925 822</b>	<b>1 350 239</b>
Client acquisition costs	(1 373 948)	(1 367 178)
<b>Pension management operating result</b>	<b>551 874</b>	<b>(16 939)</b>
Non-cash personnel option expenses	(209 503)	(310 509)
Corporate income tax	(5 973)	(3 367)
<b>Comprehensive profit/(losses) for the reporting period</b>	<b>336 398</b>	<b>(330 815)</b>

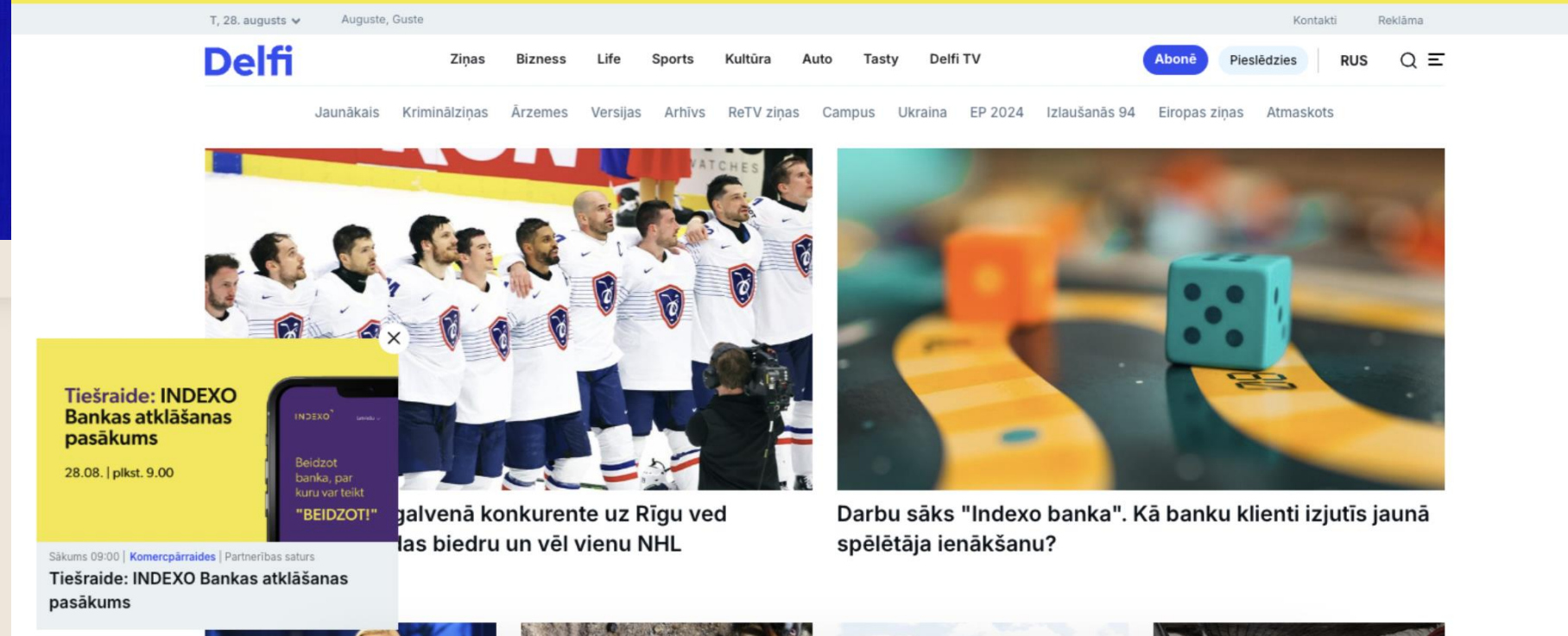


# Pension business challenges and opportunities

- **New fee scheme** in process
- **Churn** management
- **Contributions** expected to drop from **6% to 5%**
  
- **2<sup>nd</sup> Pillar** API launch
- **3<sup>rd</sup> Pillar** promotion through bank app









# INDEXO Bank is live with daily banking offer for Private customers



10 381 customers attracted while it took more than a year for our pension business to reach that number



It takes on average 5min\* to open account via mobile app



Almost 9 MEUR in Retail customer deposits – appreciation of advantages of our savings products



Fast, user friendly and transparent consumer lending process

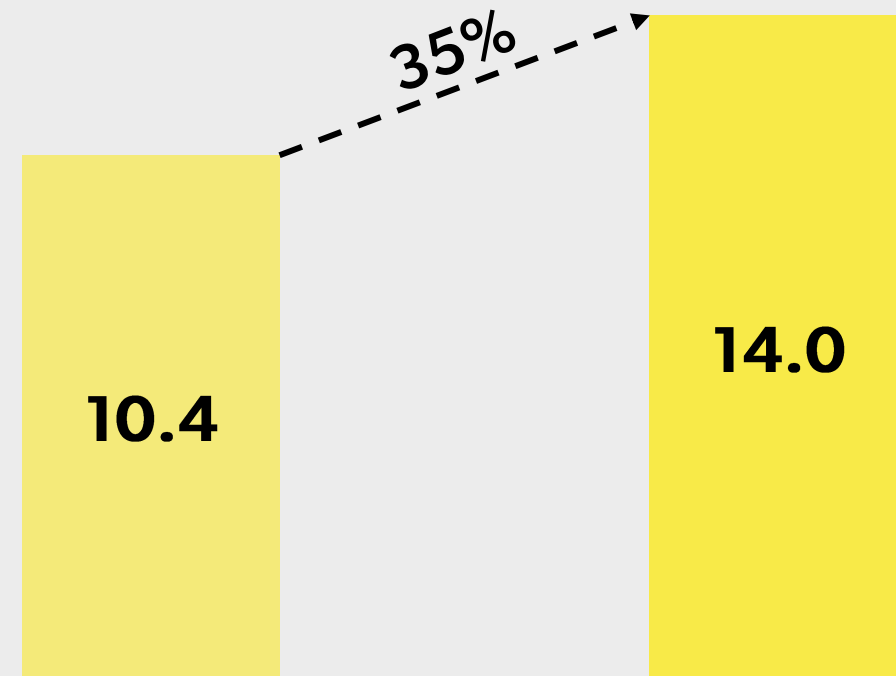
INDEXO<sup>1</sup>

\*average median time for more than 6000 customers from phone verification sms till signing of general transaction rules



# Impressive growth has continued during the second operating month. Deposits almost doubled

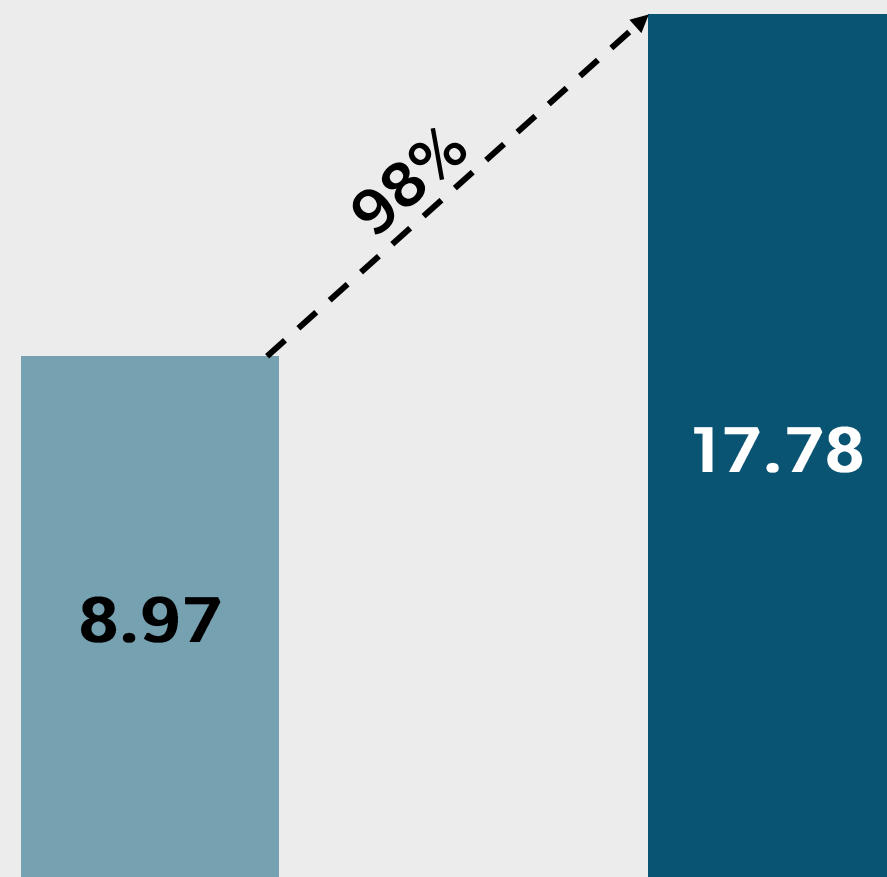
# of Clients, thousands



End of September 2024

End of October 2024

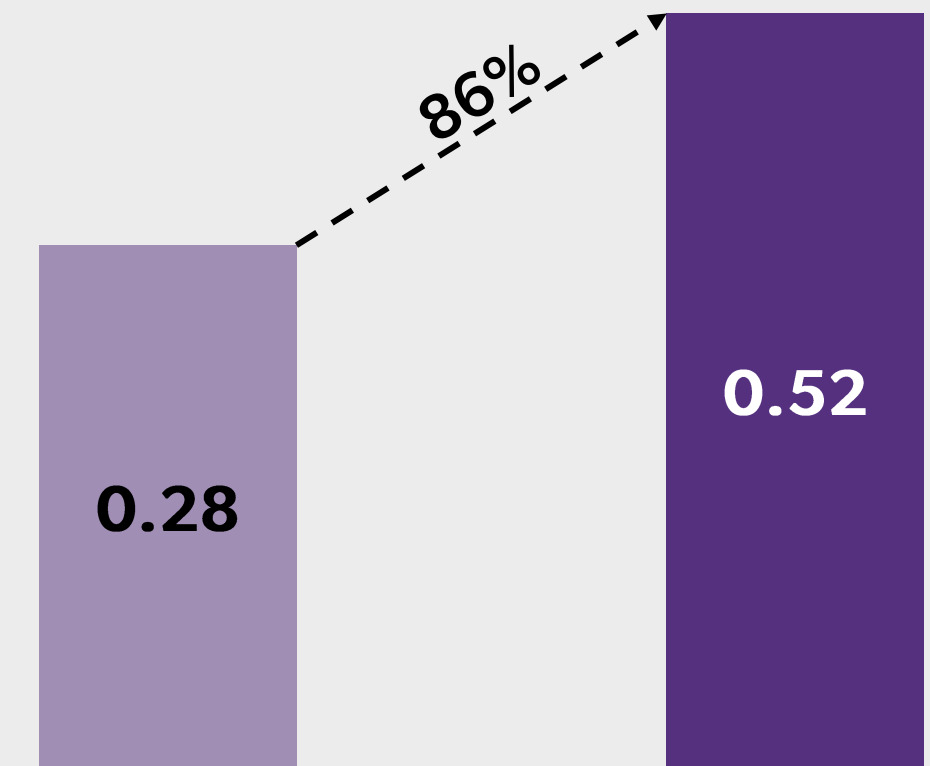
Deposits, million EUR



End of September 2024

End of October 2024

Consumer Loans, million EUR



End of September 2024

End of October 2024

# 93% rate INDEXO Bank's account setup as easy. High marks for app design & cost satisfaction

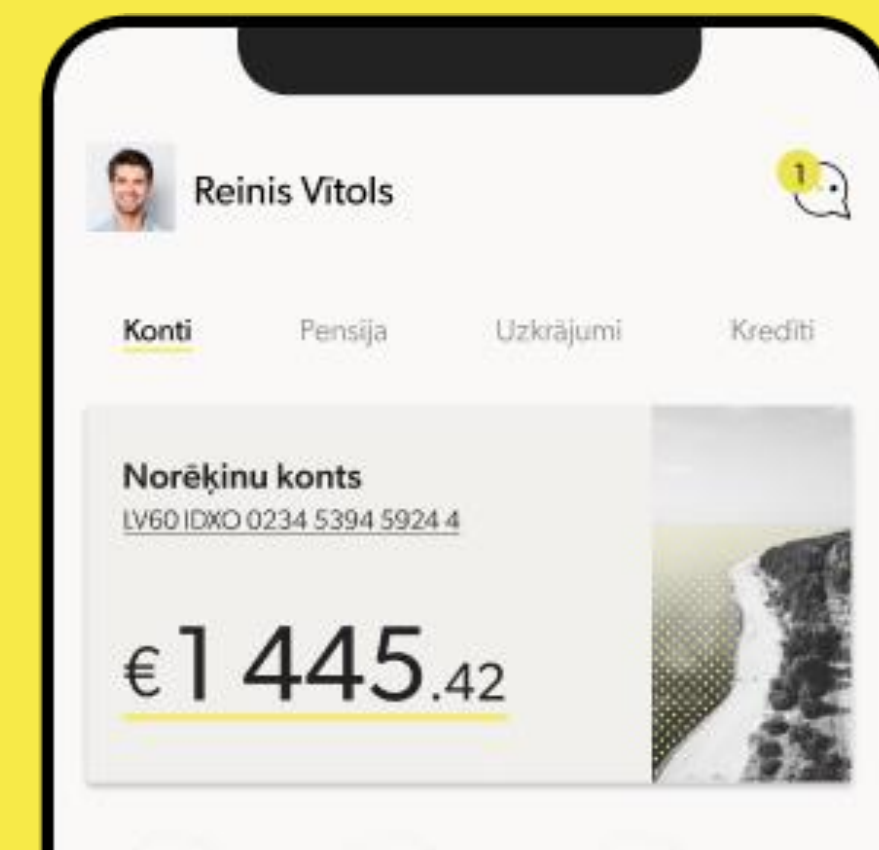
Account opening process **4.6** out of 5

Mobile app design **4.3** out of 5

Plan costs **4.0** out of 5

## Highest-rated aspects:

- Ease of use
- Functionality
- Performance & speed



# We continue to develop our mobile app

Since launch we have already had **6 new versions** of the application

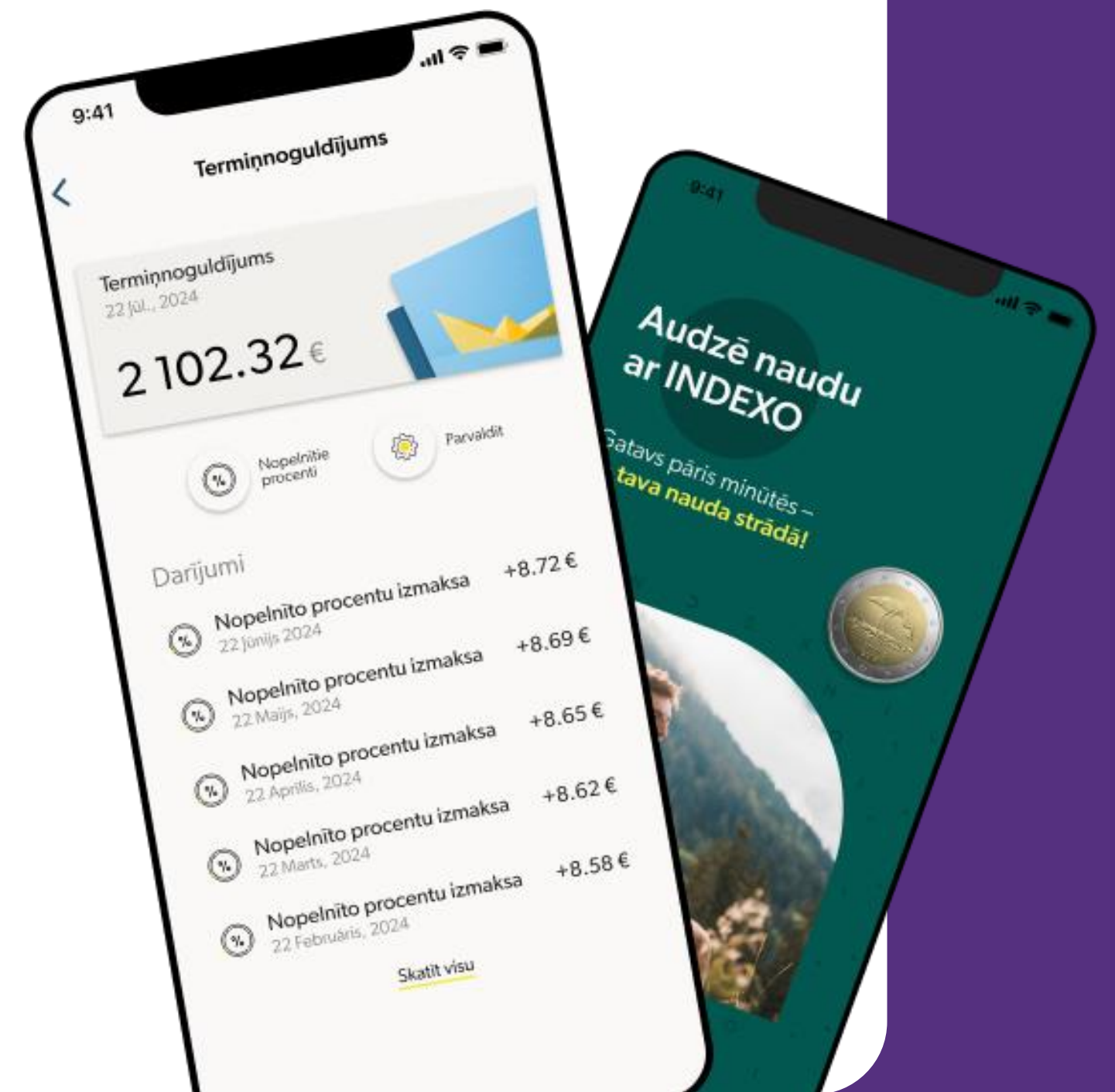


Already fixed **200+** bug fixes and made small improvements



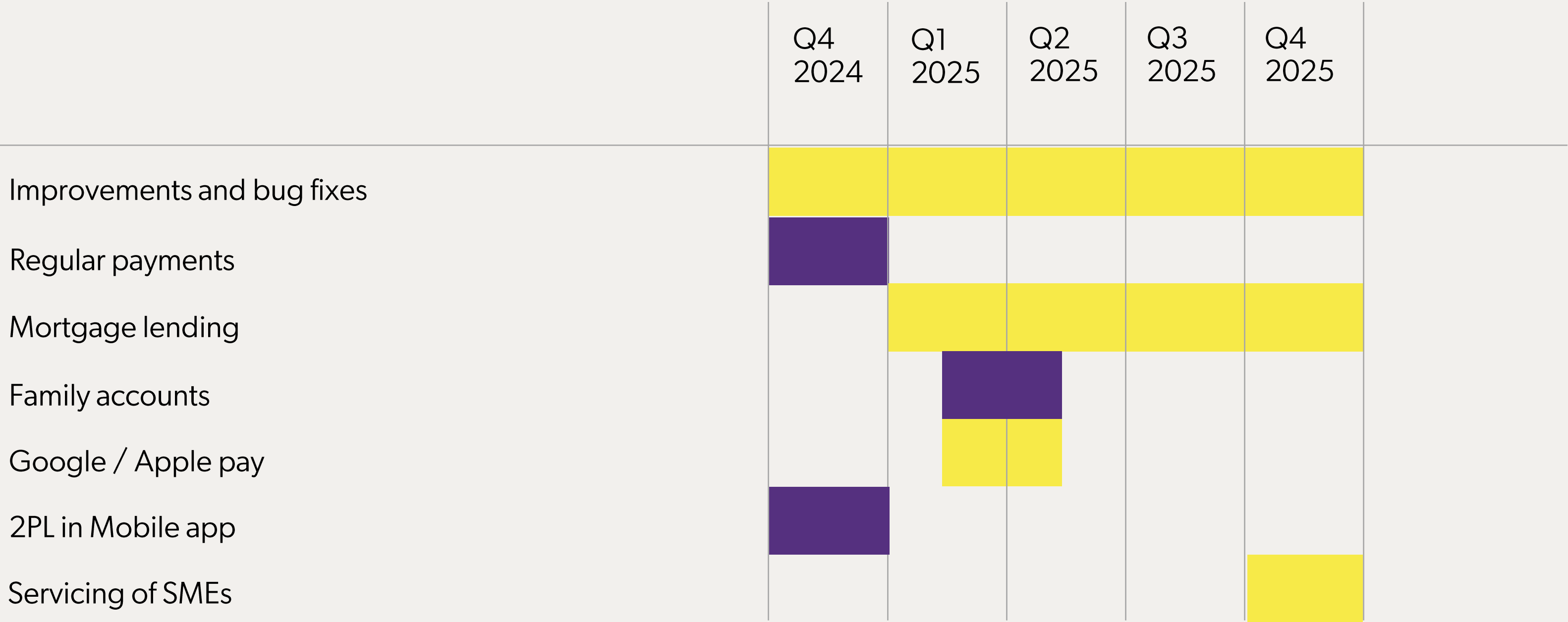
**Visible improvements** such as:

- daily visualization of earned interest and taxes withheld for deposits and vault;
- full e-signature implementation;
- ability to generate formal PDF account statement;
- performance improvements





# The Bank is continuously improving its product offering and during 2025 the offering for Retail customers will be considerably extended



The timetable indicated here is provisional and subject to change.



**INDEXO Bank is operational just for 1 month with focus on customer acquisition**

**INDEXO Bank Profit and Loss Statement, EUR**

**Jan – Sept 2024  
Unaudited, EUR**

Interest income	189 795
Interest expense	(35 029)
Commission and fee income	1 848
Commission and fee expense	(39 347)
Net foreign exchange losses	(857)
Credit losses	(8 709)
Other operating expenses	(178 134)
Administrative expenses	(3 367 190)
of which IT expenses	(1 362 946)
Depreciation	(311 371)
<b>Loss before corporate income tax</b>	<b>(3 898 994)</b>
Corporate income tax	(525)
<b>Loss for the period</b>	<b>(3 899 519)</b>

# INDEXO Bank continues to make significant IT investments

## INDEXO Bank Balance sheet, EUR

Sept 2024  
Unaudited, EUR

### ASSETS

Other demand deposits at central banks	15 756 133
Financial assets measured at amortized cost	332 815
of which consumer loans	283 324
Due on demand from credit institutions	3 927
Property, plant and equipment and right-of-use of assets	2 179 681
Intangible assets	3 867 508
Other assets	336 288
<b>Total assets</b>	<b>22 476 352</b>

### EQUITY AND LIABILITIES

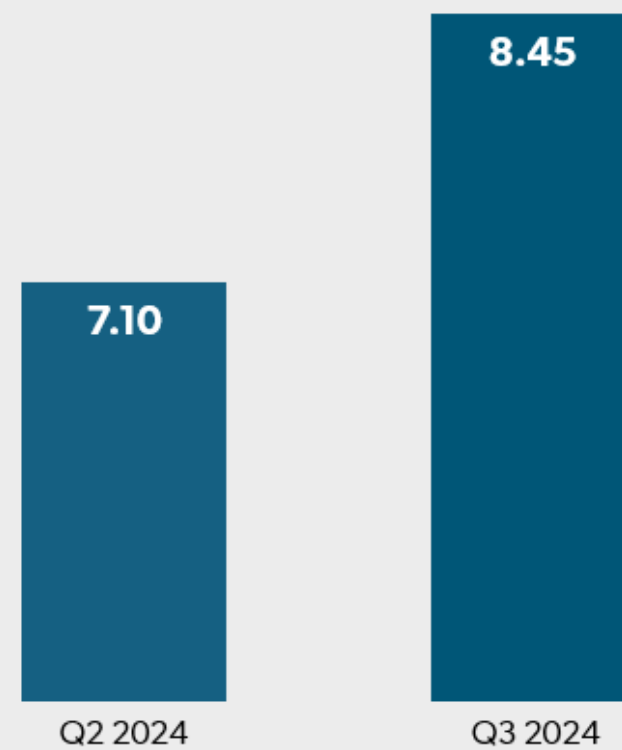
Financial liabilities measured at amortized cost	8 965 612
of which deposits	8 965 612
Accruals	195 404
Tax liabilities	117 945
Other liabilities	2 456 505
<b>Total liabilities</b>	<b>11 736 466</b>

### EQUITY

Share capital and options	10 739 886
<b>Total equity</b>	<b>10 739 886</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22 476 352</b>

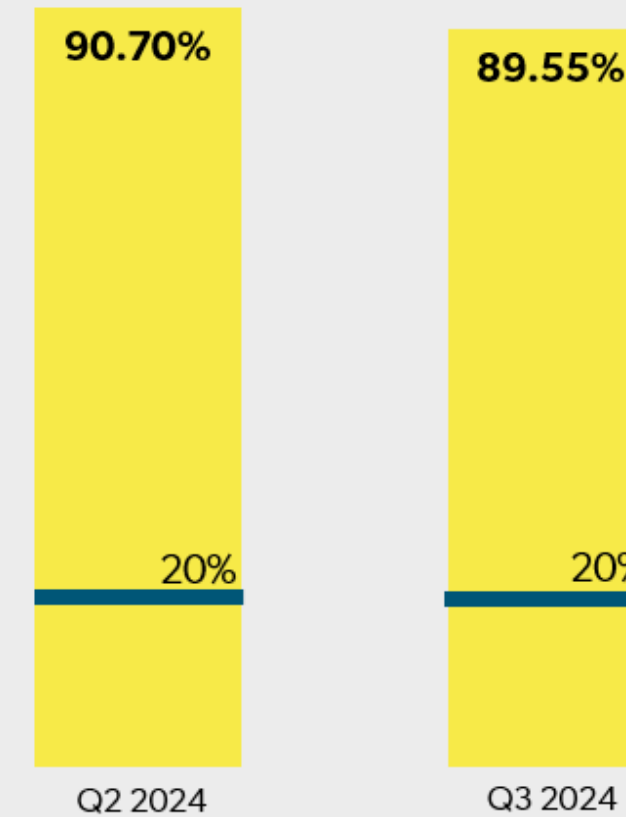
# The INDEXO Bank capital was increased by 2.3MEUR in September to support the ongoing business development

Tier 1 Capital MEUR

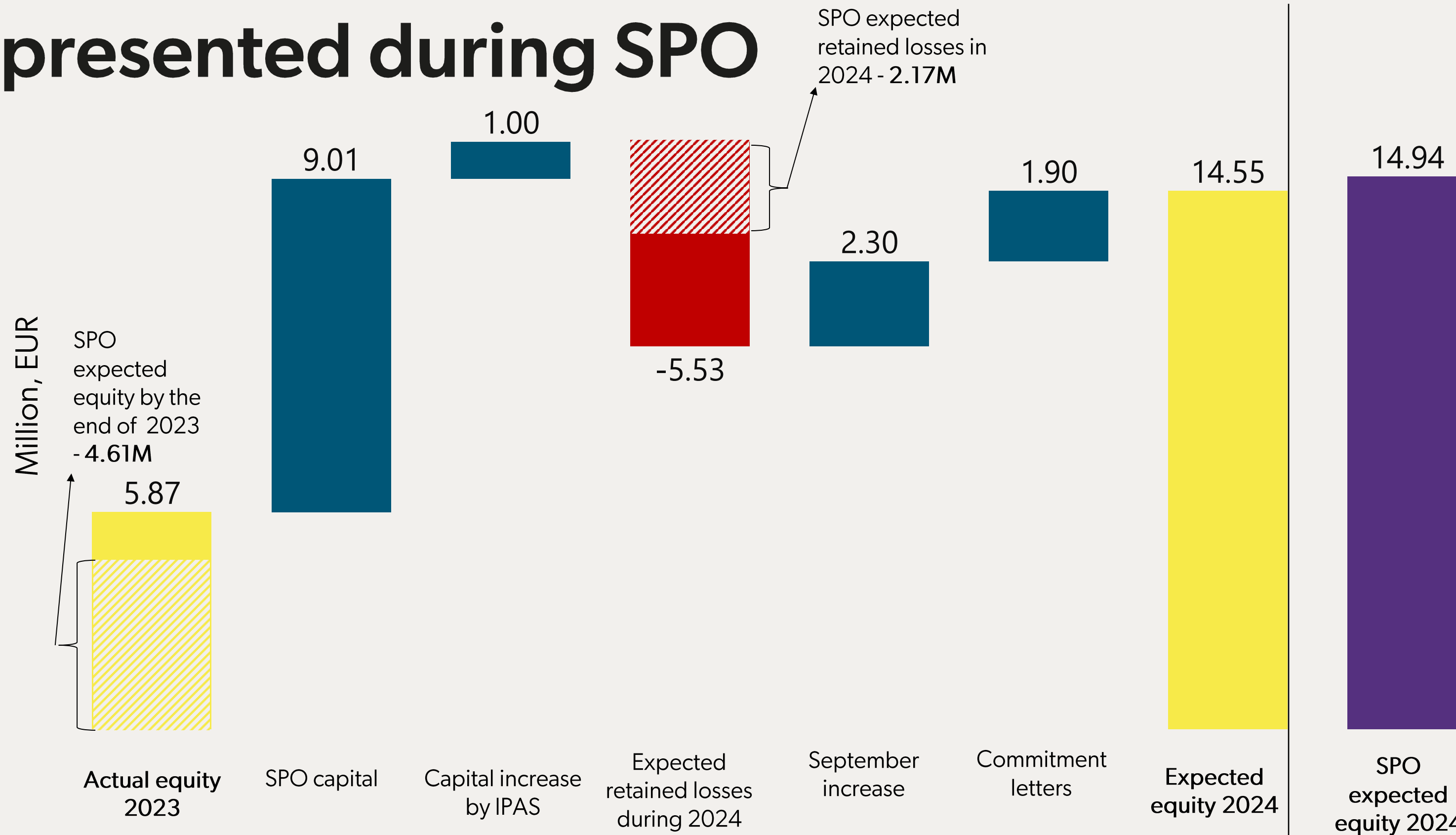


The goal of the Bank's capital management is to ensure continuity of the Bank's business and ability to generate return for its shareholders

Capital adequacy ratios and minimum requirement\*



# Total capital raised during 2024 will reach 12.3 million EUR as planned in financial forecasts presented during SPO



- Due to delay of the bank launch\* financial forecast for Indexo Group 2024 was updated

# INDEXO Bank, finally, is in the market to take its fair share



Addressable oligopolistic market of 622 million banking profits in 2023, and 304 million in H1 2024 is **ripe for disruption**



Huge underserved lending market opportunity, estimated to be **5+ bn**



Latvia **lacks successful local banks** like Coop, LHV who have been building market share quickly in Estonia



**INDEXO** is positioned to shake up the market by leveraging its large, fast-growing customer base, a well-recognized **brand**, and a cutting-edge **IT infrastructure**

At INDEXO Bank **every euro earns.**

**Even better – you can also  
double your salary.**

Join us – it only takes 5 minutes.



Find out more: [indexo.lv/dubulto-algu](https://indexo.lv/dubulto-algu)

**INDEXO**<sup>1</sup>  
Bank redefining the ordinary





# APPENDICES

# Consolidated Statement of Comprehensive Income

	Jan – Sept 2024	Jan – Sept 2023
	Unaudited, EUR	Unaudited, EUR
Commission and fee income	3 169 518	2 210 634
Commission expense	(44 110)	-
Interest income calculated using the effective interest rate	224 054	31 576
Administrative expenses	(6 345 433)	(4 286 230)
Interest expense	(481 821)	(1 680)
Other operating expenses	(68 114)	(41 677)
Credit losses	(10 716)	-
<b>Loss before corporate income tax</b>	<b>(3 556 622)</b>	<b>(2 087 377)</b>
Corporate income tax	(6 498)	(4 151)
<b>Loss for the period</b>	<b>(3 563 120)</b>	<b>(2 091 528)</b>
<b>Total comprehensive loss for the period, attributable to shareholders for the period</b>	<b>(3 563 120)</b>	<b>(2 091 528)</b>
<b>Basic earnings per share</b>	<b>(0.78)</b>	<b>(0.55)</b>
<b>Diluted earnings per share</b>	<b>(0.78)</b>	<b>(0.53)</b>

# Consolidated Statements of Financial Position

	Sept 2024 Unaudited, EUR	Sept 2023 Unaudited, EUR
<b>ASSETS</b>		
Cash and cash equivalents	17 149 975	3 848 531
Financial assets measured at amortized cost (incl.loans)	406 251	80 813
Receivables	395 248	271 477
Prepayments	155 141	92 932
Contract acquisition costs	1 501 587	1 313 664
Other assets	171 733	82 111
Tax assets	17 005	-
Intangible assets, property, plant and equipment and right-of-use of assets	6 207 732	1 453 755
Participation in the share capital of associated companies	198 450	78 400
Other securities and investments	61 583	11 663
<b>Total assets</b>	<b>26 264 705</b>	<b>7 233 346</b>
<b>EQUITY AND LIABILITIES</b>		
Financial liabilities measured at amortized cost (deposits)	8 965 612	-
Accrued liabilities	713 173	352 089
Trade payables	279 344	67 824
Taxes and national social insurance mandatory contributions	144 016	85 151
Lease liabilities	2 119 085	58 535
Other liabilities	190 636	101 202
<b>Total liabilities</b>	<b>12 411 866</b>	<b>664 801</b>
<b>EQUITY</b>		
Share capital	4 760 549	3 795 407
Share options	588 558	487 469
Share premium	17 463 467	7 094 334
Retained losses	(5 396 615)	(2 717 137)
Profit/(loss) for the period	(3 563 120)	(2 091 528)
<b>Total equity</b>	<b>13 852 839</b>	<b>6 568 545</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26 264 705</b>	<b>7 233 346</b>