Annual Report 2024

AS Inbank

General information

Consolidated Annual Report

01.01.2024 – 31.12.2024

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
Erkki Raasuke	Ivar Kurvits
	Piret Paulus
	Erik Kaju
	Evelin Lindvers

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

Translation of the consolidated financial statements in pdf-format without European Single Electronic Format (ESEF) markups.
The original document is submitted in machine-readable .xhtml format to the Nasdaq Tallinn Stock Exchange and digitally signed. The document can be found here.

AS Inbank

Contents

2024 Highlights

A year *in numbers*

872,000+

Active customer contracts

442

People with 33% in Tech roles

€1.15bn

Loan and rental portfolio

6,000+

Active retail partners

5

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

1.7%

Credit losses

492,000+

New contracts annually

80%

Sales originated at partner channels

9%

Return on equity

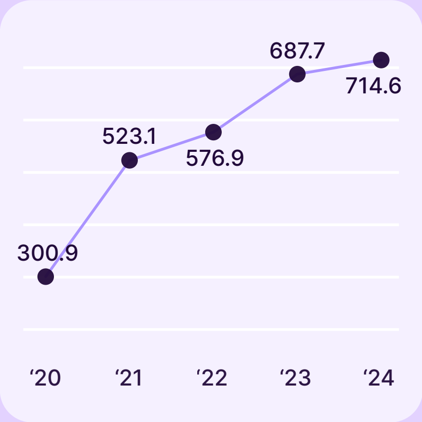
Key financials

(In millions of euros €)

GROSS MERCHANDISE VALUE

€715m

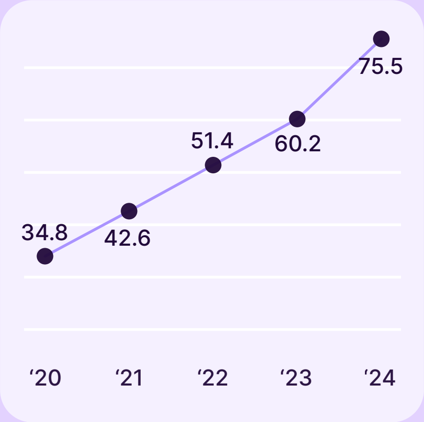
+4% year-on-year



TOTAL NET INCOME

€76m

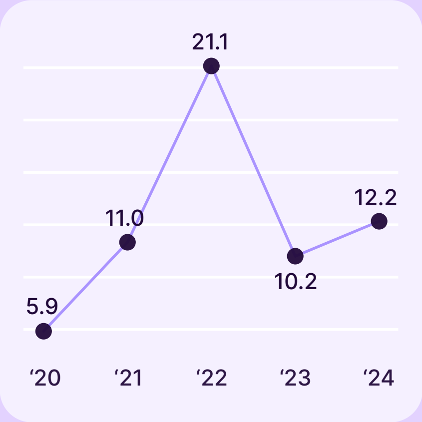
+26% year-on-year



NET PROFIT

€12m

+20% year-on-year



Key financial indicators and ratios

In millions of euros (€)

Key financial indicators	2020	2021	2022	2023	2024	Change 2023/2024
Total net income	34.8	42.6	51.4	60.2	75.5	25.5%
Net profit	5.9	11.0	21.1	10.2	12.2	19.7%
Total assets	490.0	787.0	1,020.5	1,320.6	1,435.8	8.7%
Loan and rental portfolio	389.2	640.5	815.9	1,030.2	1,146.7	11.3%
Deposit portfolio	391.3	617.8	828.9	1,081.6	1,171.4	8.3%
Equity	61.2	79.0	101.9	124.1	147.6	18.9%
Ratios						
Retail portfolio effective interest rate (EIR)	14.7%	10.2%	9.9%	10.8%	11.3%	
Funding cost [1, 2]	2.0%	1.7%	2.6%	4.5%	4.4%	
Net interest margin [1, 2]	8.1%	6.6%	6.1%	5.2%	5.4%	
Total income margin [1, 2]	7.4%	6.5%	5.8%	5.1%	5.4%	
Impairment losses to loan portfolio [1, 2]	3.2%	1.4%	1.6%	1.5%	1.7%	
Cost/income ratio [1, 2]	49.7%	56.3%	59.0%	61.4%	61.1%	
Return on equity (ROE) [1, 2]	11.3%	16.3%	23.4%	9.3%	9.0%	

Explanations of ratios and terms	
Gross merchandise value (GMV)	Total value of merchandise financed via Inbank embedded finance and direct-to-customer platforms
Loan and rental portfolio	Total of loans and receivables to private persons and rental portfolio before impairments
Return on equity (ROE)	Profit for the period / total equity (average over the period)
Retail portfolio effective interest rate (EIR)	Interest income based on EIR from retail portfolio / retail loans and receivables (average over the period)
Funding cost	Interest expense / interest-bearing liabilities (average over the period)
Net interest margin	Net interest income / interest-bearing assets (average over the period)
Total income margin	Total net income and currency translation differences / total assets (average over the period)
Total net income	Net interest income, fee, rental and other income and expenses
Cost/Income ratio	Total operating expenses / total net income
Impairment losses to loan portfolio	Impairment losses on loans and receivables / loans and receivables (average over the period)
Net profit	Profit for the period
Rental	Rental refers to Inbank's business line wherein clients rent different types of assets

[1] 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.
[2] The methodology for calculating key financial indicators and ratios has been revised in 2024. Instead of the average of the period opening and closing balance, the average of each month's balance is used. This adjustment has been applied retroactively across all historical periods, leading to modifications in previously reported ratios.

Highlights

FEBRUARY
Partnered with Montonio to provide pay-later and financing solutions integrated into their checkout system, reaching over 6,000 merchants across the Baltics.

APRIL
Issued €3 million in AT1 bonds, with demand exceeding the initial volume by 1.5 times.

MAY
Entered the Czech deposit market to diversify the bank's funding sources and support its expanding lending activities.

JULY
Sold 21% stake in financial technology start-up Paywerk to Swedbank AB enabling its technology to scale and offer new payment methods to more shoppers.

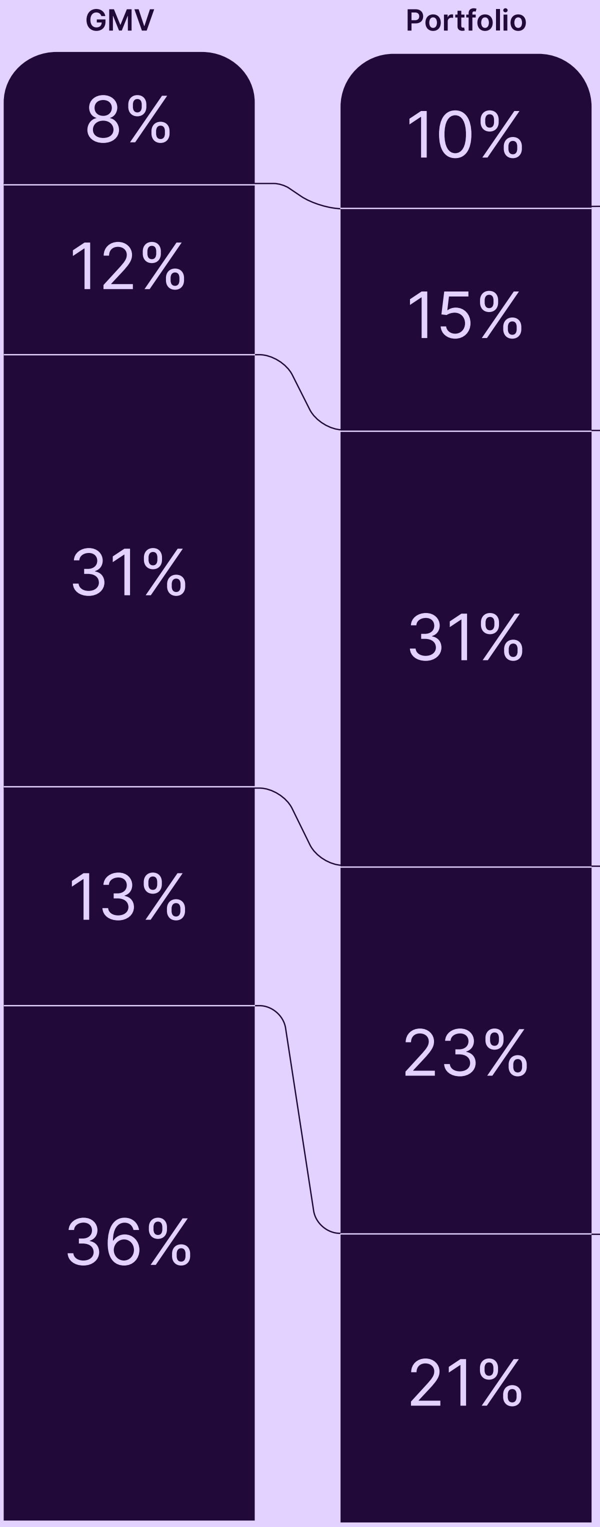
AUGUST
Raised €10m in new shares to drive growth, led by Swedbank pension funds and supported by 52 investors.

SEPTEMBER
Completed the innovative tech rental service rollout across Baltic markets in partnership with premium Apple reseller iDeal.

Launched a strategic partnership with Datart, the largest consumer electronics retailer in the Czech Republic, processing over 150,000 orders per day.

NOVEMBER
Partnered with the European Investment Bank, European Investment Fund, and European Commission to launch our first synthetic securitisation of solar panel loans in Poland, enabling €163m in new, competitively priced loans for private individuals.

Business volumes



We are building products around our partner's businesses with 80% of business generated through our merchant network. From car classifieds to seamless merchant multichannel solutions to turn-key rental services – our modular product platform and vertical tailored credit underwriting system can be easily customized to the specific needs of any merchant.

Rental services
Focusing on full-service car rental and electronics, our easily integrated turn-key rental services make customer installments more affordable and support a circular economy.

Direct lending
Consumers can access multi-purpose personal loans through a fast and straightforward online process, with most credit decisions made within seconds.

Auto marketplaces and dealers
Delivering a best-in-class customer journey, our digital car financing solutions are scalable to meet the needs of car classifieds and dealers across Europe.

Green finance
Supporting the shift to sustainable energy, we provide financing for residential solar panels and heat pumps through a fully automated process at the vendor's point of sale.

Merchant solutions
Financing is embedded directly into products and services, allowing merchants to deliver a seamless shopping experience both online and offline with quick and hassle-free integrations.

Embedded finance platform *designed for retail*

80%
Sales originated on partner channels

65%
Volume generated online

85%
Automated credit decisions

1,000+
Product combinations

Inbank is on a mission to bring financing right to the point of sale – where everyday shopping happens. With 6,000 retailers in our network, we make financing easier, smarter, and more accessible for over 500,000 unique customers on our platform.

We build seamless financing solutions designed for retail in all its forms, from bricks-and-mortar stores to online platforms. Whether it's sneakers, solar panels or pre-loved cars, our smart tech delivers fast, hassle-free financing options exactly when and where customers need them.

Success factors

Focused
Backed by a diverse network of retail partners, our mission since 2010 has been to support our partners in growing their businesses while ensuring consumers have easy access to financing.

Entrepreneurial
With a sky's-the-limit mindset and a proven track record of successful joint ventures, we embrace new ideas, leverage emerging trends, and consistently explore new markets for growth.

Tech-driven
Our fully embedded, flexible platform is built on scalable proprietary technology and next-generation underwriting – a formula that consistently delivers success.

Viable
Holding a banking license since 2015, we have access to EU deposit markets and bonds listed on the Nasdaq Baltic Stock Exchange. With 13 years of profitable growth, we are positioned for long-term success.

An ecosystem for growth

For Inbank, building and nurturing strong, in-depth relationships with our partner network and consumers, while steadily expanding our tools for balance sheet management, lies at the core of everything we do. The adaptability of our proprietary embedded finance platform ensures a continuous stream of opportunities to drive business growth and deliver value.

Helping partners grow their business
Merchants know that seamless financing solutions directly impact their sales volumes. With a comprehensive product portfolio that includes buy now, pay later (BNPL), traditional financing, and next-generation rental services, Inbank delivers tailored solutions to meet the needs of any business.

Removing friction from shopping
Whether renting the latest tech, buying sneakers, or choosing a practical pre-loved vehicle, people expect a seamless, hassle-free experience with zero waiting. We design our products around convenience, speed, distribution, and trust, ensuring financing happens exactly when and where it's needed—whether people are shopping online or in-store.

Unlocking the power of tech
Digitalization and open banking are paving the way for embedded financing solutions to thrive. Advancements in digital infrastructure enable the creation of seamless, fully automated solutions across more verticals and markets, offering enhanced opportunities for consumers while optimizing balance sheet management.

Prioritizing profitable ventures
We focus on building strong, collaborative partnerships that help both our partners and Inbank grow profitably. To do this, we're careful about the business opportunities we take on. With over a decade of experience, we've learned how to create a network of merchants and products that deliver an optimal credit selection and the best return on capital.

Inbank embedded finance platform

A three-dimensional marketplace that interlinks consumers, merchants, and balance sheet partners on a single platform.

Merchant network

Drive business growth by increasing demand and enabling additional purchases

Monetize financial services through a shared revenue model

Consumers

Personalized offers seamlessly integrated into shopping journeys

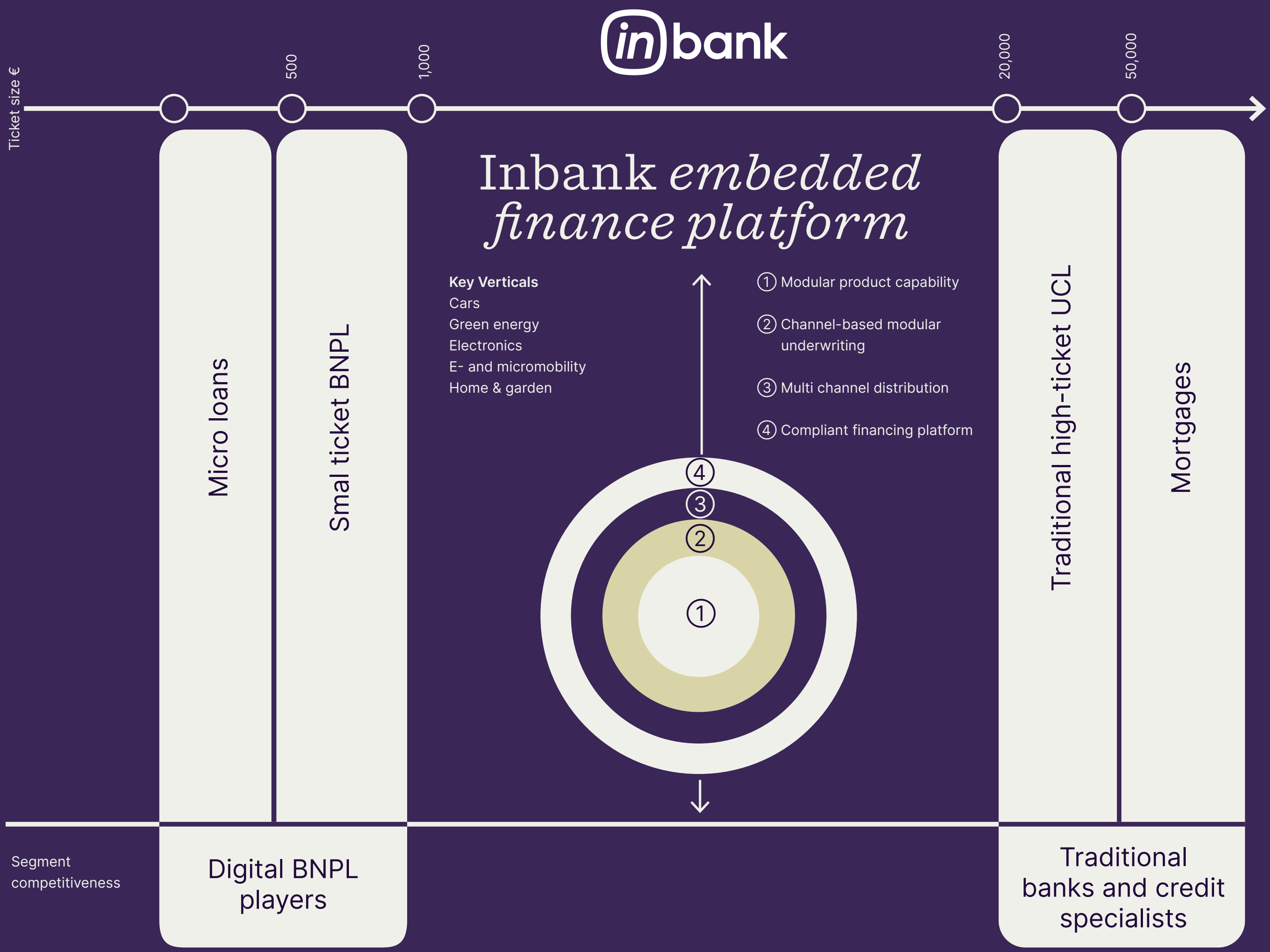
Customer engagement with up-sell and cross-sell opportunities

Balance sheet partners

Diversified customer base and high-quality origination platform

Comprehensive services for deploying the balance sheet, including origination, loan servicing, and regulatory reporting

Capturing opportunities *in untapped segments*



Inbank has successfully leveraged its modular tech platform to carve out a niche in the underpenetrated €1,000–€20,000 lending segment at the point of sale, automating credit decisions and streamlining back-office processes to further strengthen its position in this attractive and untapped market.

This competitive “white space” has enabled Inbank to achieve significant scale in its existing markets while opening opportunities for further expansion into new markets with both existing and new products. Our business is supported by strong market tailwinds and our target market is expected to reach €75bn by end of 2027 exhibiting 5.3% CAGR since 2024.*

* Forecast of Statistics Estonia, Bank of Estonia, Bank of Latvia, OECD, Lithuanian Ministry of Finance, National Bank of Poland, Czechia Ministry of Finance.

Message from the *Chairman of the Supervisory Board*

It's not easy to build a fast-growing international financial technology company – this conclusion is often where we end up during discussions with my business partner Priit Põldoja. We must constantly balance the pace of growth, capital, profitability, product innovation and competitiveness, growing into new markets, being attractive to talent, and navigating a changing regulatory environment. It's our everyday reality.

During the last 14 years, Inbank has built a very strong base. We have a winning business concept, we are profitable and we are growing. Still, looking toward the future, we have many directions we could pursue from here.

The environment around us is in constant change. The interest rate environment has created a new reality, and capital markets recalibrated their return expectations which immediately recreated the so-called "attractive business model" formula. Now it's not just about growth anymore, there must be visible positive economics and measurable tangible returns. Yes, profit is popular again!

> We have a winning business concept, we are profitable and we are growing.

Looking at Inbank specifics, we also had to adapt. Due to recent years of high growth and high investment, we also had to lean more toward product profitability and balanced growth and focus internally more on achieving scalability and operational efficiency. For me, all those topics are related to the theme of "more focus." More focus also requires being strategically specific, and I am happy to see that 2024 was not only about narrowing down but dealing with the strategic narrative before moving forward.

What are our strengths, what is the market and our partners expecting, and how can we grow faster without needing to deploy a substantial amount of capital? Having moved from being a financial technology company to become a real platform company – sounds like a big change. Not really. Looking from the inside

out, it's already there. We have a merchant platform with more than 6,000 integrated partners, we facilitate around half a million new contracts with a volume of 715 million euros annually. It's an internal marketplace, having standardised flows, different product features and conversion management tools with data availability. It's all there.

At the same time, we understand that growing only as a financial technology company and using the technology and platform only for ourselves limits our growth opportunities. We must open up! There are many financial institutions that lack their own modern products, and therefore cooperation is a highly relevant strategic choice. I am happy to see that Inbank has strong drive and ambition to reinvent the existing business concept and introduce to market a true embedded finance marketplace with multiple options.

Governance-wise, last year was also a year of focus for Inbank. Two supervisory board members, Taavi Kotka and Rain Rannu, departed. I would like to extend my gratitude to both for their contributions. They brought valuable new perspectives on transitioning from a pure financial institution to a technologically capable, modern financial player. In 2023, we had the privilege of welcoming Erkki Raasuke to the supervisory board as Chairman of our Audit Committee. This year, we extended the committee's scope to include risk management oversight, broadening its mandate.

From a capital perspective, two highly significant events occurred: the successful completion of a €10 million share issue with Swedbank pension funds as a lead investor, and the signing of an agreement with the European Investment Bank for a Significant Risk Transfer (SRT) transaction – Inbank's first securitization in its history and the first of its kind in the region.

In terms of forward-looking capital strategy, we held in-depth discussions about our future direction and established a clear position on becoming a public company. The supervisory board provided explicit guidance to management to begin the necessary preparations. This decision also necessitates a redesign of our governance structure, which will be a key focus in 2025.

Over the past three years, I played a substantial role in developing the start-up Paywerk, which was successfully acquired by Swedbank AS in July 2024. Following the transaction, I resumed a more active role in supporting our CPTO Erik Kaju and the product team in shaping our future product strategy. In other words, Inbank remains a founder-led company, with Priit Põldoja and I engaged in building and steering the company toward future growth.

Jan Andresoo
Chairman of the Supervisory Board, Founder

Statement from the CEO

Inbank is a growth company. We have an innovation and growth-oriented DNA. We win in the marketplace through building better products. We have developed a habit of looking for better ways to serve our more than 6,000 partners and half a million customers. However, 2024 was less about growth and more about making smarter choices and building a stronger base for Inbank. As a result, Inbank business is more focused, and our organization is better aligned going into 2025.

"2024 was less about growth and more about making smarter choices and building a stronger base for Inbank.

GMV, margins and revenue

In 2024, we held back our growth by choice and our GMV grew by 4%. Nevertheless, we still reached a record sales volume of 715 million euros. Our portfolio grew by 11% last year, which is the lowest since the Covid year of 2020. Our loan and rental portfolio reached 1.15 billion euros by the end of 2024. We streamlined our portfolio by exiting credit card business and lowering our exposure to lower margin hire purchase business in Poland. At the same time, we delivered very strong growth in car finance and with online merchants through our buy now, pay later (BNPL) offering. Our car finance portfolio grew by 43% to 350 million euros in 2024 to become the largest product segment. Merchant solutions remain Inbank's largest sales engine by delivering a GMV of 255 million euros. BNPL has emerged as a mainstream product for Baltic online merchants and PSPs, with Inbank nearly tripling its sales to 45 million euros last year.

All our core markets showed relatively steady performance. Baltics GMV grew by 4% to 448 million euros, with strong growth in Estonia and Latvia and a slight decrease in Lithuania, where we reduced sales in some lower margin partnerships. CEE recorded a 3% GMV growth to 267 million euros, with Czechia more than doubling sales and Poland slightly declining compared to 2023 level. We are generally happy with these results as we focused

on repricing our sales for the first three quarters and increased the Effective Interest Rate (EIR) on portfolio from 10.8% in 2023 to 11.3% in 2024. During Q4 2024 our average EIR on portfolio reached 11.6%, which is 2.2% higher than at the beginning of the rate rising cycle in Q1 2022.

> We expect margin improvement and strong revenue growth to continue during 2025.

With the market interest rates decreasing in Poland from late 2023 and euro market rates starting to decline during 2024, Inbank managed to slightly reduce its funding cost to 4.40% compared to 4.46% a year earlier. Combined with EIR improvements, our net interest margin (NIM) rose by 0.23% to 5.41%. Steady portfolio growth and slightly improving margins drove our total income up by 26% to 75.5 million euros in 2024. This is our strongest revenue growth since 2019. With portfolio repricing behind us and lower funding rates gradually impacting our deposit portfolio, we expect margin improvement and strong revenue growth to continue during 2025.

Financial results

Inbank recorded a net profit of 12.2 million euros in 2024, which is 20% higher than a year earlier. Our ROE remained at 9%. These results are below our targets and expectations set at the beginning of the year. At the same time they include several one-off events which impacted our annual profit significantly.

During Q3 2024 we decided to close our credit card product line and as a result had to take a software and Mastercard fee write-off in the amount of 2.46 million euros. In addition, we had accumulated 1.34 million euros of capitalised growth advisory and capital raising fees during 2023 and early 2024. Since we eventually decided not to engage an international institutional investor in this market environment, we had to write these fees off during Q4 2024. At the same time, Inbank made an extraordinary gain of 0.66 million euros from the sale of a 21% stake in financial technology start-up Paywerk. Excluding all these one-off items, Inbank had a profit of 15.4 million euros which is 50% higher than the previous year. Our normalised ROE would have been 11.3%.

“With the rise in equity and synthetic securitization, we considerably strengthened our capital base in 2024.

Funding and capital

Inbank continues to rely on a diversified portfolio of retail term deposits for its funding. During 2024 our deposit portfolio grew by 8% to 1.17 billion euros. Our average cost of deposits continued to decline throughout the year from 4.39% in December 2023 to 4.09% in December 2024. While zloty deposit rates declined by almost 1 percentage point to 5.13% during the year, euro deposit costs increased by 0.25 percentage points to 3.29% during the same period. Euro deposit cost peaked during Q3 2024 and has started to decrease slightly since then. During Q2 2024, we also successfully started gathering koruna term deposits in Czechia. We now fund 100% of our activities in Czechia with local retail deposits.

To strengthen our capital base, Inbank raised 10.1 million euros of equity in August. In total 52 local and international investors participated, and the round was led by Swedbank pension funds. Together with option shares, Inbank raised 11.4 million euros in total equity capital during the year.

In November, Inbank signed a synthetic securitization transaction with the European Investment Bank Group (EIB). The deal in the amount of 635 million zlotys (147 million euros) was backed by Inbank’s solar panel loans to private individuals in Poland. The transaction was the first of its kind in the Polish market and provided Inbank with 11 million euros of CET1 capital released at the time of the transaction. This deal is not only a testament to the increased sophistication of Inbank’s structuring capabilities, but it also paves the way to our originate-to-distribute strategy. Setting up the appropriate risk management and reporting mechanisms for the EIB is a step towards offering our loans to banks and credit investors. By having these capabilities, we are moving towards our goal of making Inbank a true platform company.

With the rise in equity and synthetic securitization, we considerably strengthened our capital base in 2024. By the end of the year Inbank's CET1 and total capital adequacy ratios stood at 13.4% and 18.9%, compared to 11.2% and 16.4% at the end of 2023.

Credit risk

Despite the high inflation and higher interest rate burden for our customers over the last couple of years, Inbank's credit quality has remained stable. During the second half of 2024, we made changes to our provisioning methodology to better capture the impairments in our credit portfolio. We improved the accuracy of our provisioning models, which will enable us to recognize significant increases in credit risk and potential defaults more precisely and as early as possible before the actual overdues have occurred. These changes impacted the distribution of loans between credit quality stages and as a result, Inbank total loan and rental portfolio impairment loss ratio increased slightly from 1.55% in 2023 to 1.65% in 2024.

Organization

Throughout 2023 Inbank made significant investments to strengthen our product and technology teams. During 2024, we completed onboarding all the engineering functions and continued to sharpen our product management organization. During the second half of the year, we increased the mandate of product line managers to move from functionality centric product management to a more holistic business centric product management. These changes will help better align our products across different markets and better scale our technology platform going forward. Inbank's future expansion mission is technology based and Inbank product engineers are key people that will turn great ideas into tangible reality.

Besides sharpening our product and technology organization, we also strengthened our finance, risk and compliance functions during 2024. Inbank business and regulations are becoming more complex, and our capabilities need to develop hand in hand with the increased requirements. We also launched dedicated teams for dealing with the upcoming environmental, social and governance (ESG) and Digital Operational Resilience Act (DORA) regulations.

> Inbank's embedded finance business model is unique and clearly winning in the marketplace.

Product development and growth

Inbank's embedded finance business model is unique and clearly winning in the marketplace. Nevertheless, building a scalable business has always been a bit of a moving target for us. As product innovators, we are very often first in the market and do not always know which products and businesses will pick up and which not. We are also constantly looking for new growth platforms. During 2024, we clearly understood that our car classifieds financing product is scaling incredibly well in most of our markets. Cooperation with Baltic Classifieds Group and OLX were essential drivers of our overall strong growth in car financing.

Throughout the year we also continued to build our innovative electronics rental product. Today we successfully cooperate with all Apple premium retailers and leading multi-brand stores like Euronics and Datart in the Baltics and Czechia. Early in 2025, our rental product will also be launched in Poland. The next stage is to build cooperation with telecommunications companies where the product is a perfect fit after the introduction of the new European Credit Directive.

During 2024, we also made strong strides in growing our distribution through online merchants, marketplaces and PSPs. This is the main reason our BNPL product sales took off during the year. In fact, within the merchant solutions segment, Inbank is providing more than half of the sales without any cost to the end customer. This makes our product highly viable for private customers who want to manage their purchases in a smarter way.

Building products that work for all our merchant partners and mass market private customers alike is a cornerstone of Inbank's success. Building products that are scalable across different European markets is a bigger challenge. Having entered the Latvian market in 2014 means Inbank has been an international company for more than 10 years. Over time we have learned how and where to develop our product platform. We made some additional choices during 2024 when we decided to exit the credit card business, which was difficult to scale and did not perfectly fit our partner-based distribution strategy. We also decided to migrate our acquired Lithuanian tech platform to a common Inbank solution. These steps alongside more unified product management will build a strong base for scaling Inbank growth going forward.

Way forward
With these investments under our belt and considerable strengthening of our capital position, Inbank will be in a strong position to grow more aggressively in the coming years. We are likely to have a further tailwind due to lower interest rate expectations in Europe and increasing consumer confidence. Having faced multiple external challenges over the last 5 years starting with Covid, then the war in Ukraine, and inflation resulting in considerably higher interest rates, Inbank's business is more resilient today than ever before. We are geared to build not only high growth, but also a consistently profitable business that will continue to win in the marketplace.

While the new environment is more suitable for investment into the Inbank balance sheet, our long-term strategy is to become a true platform company. We have built a growing network of more than 6,000 merchants. The next step will be to make our origination and underwriting capabilities available for banks and financial investors. Investments in our tech platform and synthetic securitization transaction with the EIB are great building blocks for making this new business model a reality by the end of 2025. Building a profitable core business and having no capital constraints for growth will open entirely new opportunities for Inbank growth into the leading European embedded finance platform.

Priit Põldoja
Chairman of the Management Board, Founder

Environmental, social and governance

As an EU-licensed financial technology company, Inbank connects merchants, consumers, and financial institutions through our next-gen embedded finance platform. Our strategy combines innovative solutions for merchants and flexible financing for customers to drive sustainable, yet profitable growth.

Sustainability is essential for our long-term success. Beyond financial goals, we prioritize efficient resource management while creating value for our stakeholders.

By empowering our customers to make smarter, more sustainable purchasing decisions, we encourage the shift towards conscious consumption. This approach aligns with evolving consumer preferences for sustainable products and services, helping create a more sustainable society.

Inbank focuses on fostering a culture that promotes responsible business practices while committing to sustainability as we drive growth and innovation. ESG topics are important to our mission, supporting sustainable growth, regulatory compliance, and trust-building with partners, customers, employees, and investors.

Inbank ESG focus areas

E	Energy-efficient practices and digital solutions Sustainable financing
S	People
G	Regulatory compliance and high ethics

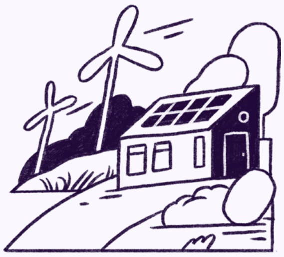
Energy-efficient practices and fully digital services
We are committed to reducing Inbank's operational carbon footprint by adopting energy-efficient practices. All our products and services are fully digital and scalable, minimizing environmental impact, enhancing convenience for partners and customers, and improving operational efficiency.

Our investments focus on automating and accelerating credit processing through paperless digital application processes, digital identification, data-driven credit decisions, and operational automation.

Sustainable financing
Inbank is dedicated to exploring business opportunities that align with environmental and social sustainability. We offer a range of sustainable financing solutions that contribute to climate change mitigation and accelerate the transition to renewable energy solutions.

One standout example is our green financing products, which promote renewable energy installations and energy efficiency improvements, delivering a positive environmental impact. Additionally, Inbank supports the circular economy by offering financing for pre-loved cars and premium electronics rentals.

In 2024, we partnered with the European Investment Bank, European Investment Fund, and European Commission to launch our first synthetic securitisation of solar panel loans in Poland, enabling €163m in new, competitively priced loans for private individuals.



Green financing

Supported by the European Investment Bank, Inbank's green financing options enable customers to install solar panels or upgrade to more efficient heating pumps, providing eco-friendly home improvements.

Car financing

Inbank's competitively priced car loan products offer customers an easy way to upgrade to a practical and affordable pre-loved vehicle, supporting a more sustainable approach to car ownership.

Rental services

Inbank's rental services provide a hassle-free way to access the latest tech, appliances, and tools. By choosing a circular way of living, customers can extend the lifespan of every product they use and contribute to reducing waste in the world.

Diverse and inclusive work culture

At Inbank, we cultivate a diverse and inclusive work culture that ensures equal opportunities for all employees. We prioritize continuous professional development to help our team enhance their skills, resilience, and adaptability. As a flexible employer, we are dedicated to supporting the mental and physical well-being of our employees. Learn more about working at Inbank in the People and Culture chapter.

Regulatory compliance and high ethics

Inbank is committed to staying aligned with evolving regulatory requirements, including data privacy, consumer protection, and sustainable finance, while upholding high ethical standards across all operations. We diligently adhere to guidelines, standards, and regulations applicable to financial institutions to ensure compliance and integrity.

Our approach

Risk management is an essential part of responsible governance and is embedded in both our day-to-day operations and long-term strategic planning.

While our sustainability journey is ongoing, 2024 marked an important year of laying the groundwork, creating a strong foundation to build upon as we continue to advance our efforts. Inbank is in the process of implementing the Corporate Sustainability Reporting Directive (CSRD) (as transposed to local legislations of the countries where Inbank operates) and setting up reporting according to the European Sustainability Reporting Standards (ESRS). Inbank will publish the first sustainability report (prepared in accordance with ESRS standards) in Q1 2026 as part of the 2025 annual report.

Preparatory work for implementing new standards and requirements includes mapping our business value chain, completing a thorough double materiality assessment to identify key topics based on impact and financial materiality, as well as assessing risks and opportunities related to environmental, social, and governance (ESG) issues.

Inbank is taking steps to implement ESG principles across all operations, further integrating them into our strategy. Setting clear goals in relevant ESG areas and outlining a concrete path to achieve them is central to our commitment to sustainability and responsible business practices.

Environmental
Environmental criteria address Inbank's impact on the environment and the risks arising from associated events. These can be categorized into climate change, use of natural resources, pollution and waste, and environmental opportunities.
Climate change-related risks are driven by two main factors: physical risks and transition risks. Inbank does not hold assets that are vulnerable to physical risks stemming from climate change. Similarly, transition risks, along with the use of natural resources, pollution, and waste, are not significant due to the nature of Inbank's business activities.

Social
Inbank upholds social criteria to the highest standards, focusing on employee well-being, customer security, and ethical business practices. The company is dedicated to providing a safe and healthy work environment, offering robust training and development opportunities, and supporting a positive work-life balance for all employees.

For customers, Inbank has built strong foundations for data security and privacy, ensuring the quality of its products while creating social opportunities through accessible financing solutions. Risks in this area include employment and safety practices, customer relationships, and regulatory interactions, all of which are managed with care.

Inbank also applies internal regulations for sourcing and outsourcing activities, carefully selecting business partners and vendors. The company remains highly selective about the funding it pursues and what is added to its balance sheet.

We are active members of several professional networks and associations, including the Estonian Banking Association. Additionally, we hold a board seat at FinanceEstonia, contributing to the development and growth of the financial sector in the region.

Inbank strives to make a positive impact in the communities where we work and live by supporting the growth of young talent. We are passionate about learning and sharing best practices, which is why we continue to run Inbank's Internship Program. This program bridges the gap between academic knowledge and practical work experience, equipping interns with the skills they need to build successful future careers.

Each year, we donate to the Colonna Charity Foundation, which focuses on improving the health and well-being of children through various initiatives, including projects aimed at addressing mental health challenges. Additionally, all proceeds from selling branded merchandise at Inbank Fan Shop are donated to charities selected by our team.

Governance

Inbank's ESG program is represented at all levels of the company, including the Management Board and employees from various functions. It brings together individuals who are passionate about creating a sustainable future and driving positive change within the organization.

Inbank has established corporate governance procedures to build and maintain the trust of all stakeholders. We believe that strong governance is achieved by managing the business responsibly, efficiently, and sustainably.

For more detailed information, Inbank's governance principles are outlined in the Corporate Governance Report, and our risk management principles are explained in Note 3 of the Consolidated Financial Statements.

Inbank's bonds are listed on the Nasdaq Baltic Stock Exchange, and we prioritize the provision of fair, detailed, transparent, and timely information to all stakeholders on our strategy, business, and financial performance. Our public reports are prepared with the principle of being clear, accessible, and useful for the reader at all times.

People and culture

442
People across Europe, 33% in Tech

136
Inbankers onboarded in 2024

26
Nationalities represented

50%
Women in leadership roles

36
Average age

Working at Inbank

At Inbank, we believe that our people are the driving force behind our success. Our team is made up of high-performing professionals who are deeply passionate about their craft, and we are committed to providing an environment where they can thrive. We foster a culture of trust and autonomy, giving our employees the freedom to take ownership of their work while providing the support and resources they need to succeed. Whether it's through professional growth opportunities, flexible working arrangements, or celebrating milestones together, we ensure that everyone feels valued and empowered.

Team composition	2024	2023
Total FTEs	442	417
Tech	33%	35%
Commercial	42%	42%
Business support	25%	23%

Engagement

Openness is at the core of our culture. In addition to internal communication through our Intranet and Slack, we host regular all-hands calls, where the CEO and function leads share updates on business results, growth projects, and company news with all Inbankers.

We value feedback and encourage everyone to share their thoughts openly. This commitment is reflected in our 89% response rate to the 2024 Employee Engagement Survey, well above The industry benchmark. It shows that Inbankers feel heard and empowered to contribute to shaping our shared future.

Employee Engagement Survey	2024	2023
Response rate	89%	83%
eNPS score	8%	34%
My work contributes to Inbank's goals	95%	96%
Personal and professional development is supported	86%	88%
Identification with values: Smart, Open, Active	97%	97%
Respect and trust of direct manager	95%	96%
Issues discussed honestly and openly	92%	91%
Satisfaction with internal communication	85%	92%

(Inbank eNPS and Employee Engagement Survey, September 2024)

Diversity

At Inbank, we believe in meritocracy, ensuring equal opportunities for everyone to succeed regardless of age, gender, ethnicity, or background. We're also proud to have 50% of leadership roles held by women.

In 2024, we introduced a new Whistleblowing Procedure to foster a safe, transparent, and ethical workplace, further reinforcing our commitment to diversity and inclusion.

Gender diversity breakdown (% of total FTE)	2024		2023	
	Women	Men	Women	Men
Overall	52%	48%	53%	47%
Leadership	50%	50%	46%	54%
Management Board	25%	75%	25%	75%
Supervisory Board	20%	80%	14%	86%

Age and nationality breakdown (of total FTE)	2024	2023
Nationalities	26	21
Average age	36	36
<30	23%	17%
30-50	71%	77%
>50	6%	6%

Personal impact

Being part of the Inbank team means making a meaningful impact. An impressive 95% of Inbankers feel their work directly contributes to the company’s goals. This highlights how our employees find value and purpose in their daily tasks, recognizing the important role they play in driving Inbank towards its strategic objectives.

Flexibility

Remote work has become the norm, but at Inbank, we see flexibility as much more than that. Whether it’s working from home a few days a week, relocating for a few months, keeping flexible hours, or working part-time, we’re open to and supportive of individual arrangements. This approach is reflected in our Employee Engagement Survey, where 93% of Inbankers said they are satisfied with the flexibility in their work schedule.

Collaboration

We make it a priority to work across teams and borders to ensure we're growing together, not apart. Teams working from different locations are encouraged to meet in person regularly to foster brainstorming and in-person connections.

Wellbeing

We’re committed to supporting both mental and physical wellbeing with a variety of benefits. These include sports compensation tailored to individual preferences, additional health insurance with access to psychological support and paid health days.

Inbankers with 3+ years of tenure enjoy an extra week of paid annual leave. Staying active is also part of our culture, with yoga classes, running marathons, and tennis and padel meetups bringing us together.

Events

While we’re serious about our work and results, we never miss a chance to celebrate our successes. From smaller team events to holiday gatherings or playing sports together, there’s always something happening. We find it important to reward ourselves for our accomplishments.

Leadership

At Inbank, we encourage our people to explore different career paths, discover what they're great at, and grow into their full potential. In 2024, we defined and introduced our leadership principles, designed not only to help managers become great leaders but also to give every Inbanker a clear sense of our culture and what we value. These principles serve as a guide for how we work, lead, and grow together.

Leadership principles

Here for our partners and customers

There would be no Inbank without our partners and customers. Leaders ensure that internal challenges never stand in the way of delivering excellence to our partners and customers. They cut through the noise, remove obstacles, and keep the focus on what truly matters. Everything else can wait.

Set the bar high

While getting things done and delivering results is key, it's the commitment to high standards that defines success. Leaders constantly raise the bar to drive uncompromising quality, inspiring their teams to push boundaries and reach new heights.

Act like owners

We provide direction and context, not checklists. Leaders have an owner's mindset by taking personal responsibility for the problem and delivering the solution. They don't wait for permission, they have the freedom and responsibility to deliver results. They constantly ask themselves, "Would I make this decision if this were my company?" and act accordingly.

Put Inbank first

We measure success as One Inbank, not as individual teams. Leaders look beyond their domains and prioritize what's best for the entire organization. They never say, "That's not my job" or turn a blind eye when things slip through the cracks. Instead, they take initiative, find the right person to address the issue, and ensure it gets resolved.

Brutally honest, never rude

Avoiding hard truths and sparing feelings ultimately compromises standards. Leaders don't assign blame or dwell on the past. Instead, they focus on guiding their teams toward actionable solutions while creating an environment of trust. Leaders tell it like it is, but always with empathy – honesty is no excuse for disrespect.

Build empowered teams
You cannot create something truly great alone. Leaders hire and keep the best talent, giving them the freedom and support to grow into their true potential. They provide purpose and clear direction, empowering people to get things done and make a real impact as a team. Leaders create a space where people feel energized, connected, and valued.

Champion meritocracy
We don't let hierarchy stand in the way of getting things done. Leaders encourage collaboration, transparency, and the free exchange of ideas, regardless of job title or rank. They reward and promote based on contribution, not politics or tenure, so that everyone with talent, performance, and impact has an equal chance to succeed.

Act on opportunities, but never bet the bank
Exciting things don't happen in comfort zones, which is why we value initiative and calculated risk-taking. Our leaders are curious by nature, always on the lookout for new opportunities. They're ready to seize new possibilities, whether within or beyond our domain, but they do it smartly, never putting everything on the line.

Make decisions, don't over analyze
Indecision is worse than a bad decision. Leaders step up and make the call – a 'no' is also a decision. They synthesize available information, form an opinion and act with confidence, even without all the answers. Once a decision is made, they and their teams commit to it fully.

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 regularly bring together heads of business units and the CEO to identify team strengths, unique skill sets, and areas for growth

across the organization. These sessions help us align different parts of the business while also recognizing top talent. By doing so, we create opportunities for self-development, whether through promotion or taking on a new challenge in a completely different area. This approach ensures that our people continue to grow and thrive within the organization.

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

All newcomers are welcomed to our HQ in Tallinn for an in-person onboarding experience. This two-day event gives them the opportunity to meet the founders, learn about Inbank's mission, values, and business model, and understand how they can make an impact. It also includes an introduction to the organization's main functions and the founding story. To ensure a smooth transition, we also have a Buddy Programme to help new Inbankers navigate their first steps, get to know how things work, and feel supported as they settle in.

Growth

We believe people know best what they need to grow, so we give everyone the freedom to create their own self-development plans based on their interests and goals. From acquiring new professional skills and attending industry events to learning languages or receiving personal coaching, we offer a wide range of opportunities to support every Inbanker's growth journey.

Future talent

Once a year, we run fairly-compensated student intern programs across our locations to help young people gain practical knowledge and make their transition into the workforce smoother. Many of them even land their first job at Inbank. We also regularly host students at our offices and participate in career fairs to showcase career opportunities and provide a glimpse of life at Inbank.

	2024	2023
Interns onboarded	12	17
Interns retained	8	10

Recognition and compensation

We believe in rewarding and promoting based on impact and results, not politics or tenure. Our commitment to fairness drives us to use market data to ensure everyone is compensated appropriately and competitively.

Annual bonuses

Apart from the provided compensation package, top performers have the opportunity to receive annual cash bonuses determined by their individual contributions and performance, as evaluated during the annual review process.

Stock options

Building something truly great requires having skin in the game. That's why we allocate up to 1% of the company's equity annually to inspire top talent with a sense of ownership.

ESOP programme	2024	2023
Total stock options outstanding	624,400	672,325
Employees and top management eligible	75	64

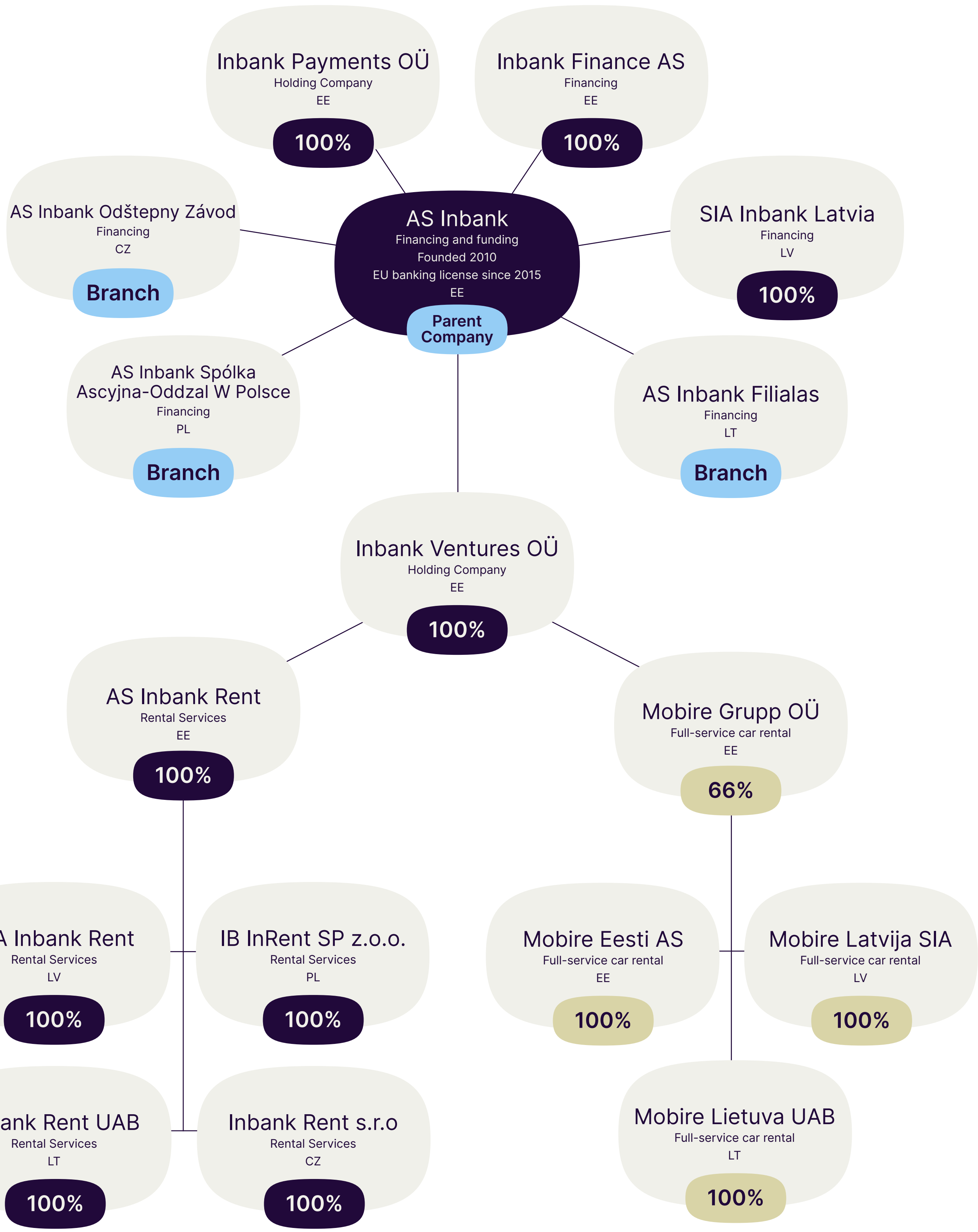
Sabbatical

Our fully compensated sabbatical program is designed for high-performing employees to take a 6-week break every 4 years to recharge and refresh. In 2024, 13 Inbankers took this opportunity to rest, explore new passions, and return with renewed energy and purpose.

Recognition

We believe in recognizing those who go the extra mile, whether it's launching a new product, securing a partnership, or going above and beyond to support a colleague. While we regularly celebrate milestones and achievements, we also take time to spotlight personal contributions at our annual Employee Awards.

Group structure



Governance

Management Board

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

Supervisory Board

Jan Andresoo
Chairman of the Supervisory Board

Roberto de Silvesteri
Member of the Supervisory Board

Triinu Bucheton
Member of the Supervisory Board

Raino Paron
Member of the Supervisory Board

Erkki Raasuke
Member of the Supervisory Board

	Audit and Risk Committee	**Remuneration Committee**
Jan Andresoo	Member	Chair
Roberto de Silvestri		Member
Triinu Bucheton	Member	
Raino Paron	Member	Member
Erkki Raasuke	Chair	

Corporate governance *report*

Inbank adheres to the Corporate Governance Recommendations (CGR) adopted by the Financial Supervisory Authority. The CGR is primarily intended for companies whose shares have been accepted for trading on a regulated market operating in Estonia. Therefore, Inbank applies the CGR according to its specific characteristics. The following is an overview of the implementation of the CGR and explanations for why Inbank does not adhere to certain recommendations.

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. Consequently, the decision-making processes at Inbank involve its General Meeting, the Supervisory Board, the Management Board and, for the most important credit decisions, its Credit Committee. 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 at 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 an amendment to 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 to 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 to 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 at 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 is sent to the shareholders by registered letter to the address entered in the share register, or published in a daily national newspaper.

The agenda of the General Meeting, draft resolution proposals from the Supervisory Board and other relevant materials are made available to the shareholders prior to the General Meeting on Inbank's website. Shareholders may vote on the draft resolutions prepared in respect of the items on the agenda of a General Meeting using electronic means prior to the General Meeting.

In 2024, an ordinary General Meeting was held on 28 March 2024. The agenda included the approval of the consolidated annual report for 2023; deciding on the distribution of profits in the 2023 financial year; amendments to the articles of association; extensions of the term of office of members of the Supervisory Board and other matters. An overview of Inbank’s financial results and activities was also presented to the shareholders.

In 2024, one extraordinary General Meeting was held and took place on 8 August 2024. The agenda included the increase of the share capital and the amendment to the articles of association. An overview of Inbank’s financial results in the first half of 2024 and future plans was also presented to the shareholders.

Inbank does not fully implement clause 1.2.2 of the 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 of 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 the 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 the CGR that a Management Board member cannot be elected as 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 the 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; however, the Chairman of the Supervisory Board always attends the General Meeting. The Chairman of the Management Board and the Management Board member responsible for finance are always present. 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.

The members of the Management Board are elected and the Chairman of the Management Board is appointed by the Supervisory Board. The Management Board approves a document whereby it decides on each member's areas of responsibility. The Management Board develops the strategy and budget of Inbank, which are submitted to the Supervisory Board for approval.

According to the articles of association, the Management Board consists of three to nine members, elected for a period of three years. In 2024, the Management Board of Inbank consisted of eight members. Ivar Kurvits was recalled from the Management Board temporarily as of 25 April 2024, and he was reelected to the

Management Board as of 17 October 2024.

The Management Board members are:

- **Priit Põldoja** (Chairman of the Management Board)
- **Marko Varik**
- **Margus Kastein**
- **Maciej Pieczkowski**
- **Ivar Kurvits**
- **Piret Paulus**
- **Erik Kaju**
- **Evelin Lindvers**

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

Member of the Management Board	**Number of Shares**		**Issued share options**
	Belonging to the member	Belonging to related parties	
Priit Põldoja	39,448	1,276,250	40,000
Marko Varik	20,000	155,889	40,000
Margus Kastein	14,706	7,062	40,000
Maciej Pieczkowski	3,500	0	40,000
Ivar Kurvits	1	82,909	40,000
Piret Paulus	14,000	133,300	28,500
Erik Kaju	0	0	50,000
Evelin Lindvers	0	250	20,000

Inbank does not implement clause 2.2.7 of the CGR recommending to disclose information about benefits and bonus principles of members of the Management Board on their website. The remuneration paid to 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, and Management and Supervisory board members. In addition, this is private information and disclosing it is not inevitably necessary in order to assess the activities of Inbank. Inbank did not implement clause 2.2.7 of the CGR recommending that the most important aspects and changes made in management remunerations be introduced at the General Meeting because there have been no significant changes in the remuneration of the Management Board during 2024.

The Management Board members submit a declaration 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 members of the management bodies in the following companies belonging to the consolidation group of Inbank:

- **Priit Põldoja:** 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 AS Inbank Finance, Chairman 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, Member of the Management Board of Inbank Payments OÜ;
- **Ivar Kurvits:** Member of the Supervisory Board of Mobire Group OÜ;
- **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, Member of the Management Board of Inbank Rent s.r.o., Member of the Management Board of IB InRent Sp. z o.o;
- **Evelin Lindvers:** Member of the Supervisory Board of AS Inbank Finance, Member of the Supervisory Board of AS Inbank Rent.

The members of the Management Board have not received any severance payments in 2024.

Supervisory Board
Inbank's Supervisory Board plans the activities of Inbank, gives instructions to the Management Board for the organisation 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 five 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**
- **Triinu Bucheton**
- **Raino Paron**
- **Erkki Raasuke**

Until the end of March 2024, the Supervisory Board had seven members. The terms of office in the Supervisory Board of Rain Rannu and Taavi Kotka ended respectively on 30 March 2024 and 31 March 2024, and were not extended by the General Meeting.

In 2024, the Supervisory Board had 6 ordinary meetings and on 17 occasions the necessary decisions were adopted electronically. All the Supervisory Board members have attended at least half of the meetings held in 2024.

Audit and Risk Committee

In June 2024, the Supervisory Board decided to extend the Audit Committee's authority so that it would also govern risk management areas. As a result, the name of the committee was changed to Audit and Risk Committee and a new statute was adopted. Inbank's Audit and Risk Committee has four members. The Chairman of the Audit and Risk Committee is Erkki Raasuke and members are Raino Paron, Jan Andresoo and Triinu Bucheton. The Audit and Risk Committee has been established to assist the Supervisory Board in the following areas: processing the financial information of Inbank and the effectiveness of accounting and reporting; the efficiency and effectiveness of the systems of internal control, internal audit and risk and capital management; legal and regulatory compliance; the external audit process and the external auditor's independence and performance.

The Chairman of the Audit and Risk Committee receives monthly remuneration, the other members do not receive remuneration. The members of the Audit and Risk Committee are named on the website, but additional information about the work of the Audit and Risk Committee is not disclosed on the website (clause 3.1.3 of the CGR), as Inbank does not consider it necessary in respect to the work performed by the Audit and Risk Committee and ensuring the interests of the shareholders.

Remuneration Committee

A Remuneration Committee consisting of two members has been established by the Supervisory Board. The Chairman of the Remuneration Committee is Jan Andresoo and the member is Roberto de Silvestri. The responsibilities of the Remuneration Committee include evaluating the implementation of the remuneration principles at 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. The members of the Remuneration Committee are named on the website, but additional information about the work of the Remuneration Committee is not disclosed on the website (clause 3.1.3 of the CGR), as Inbank does not consider it necessary in respect to the work performed by the Remuneration Committee and ensuring the interests of the shareholders.

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	30,000	1,116,337	22,500
Roberto de Silvestri	914,036	0	10,000
Triinu Bucheton	0	137,479	0
Raino Paron	29,384	714,291	0
Erkki Raasuke	0	5,000	4,000

All the members of the Supervisory Board receive monthly 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 the 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 board.

The members of the Supervisory Board submit 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 email 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 the 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 the CGR), information on responses to questions presented by analysts and shareholders (clause 5.5 of the CGR) and the dates of meetings with analysts, investors and the press (clause 5.6 of the 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. 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 01.01.2024 – 31.12.2024. Inbank follows the auditor rotation principle.

The auditor has provided other assurance services to Inbank in 2024, 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. The 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 78,950 shares have been granted during 2024. These option contracts can be exercised starting from 2027. In 2024, several employees and members of the Management Board and Supervisory Board exercised their share options which had been issued in 2021.

Consolidated financial statements

Consolidated statement of financial position

In thousands of euros	Notes	31.12.2024	31.12.2023
Assets			
Cash and cash equivalents	11; 26	153,191	172,921
Mandatory reserves at central banks	26	25,156	21,020
Investments in debt securities	12; 26	46,724	33,581
Financial assets measured at fair value through profit or loss		27	79
Loans and receivables	9; 26	1,041,542	942,056
Investments in associates	13	0	141
Other financial assets	17	4,569	5,268
Tangible fixed assets	14	98,069	75,206
Right of use assets	14;15	20,551	26,716
Intangible assets	16	31,560	30,906
Other assets	17	9,718	8,185
Deferred tax assets	10	4,707	4,505
Total assets		**1,435,814**	**1,320,584**
Liabilities			
Customer deposits	18; 26	1,171,359	1,081,566
Financial liabilities measured at fair value through profit or loss		503	50
Other financial liabilities	20; 26	59,135	60,927
Current tax liability	10	62	311
Deferred tax liability	10	533	204
Other liabilities	20	4,620	3,691
Subordinated debt securities	19; 26	52,046	49,745
Total liabilities		**1,288,258**	**1,196,494**
Equity			
Share capital	23	1,152	1,086
Share premium	23	54,849	43,563
Statutory reserve	25	109	103
Other reserves	24; 25	1,329	1,543
Retained earnings		90,117	77,795
Total equity		**147,556**	**124,090**
Total liabilities and equity		**1,435,814**	**1,320,584**

Notes set out on pages 54 - 138 form an integral part of the consolidated financial statements.

Consolidated statement of profit and loss and other comprehensive income

In thousands of euros	Note	2024	2023
Interest income calculated using effective interest method	5	121,441	98,723
Interest expense	5	-53,949	-45,331
Net interest income	**5**	**67,492**	**53,392**
Fee and commission income	6	366	473
Fee and commission expenses	6	-4,690	-4,199
Net fee and commission income/expenses		**-4,324**	**-3,726**
Rental income	7	32,435	23,905
Sale of assets previously rented to customers	7	15,849	14,155
Other operating income	7	43	769
Depreciation of rental assets		-14,471	-11,124
Other operating expenses	7	-6,636	-4,772
Cost of assets sold previously rented to customers		-15,243	-12,556
Net rental income/expenses		**11,977**	**10,377**
Net gains/losses from financial assets measured at fair value		9	-14
Foreign exchange rate gain/losses		365	128
Net gain/losses from financial items		**374**	**114**
Total net interest, fee and other income and expenses		**75,519**	**60,157**
Personnel expenses	8	-19,986	-16,628
Marketing expenses	8	-3,071	-3,266
Administrative expenses	8	-14,547	-11,033
Depreciations, amortization	14; 15; 16	-8,513	-6,007
Total operating expenses		**-46,117**	**-36,934**
Share of profit from associates	13	663	250
Impairment losses on loans and receivables	9	-16,355	-13,203
Profit before income tax		**13,710**	**10,270**
Income tax	10	-1,497	-68
Profit for the period		**12,213**	**10,202**
Other comprehensive income that may be reclassified subsequently to profit or loss			
Currency translation differences	25	-288	-415
Total comprehensive income for the period		**11,925**	**9,787**

*Change in presentation to the cost of rental services was made. For more details refer to Note 1.
Notes set out on pages 54 - 138 form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

In thousands of euros	Note	2024	2023
Cash flows from operating activities			
Interest received	5	120,218	97,106
Interest paid	5	-54,616	-37,694
Fees received	6	294	473
Fees paid	6	-5,555	-4,199
Rental proceeds	7	32,435	23,905
Payments for rental services	7	-5,759	-4,768
Sale of assets previously rented to customers	7	15,849	14,155
Other operating income received	7	42	769
Personnel expenses paid	8	-19,220	-21,338
Administrative and marketing expenses paid	8	-15,354	-13,227
Income tax paid	10	-1,739	-818
Cash flows from operating activities before changes in the operating assets and liabilities		**66,595**	**54,364**
Changes in operating assets			
Loans and receivables	9	-114,170	-199,046
Acquisition of tangible assets for rental business	14	-45,058	-36,423
Mandatory reserves at central banks		-4,136	-6,574
Other financial assets	17	699	-1,881
Other assets	17	-304	-13,092
Changes of operating liabilities			
Customer deposits	18	90,421	245,077
Other financial liabilities	20	1,729	8,527
Other liabilities	20	917	474
Net cash flows from operating activities		**-3,307**	**51,426**
Cash flows from investing activities			
Investments in debt securities	12	-26,654	-37,682
Repayments of debt securities	12	14,000	13,020
Acquisition of tangible fixed assets	14; 15	-953	-1,009
Acquisition of intangible assets	16	-7,702	-4,698
Acquisition of associates	13	0	-76
Sale of associates	13	804	1,250
Net cash used in/from investing activities		**-20,505**	**-29,195**

Consolidated statement of cash flows (continued)

(continued from previous page)

In thousands of euros	Note	2024	2023
Cash flows from financing activities			
Share capital contribution (including share premium)	23	11,388	12,039
Subordinated debt securities issued	19; 22	2,340	19,133
Acquisitions of non-controlling interests by redeeming put option	13	0	-1,930
Principal payments of lease liability	20; 22	-9,477	-9,423
Net cash used in/from financing activities		**4,251**	**19,819**
Effect of exchange rate changes on cash and cash equivalents		-169	-18
Cash and cash equivalents at the beginning of the reporting period	**11**	**172,921**	**130,889**
Net increase/decrease in cash and cash equivalents		-19,730	42,032
Cash and cash equivalents at the end of the reporting period	**11**	**153,191**	**172,921**

Notes set out on pages 54 - 138 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: Share based payment reserve	Other reserves: Voluntary reserve	Other reserves: Currency translation reserve	Retained earnings	Total equity
Balance, 01.01.2023	**1,026**	**31,855**	**100**	**389**	**1,330**	**-298**	**67,522**	**101,924**
Profit for the period	0	0	0	0	0	0	10,202	10,202
Other comprehensive income	0	0	0	0	0	-415	0	-415
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**-415**	**10,202**	**9,787**
Paid in share capital	60	11,708	0	0	0	0	0	11,768
Share-based payment reserve	0	0	0	537	0	0	0	537
Transfer to statutory reserve capital	0	0	3	0	0	0	-3	0
Other movements	0	0	0	0	0	0	74	74
Balance, 31.12.2023	**1,086**	**43,563**	**103**	**926**	**1,330**	**-713**	**77,795**	**124,090**
Balance, 01.01.2024	**1,086**	**43,563**	**103**	**926**	**1,330**	**-713**	**77,795**	**124,090**
Profit for the period	0	0	0	0	0	0	12,213	12,213
Other comprehensive income	0	0	0	0	0	-288	0	-288
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**-288**	**12,213**	**11,925**
Paid in share capital	66	11,096	0	0	0	0	0	11,162
Share-based payment reserve	0	0	0	76	0	0	305	381
Transfer to statutory reserve capital	0	0	6	0	0	0	-6	0
Other movements	0	190	0	0	0	-2	-190	-2
Balance, 31.12.2024	**1,152**	**54,849**	**109**	**1,002**	**1,330**	**-1,003**	**90,117**	**147,556**

In 2024 an additional reserve of 381 thousand euros (2023: 537 thousand euros) was formed for share-based payments and 305 thousand euros (2023: 0 euros) were transferred to retained earnings due to realized options.

Additional information on equity is provided in Notes 23 and 24.

Notes set out on pages 54 - 138 form an integral part of the consolidated financial statements.

Note 1 Material accounting policy information

General information

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

Inbank consolidated financial statements have been approved by the Management Board on 3 March 2025 and will be presented to shareholders for approval at the general meeting on 31 March 2025. The shareholders have the right not to approve the consolidated financial statements.

The legal structure of AS Inbank group:

Company name	Year of purchase/founded	Parent/branch/subsidiary	Location	Activity
AS Inbank	2010	Parent	Estonia	Financing and funding
AS Inbank Odštepny Závod	2021	Branch	Czechia	Financing
AS Inbank Spólka Ascyjna-Oddzal W Polsce	2016	Branch	Poland	Financing
AS Inbank Filialas	2019	Branch	Lithuania	Financing
SIA Inbank Latvia	2014	Subsidiary	Latvia	Financing
Inbank Ventures OÜ	2016	Subsidiary	Estonia	Holding activity and hardware rental
Inbank Payments OÜ	2019	Subsidiary	Estonia	Holding company
Inbank Finance AS	2021	Subsidiary	Estonia	Financing
IBF InRent Sp. z.o.o	2022	Subsidiary	Poland	Rental services
AS Inbank Rent	2023	Subsidiary	Estonia	Rental services
Inbank Rent SIA	2023	Subsidiary	Latvia	Rental services
Inbank Rent s.r.o	2024	Subsidiary	Czechia	Rental services
Inbank Rent UAB	2024	Subsidiary	Lithuania	Rental services
Mobire Group OÜ	2021	Subsidiary	Estonia	Holding company
Mobire Eesti AS	2021	Subsidiary	Estonia	Full service car rental
Mobire Latvija SIA	2021	Subsidiary	Latvia	Full service car rental
Mobire Lietuva UAB	2021	Subsidiary	Lithuania	Full service car rental

Operating Environment

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.

Inbank mainly issues uncollateralised loans to private persons with relatively short maturities. Climate risks are viewed as long-term and therefore less relevant for short-term credit risk modeling. Private persons are not very vulnerable to transition risks. Therefore the Bank's loan portfolio is not significantly exposed to climate risks. The Bank's loan portfolio is geographically diversified which additionally reduces the risk. Climate risk factors are not explicitly incorporated in the ECL measurement as the impact is insignificant. For more detailed information about Environmental, social and governance (ESG) risks please refer to the management report section 'Environmental, social and governance (ESG) risks'.

Economic and geopolitical environment

The geopolitical situation due to the Russia-Ukraine war remains highly dynamic, influencing economic conditions worldwide and leading to strengthening physical and digital security policies around the EU. Despite these challenges, Inbank capacity to manage cyber risks remained satisfactory and Inbank was able to navigate through these geopolitical tensions while maintaining its operations and services on expected level. The macroeconomic and geopolitical environment in 2024–2025 presents a mixed outlook. While risks persist due to global uncertainties and high borrowing costs, stabilizing inflation and potential rate cuts could support consumer lending growth. Changes in the economical environment and increase of possible invasion risk might have an indirect impact on defaults among the Inbank's customers. Macroeconomic assumptions underlying the expected loss allowance are disclosed in Note 2.

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 2024 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 29), 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.

Inbank does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. Refer to Note 3 for analysis of financial instruments by their maturity. The following table provides information on amounts expected to be recovered or settled before and after twelve months after the reporting period for items that are not analysed in Note 3.

In thousands of euros	31.12.2024			31.12.2023		
	Amounts expected to be recovered or settled			Amounts expected to be recovered or settled		
	Within 12 months after the reporting period	After 12 months after the reporting period	Total	Within 12 months after the reporting period	After 12 months after the reporting period	Total
Assets						
Investment in associate	0	0	0	0	141	141
Current income tax prepayment	618	0	618	0	678	678
Deferred income tax asset	0	4,707	4,707	0	4,505	4,505
Goodwill	0	8,685	8,685	0	8,685	8,685
Intangible assets	0	22,875	22,875	0	22,221	22,221
Right of use asset	0	20,551	20,551	0	26,716	26,716
Other assets	9,100	0	9,100	5,686	1,821	7,507
Total assets	**9,718**	**56,818**	**57,436**	**5,686**	**64,767**	**62,946**
Liabilities						
Current income tax liability	62	0	62	311	0	311
Deferred income tax liability	0	533	533	0	204	204
Other liabilities	4,620	0	4,620	3,691	0	3,691
Total liabilities	**4,682**	**533**	**5,215**	**4,002**	**204**	**4,206**

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 takes precedence in the event of a conflict with the English or any other language version.

Certain new IFRS Standards, amendments and interpretations to existing Standards, came into effect for accounting periods beginning on 1 January 2024 or later periods. Standards, that became effective from 1 January 2024, did not have any material impact on Inbank financial statements. Amendments to Standards which became effective for annual periods beginning on or after 1 January 2024, include amendments to IFRS 16, IAS 1 and IAS 7.

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Inbank has not early adopted. Amendments to Standards which will become effective for annual periods beginning on or after 1 January 2025 or later periods include amendments to IFRS 9, IFRS 7 and IFRS 18. The following section describes the main changes and impact of these amendments.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (not yet adopted by the EU). On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and

(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

IFRS 18 Presentation and Disclosure in Financial Statements (not yet adopted by the EU). In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;

- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and

- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

Annual Improvements to IFRS Accounting Standards (not yet adopted by the EU). IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

Inbank is currently assessing the impact of the amendments of IFRS 9, IFRS 7 and IFRS 18 on its financial statements. Other new standards and interpretations are not expected to significantly affect the Inbank's consolidated financial statements.

Change in presentation

In order to improve the presentation, the structure of the consolidated statement of profit or loss and other comprehensive income was reviewed during 2024.

Inbank is growing its business activities in all operating segments. Rental business is becoming a more significant part of Inbank financial performance. To present this business line more accurately, management decided to revise the presentation in the consolidated statement of profit and loss and other comprehensive income and present the depreciation expense of rental assets separately from the Cost of rental services. Cost of rental services line is renamed to Other operating expenses. Prior year comparatives for the year ended 31 December 2023 in the amount of 15,896 thousand euros that were presented as Cost of rental services have been disaggregated into Depreciation of rental assets in the amount of 11,124 thousand euros and Other operating expenses in the amount of 4,772 thousand euros.

Basis of consolidation

Inbank's financial statements consolidate the parent company and all of its subsidiaries as at 31 December 2024. All subsidiaries have a reporting date of 31 December.

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.

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 expense are recorded for all financial assets or liabilities on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the group relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for identifying the borrower, evaluating the borrower's financial condition, preparing and processing documents, fees and penalties the borrower pays for early termination, contract signing and monthly agreement fees the borrower pays for covering loan origination costs and maintaining the agreement, interest compensations and commission fees received from and paid to the partners through merchant network. Fees that are integral to the effective interest rate are explicit and can be measured reliably, and are not subject to significant management estimation and judgement.

Fees that are not an integral part of the effective interest rate of a financial instrument are recognised in commission expense. These include fees charged from Inbank for servicing a loan e.g. bank payments fees, invoice issuing and postal fees, payment notification fees.

Fees that are included in the calculation of the effective interest rate of a financial instrument measured at amortised cost are allocated over the expected life of the instrument by applying the effective interest method and presented in net interest income. When calculating the effective interest rate, Inbank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument. Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for (i) financial assets that have become credit impaired (Stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost, net of the ECL provision, and (ii) financial assets that are purchased or originated credit impaired, for which the original credit-adjusted effective interest rate is applied to the amortised cost.

If the credit risk on the financial asset classified in Stage 3 subsequently improves so that the asset is no longer credit-impaired and the improvement can be related objectively to an event occurring after the asset had been determined as credit-impaired (ie the asset becomes cured), the asset is reclassified from stage 3 and the interest revenue is calculated by applying the EIR to the gross carrying amount. The additional interest income, which was previously not recognised in P&L due to the asset being in stage 3 but it is now expected to be received following the asset's curing, is recognised as a reversal of impairment.

Fee and commission income and expenses

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 monthly administration fees and fees for confirmation letters sent on the request of the customer.

Fee and commission expenses consist of transaction costs for processing payments and platform fees related to credit cards. Commission expenses also include fees related to loan initiation and credit checks for applications which are not converted into contracts. Such fees are recognised in the statement of profit and loss 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 statement of profit and loss 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 receivables	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.

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.

Tangible fixed asset

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

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

Tangible fixed assets used for rental business are amortized over the term of the rental agreement up to the residual value at the end of the rental period. All items are stated at cost, less accumulated depreciation. Depreciation of rental equipment is recognised under cost of rental services. Costs of minor repairs and day-to-day maintenance are expensed when incurred.

At the end of each reporting period management assesses whether there is any indication of impairment of equipment and the impairment loss is recognised in profit or loss for the year. Gains and losses on disposals determined by comparing proceeds with carrying amount are recognised in profit or loss for the year (within cost of rental services).

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 2024, 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. Starting from January 2025, several tax changes will enter into force in Estonia. The income tax rate will increase from the current 20% to 22%. The lower 14% income tax rate for regular distributions is abolished, and distributions are taxed at only 22%. The advanced income tax rate of credit institutions will increase from 14% to 18%.

In Latvia, starting from 2024 the amendments to the corporate income tax law were made and as of 2024 credit institutions and consumer credit service providers make an annual corporate income tax surcharge of 20% (regardless of the profit distribution), 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, 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 21% starting from 2024 (19% for the previous tax periods).

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 vesting 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. When the share options are excercised the accounted share-based payment reserve is transfered to retain earnings.

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 owned by 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.

Parent company's separate financial statements

The financial information of the parent comprises separate primary statements of the parent, the disclosure of which is required by the Estonian Accounting Act. AS Inbank (registered in Estonia) and its branches comprise the parent company and its separate financial statements. AS Inbank branches are registered in Czechia, Lithuania and Poland. The primary financial statements of the parent have been prepared using the same accounting methods and measurement bases as those used for the preparation of the consolidated financial statements, except for subsidiaries, which are reported at cost in the separate primary financial statements of the parent.

Functional and presentation currency

The presentation currency of AS Inbank and Inbank group is euro.

Other accumulated comprehensive income contains a currency translation reserve only. This reserve is created by consolidating Inbank entities whose functional currency is different from AS 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 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 26), impairment of financial instruments (Note 9), non-controlling interest redemption liability (Notes 13, 20), goodwill (Note 16) and share-based payments (Note 24). The management relies on experience and other factors reasonable in the given situation when making these decisions and estimates. The changes to the estimates are disclosed below.

Impairment of financial instruments

Accounting policy for financial assets is disclosed in Note 1.

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, exposure size and PD category (10 scoring groups (defined in the table below) based on contract's current and past portfolio behaviour). PD is estimated using a Markov chain framework, where for each PD portfolio, an initial matrix of overdue migrations is constructed from rolling year default event data, then Markov matrix multiplications are used to derive the cumulative lifetime (term structure) 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. The LGD component is segmented by geographical region and exposure size. The LGD is expressed as a percentage of loss per unit of exposure at the time of the default (EAD) where historical data on collections across different collection strategies is observed and discounted with each defaulted exposure's EIR to the final LGD estimate.

The ECL is calculated as a multiplication of the main inputs - PD, LGD and EAD, discounted by contract effective interest rate (EIR). Forward-looking economic information is incorporated into the final ECL estimate through adjustments in the 12-month and lifetime PD. The assumptions underlying the ECL calculation are monitored on a quarterly basis and adjusted by the need.

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 analyses 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 30 euros in case of exposures to private persons and 500 euros for exposures to corporates and relative threshold of 1% ratio of amount overdue to total outstanding principal for both exposures to private persons and corporates) 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 days of past due 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 private persons receivables, the significant increase in credit risk is assumed to occur if any of the following indicators are identified:
    - Significant increase in annualised (forward-looking) lifetime PD estimate at reporting date compared to the annualised lifetime PD estimate at origination date. The relative increase percentage that results in an exposure´s movement to IFRS 9 Stage 2 are depicted in the table below.

Initial 12m PD category	Relative increase in origination Lifetime PD resulting in SICR breach
<= 0.25%	300%
<= 0.50%	300%
<= 1.00%	300%
<= 2.00%	250%
<= 4.00%	250%
<= 8.00%	200%
<= 16.00%	150%
<= 32.00%	100%
<= 64.00%	50%
> 64.00%	25%

    - 30 or more days past due with both absolute threshold 30 euros and relative threshold of 1% total overdue amount to total outstanding principal amount met
    - Exposure classified as forborne performing i.e. forbearance measures have been applied to the receivable and the obligation is served properly.

For the receivables classified as performing forborne the probation period is 24 months. Additionally, for corporate loans, the significant increase in credit risk is assessed based on covenant monitoring on a regular basis. Inbank has not used the low credit risk exemption for any financial assets in the year and neither in the previous 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. LGD's are influenced by collection strategies, including contracted debt sales and price. During 2024, Inbank has signed or prolonged fixed term agreements for sale of overdue receivables. Part of these fixed term agreements will also cover 2025, Inbank expects a slight increase in LGDs in 2025.
- 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 statistical

country-level analysis, concluding the unemployment rate and inflation-adjusted real GDP growth rate as the final variables. 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 and real GDP growth for different scenarios used are followed by the markets:

Economic forecasts under different scenarios, %

		Scenario					
		Positive		Baseline		Negative	
31.12.2024	**2024f**	**2025f**	**2026f**	**2025f**	**2026f**	**2025f**	**2026f**
Real GDP growth							
Estonia	-0.8%	2.2%	2.8%	1.5%	2.5%	1.6%	2.9%
Latvia	0.4%	2.8%	2.7%	2.4%	2.8%	1.8%	2.2%
Lithuania	2.3%	3.0%	2.8%	2.8%	2.9%	3.0%	2.5%
Poland	3.1%	4.2%	3.3%	3.5%	3.3%	3.4%	3.0%
Unemployment rate							
Estonia	7.6%	7.2%	6.8%	7.2%	6.5%	7.3%	6.9%
Latvia	6.9%	6.0%	5.4%	6.5%	6.0%	6.6%	6.5%
Lithuania	7.2%	6.2%	5.5%	7.1%	6.8%	7.5%	7.5%
Poland	3.0%	2.7%	2.7%	3.3%	3.3%	3.2%	3.3%

Macroeconomic projections for Czechia are not separately calculated as the portfolio is relatively new and does not yet possess a time series of defaults that is long enough to implement a separate macroeconomic overlay model for Czechia. They are benchmarked to Poland projections as part of the CEE region.

In 2023 the macroeconomic projections for different scenarios were used based on the unemployment rate 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%

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 scenario is more probable and relevant, the weight of the probability of the positive and negative scenarios are less significant. Perspectives for the development of the economic environment and previous experience in the countries where Inbank operates are considered when assigning weights to the scenarios. As at 31 December 2024 the probability of the baseline scenario was estimated to be 66.6% (2023: 66.6%), positive scenario probability 16.7% (2023: 16.7%) and negative scenario probability 16.7% (2023: 16.7%); the scenario estimates have remained the same as in 2023.

Inbank monitors forecasts of economic indicators at least once a quarter and updates as new forecasts become available. 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 considered not to have a significant 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 and real GDP growth on the portfolio has been analyzed.

In thousands of euros	
31.12.2024	
Change in the weights of the scenario (base-positive-negative)	Impact on ECL
67%-0%-33%	9.9
67%-33%-0%	-27.2

In thousands of euros	
31.12.2023	
Change in the weights of the scenario (base-positive-negative)	Impact on ECL
67%-0%-33%	148.6
67%-33%-0%	419.9

In thousands of euros		
31.12.2024		
	Impact of increase	**Impact of decrease**
PD rates change +/-10%	1,175.0	-1,168.9
LGD rates change +/-10%	2,448.9	-2,619.7
Unemployment rate change +/-1 p.p	1,166.8	-969.3

In thousands of euros 31.12.2023		
	Impact of increase	**Impact of decrease**
PD rates change +/-10%	767.6	-1,072.1
LGD rates change +/-10%	770.4	-1,072.2
Unemployment rate change +/-1 p.p	1,346.1	-1,656.1

In thousands of euros 31.12.2024		
	Impact of increase	**Impact of decrease**
SICR thresholds -/+20%	177.2	-176.7

- 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 geographical region, exposure size and PD category. The appropriateness of groupings is monitored and reviewed on a periodic basis.

The components of expected credit loss calculations (PD, LGD and EAD) for exposures to private persons are derived from the internal historical data. Due to exposures to private persons 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 exposures to corporates 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.

In 2024, Inbank adjusted the approach to measure ECL for the exposures to private persons. The change included adjustments to the definition of default, materiality threshold applied and adjustment to significant increase of the credit risk (SICR) indicators. Methodology for calculating the probability of default and loss given default were adjusted in relation to the change and currently applied estimates overview is provided in the section above. Changes in the model are resulting in an impact of 0.3 mEUR additional loan losses in 2024.

Additional impact to the ECL in the upcoming periods is not disclosed, as the estimation can not be provided with reasonable cost and effort.

Additional information regarding the changes in loss allowance in 2024 are disclosed in the tables in Note 3.

Non-controlling interest redemption liability

In addition to the share purchase 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 a discount for lack of marketability in the final discount rate calculation.

Discounted buyout obligation was estimated in the amount of 7,978 thousand euros as at 31 December 2024 (31 December 2023: 7,054 thousand euros), which has been adjusted by future profit assumptions with a post-tax discount rate of 19.4%.

Undiscounted buyout obligation was estimated in the amount of 8,170 thousand euros (31 December 2023: 7,562 thousand euros).

Buyout obligation amount is linked to the total equity value of Mobire Group OÜ at the end of the 2025 financial year. Thus, the possible value change may occur within the next 12 months as a result of Mobire Group OÜ 2025 financial performance. Management derived its best estimate of the 2025 financial year profit from expected sales volumes and fees determined in the merchant contract, net of directly attributable costs. Key factors in 2025 financial year forecasts are different revenue streams, sales volumes, gross margin and funding costs forecast based on recent market data and conditions. When using the main assumptions, the management used previous years' experience and its best estimate in respect of probable expectations. According to the management estimates the impact to the buyout obligation value from possible changes in the main assumptions as of 31 December 2024 are immaterial. 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 private persons, 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.

The carrying amount presented in the statement of financial position best represents Inbank's maximum exposure to credit risk arising from financial assets.

Allocation of assets exposed to credit risk by country

In thousands of euros

31.12.2024	**Estonia**	**Latvia**	**Lithuania**	**Poland**	**Czechia**	**Total**
Cash and cash equivalents	112,199	1,015	5,757	30,091	4,129	153,191
Mandatory reserves at central banks	6,846	0	0	17,785	525	25,156
Investments in debt securities	46,724	0	0	0	0	46,724
Loans and receivables total	256,313	97,293	210,101	454,826	23,009	1,041,542
Incl. loans and receivables from private persons	*249,143*	*96,653*	*208,899*	*454,766*	*23,008*	*1,032,469*
Inc. loans and receivables from corporates	*7,170*	*640*	*1,202*	*60*	*1*	*9,073*
Other financial assets	2,377	855	1,203	86	48	4,569
Total assets exposed to credit risk	**424,459**	**99,163**	**217,061**	**502,788**	**27,711**	**1,271,182**
Nominal value of off-balance sheet credit risk related commitments	4,116	0	0	0	0	4,116

In thousands of euros

31.12.2023	**Estonia**	**Latvia**	**Lithuania**	**Poland**	**Czechia**	**Total**
Cash and cash equivalents	125,872	442	2,643	43,524	440	172,921
Mandatory reserves at central banks	5,781	0	0	15,239	0	21,020
Investments in debt securities	33,581	0	0	0	0	33,581
Loans and receivables total	228,787	90,579	197,429	414,561	10,700	942,056
Incl. loans and receivables from private persons	*220,332*	*90,155*	*195,581*	*414,386*	*10,700*	*931,154*
Inc. loans and receivables from corporates	*8,455*	*424*	*1,848*	*175*	*0*	*10,902*
Other financial assets	3,106	419	1,639	84	20	5,268
Total assets exposed to credit risk	**397,127**	**91,440**	**201,711**	**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

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.

As a debt management measure, 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, for which the internal processing is no longer expedient.

The majority of Inbank's loan portfolio is represented by unsecured exposures to private persons (hire-purchase, loans, credit cards, claims), issued based on an analysis of the customer's solvency. Inbank has issued a small volume of loans also to corporates based on analyses of the entity's financial strength. The risk is additionally hedged by various collaterals, however none of these collaterals are considered eligible based on the Capital Requirements Regulation (CRR).

Classification of exposures

Exposures to private persons

The core business of Inbank involves offering consumer finance solutions to private persons. 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 exposures to private persons by probability of default categories

In thousands of euros			
31.12.2024			
Distribution of gross receivables	**Stage 1**	**Stage 2**	**Stage 3**
PD <1.00%	681,417	342	0
PD <3.00%	228,483	1,165	0
PD <10.00%	62,824	5,128	0
PD >10.00%	17,084	32,795	0
Default	0	0	30,184
Total gross receivables	**989,808**	**39,430**	**30,184**
Distribution of off-balance sheet commitments			
PD <1.00%	1,879	0	0
PD <3.00%	1,512	7	0
PD <10.00%	337	35	0
PD >10.00%	215	69	0
Default	0	0	62
Total off-balance sheet commitments	**3,943**	**111**	**62**

In thousands of euros			
31.12.2023			
Distribution of gross receivables	**Stage 1**	**Stage 2**	**Stage 3**
PD <1.00%	464,828	0	0
PD <3.00%	356,210	715	0
PD <10.00%	79,660	2,351	0
PD >10.00%	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 <1.00%	0	0	0
PD <3.00%	0	0	0
PD <10.00%	4,601	0	0
PD >10.00%	27	13	0
Default	0	0	8
Total off-balance sheet commitments	**4,628**	**13**	**8**

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

Allocation of exposures to private persons in arrears by days is outlined in the following table.

Exposures to private persons by days in arrears

In thousands of euros						
31.12.2024	**Gross receivables**		**Impairment allowance**		**Net receivables**	**Impairment coverage**
Distribution of receivables		**Stage 1**	**Stage 2**	**Stage 3**		
0-3 days	1,001,456	-5,174	-941	-1,868	993,473	0.80%
4-30 days	25,879	-405	-1,990	-854	22,630	12.55%
31-89 days	9,922	0	-1,687	-728	7,507	24.34%
90-179 days	4,934	0	0	-2,119	2,815	42.95%
180+ days	17,231	0	0	-11,187	6,044	64.92%
Total receivables	**1,059,422**	**-5,579**	**-4,618**	**-16,756**	**1,032,469**	**2.54%**

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	901,681	-5,357	-305	-1,372	894,647	0.78%
4-30 days	24,264	-1,316	-415	-397	22,136	8.77%
31-89 days	10,086	-47	-1,471	-844	7,724	23.42%
90-179 days	4,875	-15	-448	-1,746	2,666	45.31%
180+ days	12,182	-4	-23	-8,173	3,982	67.31%
Total receivables	**953,088**	**-6,739**	**-2,662**	**-12,532**	**931,155**	**2.30%**

Inbank focuses on a region-based growth strategy. Inbank's exposures to private persons increased by 11% compared to 31 December 2023. 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 12 million euros.

While the credit portfolio remains on good quality, there has been a slight increase in the impairment coverage and is at 2.54% in 2024, (2023 coverage 2.30%) as the new ECL model was implemented, more details disclosed in Note 2.

Exposures to 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 exposures to corporates by probability of default categories

In thousands of euros

31.12.2024

Distribution of gross receivables	Stage 1	Stage 2	Stage 3
PD <1.00%	2,205	0	0
PD <3.00%	6,879	0	0
PD <10.00%	4	0	0
PD >10.00%	0	5	0
Default	0	0	0
Total gross receivables	**9,088**	**5**	**0**

In thousands of euros

31.12.2023

Distribution of gross receivables	Stage 1	Stage 2	Stage 3
PD <1.00%	2,494	0	0
PD <3.00%	8,355	0	0
PD <10.00%	73	0	0
PD >10.00%	0	7	0
Default	0	0	1
Total gross receivables	**10,922**	**7**	**1**

Allocation of exposures to corporates in arrears by days is outlined in the following table.

Exposures to corporates by days in arrears

In thousands of euros

31.12.2024	**Gross receivables**		**Impairment allowance**		**Net receivables**	**Impairment coverage**
Distribution of receivables		**Stage 1**	**Stage 2**	**Stage 3**		
0-3 days	9,093	-20	0	0	9,073	0.22%
4-30 days	0	0	0	0	0	0.00%
31-89 days	0	0	0	0	0	0.00%
90-179 days	0	0	0	0	0	0.00%
180+ days	0	0	0	0	0	0.00%
Total receivables	**9,093**	**-20**	**0**	**0**	**9,073**	**0.22%**

In thousands of euros

31.12.2023			**Impairment allowance**			
Distribution of receivables	**Gross receivables**	Stage 1	Stage 2	Stage 3	**Net receivables**	**Impairment coverage**
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%**

The quality of Inbank's corporates portfolio has been at a good level during the reporting period, the portfolio (including off-balance sheet commitments) has decreased by 1.8 million euros compared to 2023. As this is not the company's core business, no significant portfolio growth has been expected in 2024.

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 private persons portfolio gross carrying amounts

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, 31.12.2022	**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**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	-42,922	42,922	0	0
to credit-impaired (from Stages 1 and 2 to Stage 3)	-19,493	-3,809	23,302	0
to 12-months ECL (from Stages 2 and 3 to Stage 1)	3,608	-3,256	-352	0
From Stage 3 to Stage 2	0	1,234	-1,234	0
New originated or purchased	510,051	0	0	510,051
Repayments and derecognised during the period	-364,005	-11,035	-5,085	-380,125
Total movements with impact on credit loss allowance charge for the period	**87,239**	**26,056**	**16,631**	**129,926**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	-11,837	-3,891	-7,864	-23,592
Gross carrying amount, 31.12.2024	**989,808**	**39,430**	**30,184**	**1,059,422**

Changes in loss allowance of private persons 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, 31.12.2022	**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**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	-453	2,232	0	1,779
to credit-impaired (from Stages 1 and 2 to Stage 3)	-402	-925	6,952	5,625
to 12-months ECL (from Stages 2 and 3 to Stage 1)	34	-389	-152	-507
From Stage 3 to Stage 2	0	36	-291	-255
New originated or purchased	12,600	0	0	12,600
Derecognised during the period	-564	-763	-1,805	-3,132
Changes to ECL measurement model assumption	-5,352	2,200	3,479	327
Total movements with impact on credit loss allowance charge for the period	**5,863**	**2,391**	**8,183**	**16,437**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	-7,023	-435	-3,959	-11,417
Impairment allowance, 31.12.2024	**5,579**	**4,618**	**16,756**	**26,953**

Movement of corporates portfolio gross carrying amounts

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, 31.12.2022	**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**
Movements with impact on credit loss allowance charge for the period:				
Transfers:				
to lifetime (from Stage 1 to Stage 2)	-6	6	0	0
to credit-impaired (from Stages 1 and 2 to Stage 3)	0	0	0	0
to 12-months ECL (from Stages 2 and 3 to Stage 1)	5	-5	0	0
From Stage 3 to Stage 2	0	0	0	0
New originated or purchased	5,998	0	0	5,998
Repayments and derecognised during the period	-7,831	-3	-1	-7,835
Total movements with impact on credit loss allowance charge for the period	**-1,834**	**-2**	**-1**	**-1,837**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	0	0	0	0
Gross carrying amount, 31.12.2024	**9,088**	**5**	**0**	**9,093**

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, 31.12.2022	**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**
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	0	0
to 12-months ECL (from Stages 2 and 3 to Stage 1)	0	-1	0	-1
From Stage 3 to Stage 2	0	0	0	0
New originated or purchased	13	0	0	13
Derecognised during the period	-20	0	-1	-21
Changes to ECL measurement model assumption	0	0	0	0
Total movements with impact on credit loss allowance charge for the period	**-7**	**-1**	**-1**	**-9**
Movements without impact on credit loss allowance charge for the period:				
Write-offs	0	0	0	0
Impairment allowance, 31.12.2024	**20**	**0**	**0**	**20**

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 2024, Inbank has invested in debt securities in the amount of 46.8 million euros (31 December 2023: 33.6 million euros), and Inbank's debt portfolio measured at amortized cost is allocated accordingly:

Investments in debt securities

In thousands of euros		31.12.2024			31.12.2023		
Counterparty type	**Credit rating**	**Gross carrying value**	**ECL**	**Carrying amount**	**Gross carrying value**	**ECL**	**Carrying amount**
Central government	A1	15,648	6	15,642	13,731	6	13,725
Central government	A2	25,083	10	25,073	18,401	7	18,394
Central government	A3	4,966	2	4,964	0	0	0
Corporate	Not rated	1,055	10	1,045	1,476	14	1,462
Total		**46,752**	**28**	**46,724**	**33,608**	**27**	**33,581**

As of 31 December 2024, the bond portfolio includes debt securities of central governments and corporates with maturity dates between 4 August 2025 to 10 March 2027 and coupon rates from 1.30% to 8.50%(as of 31 December 2023: 28 March 2024 to 10 March 2027 and coupon rates from 0% to 13.5%).

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 (2023: 27 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	31.12.2024	31.12.2023
Central banks		
P-1	159,229	183,273
Other credit institutions		
P-1	15,908	9,415
P-2	2,536	927
Not rated	670	326
Total receivables from central banks and credit institutions	**178,343**	**193,941**

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 2024 and 31 December 2023, 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 2024 and 31 December 2023, 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 2024, Inbank purchased Interest Rate Swaps with a nominal amount of 10 million euros (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					
31.12.2024	**Up to 1 month**	**1 to 6 months**	**6 to 12 months**	**>1 years**	**Total**
Total financial assets	354,050	315,592	135,738	458,721	**1,264,101**
Total financial liabilities	261,873	455,238	197,966	309,723	**1,224,800**
Net interest sensitivity gap	**92,177**	**-139,646**	**-62,228**	**148,998**	**39,301**

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**

As at 31 December 2024, a 1 percentage point increase in market interest rates would decrease Inbank's equity, that is, economic value, by -6,220 thousand euros (31 December 2023: decrease by -3,474 thousand euros) and decrease the the profit for the period by -4,245 thousand euros (31 December 2023: decrease by -570 thousand euros). At the same time, a 1 percentage point decrease in market interest rates would decrease Inbank's equity (economic value) by -46 thousand euros (31 December 2023: increase by +813 thousand euros) and increase the annual profit by +1,072 thousand euros (31 December 2023: decrease by -106 thousand euros).

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. For the purposes of IFRS currency risk arises on financial instruments that are denominated in a foreign currency, other than Inbank's functional currencies. Inbank group entities have three functional currencies - EUR, PLN and CZK. Inbank holds minimum foreign currency positions (other than EUR) necessary for rendering services to customers of Inbank's branches in Poland and Czechia. Inbank holds no assets or liabilities in currencies other than the euro, the Polish zloty, and the Czech koruna as at 31 December 2024 (and as at 31 December 2023).

In its risk management activities derived from the regulatory requirements other than IFRS and internal policies, Inbank treats all currencies besides EUR as foreign currencies and avoids excessive currency risk by mitigating it to a reasonable extent by maintaining the necessary balance between loans and deposits. When composition of existing assets and liabilities in the branches is not sufficient to mitigate the currency risk below the risk appetite limit as set by the risk appetite statement, derivative instruments, such as Foreign Exchange Forwards are used to protect Inbank against unwanted market movements. At the end of 2024, Inbank had an outstanding off-balance derivatives commitment of 6,100 thousand euros FX Forward transactions, marked to a market net value of -5 thousand euros (31 December 2023: 17,063 thousand euros FX Forward transactions, marked to a market net value of 67 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 for the regulatory purposes. 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 financial assets and liabilities by currency structures are presented in the table below.

Financial assets and liabilities by currency structure

In thousands of euros

31.12.2024	**EUR**	**PLN***	**CZK***	**Total**
Assets bearing currency risk	895,486	511,251	29,077	1,435,814
Liabilities bearing currency risk	750,405	508,414	29,440	1,288,259
Open position of derivative assets	0	5,500	600	6,100
Open position of derivative liabilities	6,100	0	0	6,100
Net position	**138,981**	**8,337**	**237**	**147,555**

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
Net position	**123,934**	**245**	**-89**	**124,090**

*Amounts presented are the equivalents of functional currency of respective Polish or Czech branch

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 2024 accounted for a total of 15% of the statement of financial position size (31 December 2023: 17%). High quality liquid assets of Inbank at 31 December 2024 included Government bonds of Estonia, Latvia 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. More information about other financial assets and other financial liabilities disclosed in note 17.

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

In thousands of euros

31.12.2024	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	178,347	0	0	0	0	**178,347**	178,347
Investments in debt securities	0	43	25,104	23,373	0	**48,520**	46,724
Financial assets measured at fair value through profit or loss	27	0	0	0	0	**27**	27
Loans and receivables	44,302	82,508	297,652	747,817	214,553	**1,386,832**	1,041,542
Other financial assets	4,908	-541	19	83	100	**4,569**	4,569
Total assets	**227,584**	**82,010**	**322,775**	**771,273**	**214,653**	**1,618,295**	**1,271,209**
Liabilities							
Customer deposits	249,359	209,694	482,871	274,671	0	**1,216,595**	1,171,359
Financial liabilities measured at fair value through profit or loss	5	0	0	498	0	**503**	503
Subordinated debt securities	11,218	862	2,586	6,609	40,940	**62,215**	52,046
Other financial liabilities	34,391	144	1,904	2,307	0	**38,746**	38,746
Lease liability	369	737	3,317	16,121	0	**20,544**	20,389
Total liabilities	**295,342**	**211,437**	**490,678**	**300,206**	**40,940**	**1,338,603**	**1,283,043**
Off-balance sheet commitments	4,116	0	0	0	0	**4,116**	0
Maturity gap of assets and liabilities	**-71,874**	**-129,427**	**-167,903**	**471,067**	**173,713**	**275,576**	

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 receivables	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**	

More details about other financial assets and other assets disclosed in Note 17 and about other financial liabilities and other liabilities in Note 20.

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 2024 and 31 December 2023.

In thousands of euros	**31.12.2024**	**31.12.2023**
Equity as reported in consolidated statement of financial position	147,556	124,090
Regulatory adjustments	-20,979	-16,988
Intangible assets	*-20,084*	*-19,561*
Adjustments due to IFRS 9 transitional arrangements	*1,482*	*2,573*
Additional value adjustments	-2,377	0
Common Equity Tier 1 capital	**126,577**	**107,102**
Additional Tier 1 capital	21,090	18,750
Tier 1 capital	**147,667**	**125,852**
Tier 2 capital	31,000	31,000
Own funds	**178,667**	**156,852**

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 2024 in the amount of 1,382 thousand euros (31 December 2023: earned but not yet approved in the last three months of 2023 in the amount of 2,776 thousand euros). Should the aforementioned profit be excluded from Inbank's own funds, it would decrease the own funds to 177,285 thousand euros (31 December 2023: to 154,076 thousand euros).

Capital buffers

	31.12.2024	**31.12.2023**
Institution-specific buffer requirement (as a percentage of total risk exposure amount)	3.28%	3.19%
of which: capital conservation buffer requirement	*2.50%*	*2.50%*
of which: countercyclical buffer requirement	*0.78%*	*0.69%*

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 a 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 earn income and 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: financing, rental, investments. The operating segments are Inbank group companies with separate financial data, which is also the basis for the regular monitoring of business results by the management at Inbank. Inbank monitors total net income, profitability, cost/income ratio, growth, and loan and receivable impairment losses for each operating segment.

The financing business line is divided between geographical segments by countries where Inbank operates. Financing business line forms of AS Inbank with its branches in Lithuania, Poland and Czechia and its subsidiaries AS Inbank Finance in Estonia and SIA Inbank Latvia in Latvia. AS Inbank branches in Lithuania, Poland and Czechia present separate units acting in those countries. Deposits collected through partner platforms in Germany, Austria and Netherlands are presented under the Estonian financing operating segment. The financing business offers financing solutions with the largest product segment being car finance and merchant solutions.

The rent segment consists of Mobire Group OÜ group car rent business line in Estonia, Latvia and Lithuania and AS Inbank Rent group business in Estonian, Latvian, Lithuanian, Poland and Czechia markets. Rent segment is presented in segment reporting as one segment and is not divided by geographical location as this business line is the newest in Inbank and in rapid growth stage. Mobire Group OÜ group offers car rental services, AS Inbank Rent group offers electronics rent services.

Investments operating segment include the following activities: managing investments in subsidiaries and associates, providing Inbank group companies hardware rent services.

The revenues of the reported segments contain revenues from transactions between the segments. Such transactions include loans given by AS Inbank and its subsidiary AS 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. Chief operating decision maker (hereinafter CODM) 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 CODM. 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	Financing					Rental	Investments	Eliminations	Total
2024	**Estonia**	**Latvia**	**Lithuania**	**Poland**	**Czechia**				
Interest income based on EIR	60,270	11,626	23,366	51,017	1,641	22	207	-26,708	121,441
incl. income from external customers	*35,236*	*11,626*	*23,366*	*49,671*	*1,520*	*22*	*0*	*0*	*121,441*
incl. income from internal customers	*25,034*	*0*	*0*	*1,346*	*121*	*0*	*207*	*-26,708*	*0*
Fee and commission income	353	1	0	12	0	0	0	0	366
incl. loan administration fees	*351*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*351*
incl. other fees	*2*	*1*	*0*	*12*	*0*	*0*	*0*	*0*	*15*
Rental income	0	0	0	0	0	32,435	0	0	32,435
Sale of assets previously rented to customers	0	0	0	0	0	15,849	0	0	15,849
Other operating income	20,883	44	34	0	0	0	1,047	-21,966	42
incl. income from external customers	*0*	*9*	*34*	*0*	*0*	*0*	*0*	*0*	*43*
incl. income from internal customers	*20,883*	*35*	*0*	*0*	*0*	*0*	*1,047*	*-21,966*	*-1*
Total income	**81,506**	**11,671**	**23,400**	**51,029**	**1,641**	**48,306**	**1,254**	**-48,674**	**170,133**
Net gains from financial assets measured at fair value	1	0	0	8	0	0	0	0	9
Foreign exchange rate gains/losses	-25	0	0	148	0	0	-1	243	365
Interest expense	-34,619	-3,320	-6,955	-28,834	-1,070	-5,878	0	26,727	-53,949
Fee and commission expenses	*-2,609*	*-309*	*-1,020*	*-595*	*-145*	*-12*	*0*	*0*	*-4,690*
incl. loan initiation fees	*-500*	*-159*	*-381*	*-314*	*-143*	*-9*	*0*	*0*	*-1,506*
incl. loan administration fees	*-1,694*	*-112*	*-536*	*-257*	*0*	*-3*	*0*	*0*	*-2,602*
incl. other fees	-415	-38	-103	-24	-2	0	0	0	-582
Cost of rental services	0	0	0	0	0	-21,106	0	0	-21,106
Cost of assets sold previously rented to customers	0	0	0	0	0	-15,243	0	0	-15,243
Total expenses	**-37,252**	**-3,629**	**-7,975**	**-29,273**	**-1,215**	**-42,239**	**-1**	**26,970**	**-94,614**
Operating expenses	-32,927	-4,913	-9,580	-12,269	-2,229	-5,060	-2,029	22,890	-46,117
incl. depreciations, amortization	*-6,805*	*-238*	*-674*	*-182*	*-88*	*-297*	*-321*	*92*	*-8,513*
Share of profit from associates	-22	0	0	0	0	0	663	22	663
Impairment losses on loans and receivables	-5,730	-1,794	-3,416	-4,533	-254	-628	0	0	-16,355
Profit before income tax	**5,575**	**1,335**	**2,429**	**4,954**	**-2,057**	**379**	**-113**	**1,208**	**13,710**
Income tax	0	-274	-370	-1,029	176	0	0	0	-1,497
Net profit/loss	**5,575**	**1,061**	**2,059**	**3,925**	**-1,881**	**379**	**-113**	**1,208**	**12,213**
Capital expenditures	5,554	0	0	0	0	139	0	0	5,693
Deferred tax asset	0	0	0	4,096	611	0	0	0	4,707
Deferred tax liabilities	0	0	533	0	0	0	0	0	533
Total assets	**1,201,455**	**99,664**	**218,481**	**536,815**	**28,495**	**128,621**	**18,538**	**-796,258**	**1,435,811**
Total liabilities	**1,095,326**	**91,132**	**193,786**	**540,059**	**32,859**	**111,945**	**8,018**	**-784,865**	**1,288,260**
Total equity	**106,129**	**8,532**	**24,695**	**-3,244**	**-4,364**	**16,676**	**10,520**	**-11,393**	**147,551**
Full time employees at 31.12.2024	**206**	**32**	**61**	**71**	**15**	**47**	**-**	**-**	**432**

In thousands of euros	Financing business					Rent	Investments	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 income	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 receivables	-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 at 31.12.2023	**206**	**32**	**61**	**71**	**15**	**45**	**-**	**-**	**430**

Rental income is distributed between countries as follows: Estonia 38,369 thousand euros (2023: 33,226 thousand euros), Latvia 6,325 thousand euros (2023: 3,709 thousand euros), Lithuania 4,561 thousand euros (2023: 2,534 thousand euros) and eliminations -1,256 thousand euros (2023:-1,410 thousand euros). Capitalized costs were reported in Estonian rental companies in the amount of 575 thousand euros (2023: 703 thousand euros).

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 receivables 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	2024	2023
Interest income calculated using the effective interest method		
Loans and receivables	111,258	91,905
inc loans to private persons	*110,627*	*91,131*
inc loans to corporates	*631*	*774*
Investments in debt securities	1,255	1,204
Central banks, financial and credit institutions	8,928	5,614
Total interest income	**121,441**	**98,723**
Interest expense		
Deposits received	-48,313	-41,335
Debt securities issued	-4,270	-2,757
Lease liability	-1,366	-1,239
Total interest expense	**-53,949**	**-45,331**
Net interest income	**67,492**	**53,392**

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

Note 6 Net fee and commission income

Net fee and commission income

In thousands of euros	2024	2023
Fee and commission income		
Private persons	366	471
of which: recognised over time	*0*	*278*
of which: recognised point in time	*366*	*193*
Corporates	0	2
of which: recognised over time	*0*	*2*
Total fee and commission income	**366**	**473**
Fee and commission expenses		
Loan initiation fees	-1,506	-1,463
Loan administration expenses	-1,537	-2,181
Other fee expenses	-1,647	-555
Total fee and commission expenses	**-4,690**	**-4,199**

Loan initiation fees include the loan initiation and credit check fees for applications which are not converted into contracts. Loan administration expenses include the transaction costs for processing payments, cashback and compensations related to credit cards.

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

Note 7 Rental income and expenses

Rental income

In thousands of euros	2024	2023
Other operating income		
Rental income	32,435	23,905
Sale of assets previously rented to customers	15,849	14,155
Fines and penalties	0	718
Other income	43	51
Total other operating income	**48,327**	**38,829**

Other operating expenses

In thousands of euros	2024	2023
Repair and maintenance expenses	-2,349	-2,161
Insurance expense	-1,501	-1,208
Other rental expenses	-2,786	-1,403
Total operating expenses	**-6,636**	**-4,772**

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

Note 8 Operating expenses

Operating expenses

In thousands of euros	2024	2023
Personnel expenses		
Personnel expense	15,313	12,900
Social and other taxes	4,673	3,728
Total personnel expenses	**19,986**	**16,628**
Marketing expenses		
Advertising and marketing	2,536	2,603
Sales costs	535	663
Total marketing expenses	**3,071**	**3,266**
Administrative expenses		
IT expenses	4,068	2,757
Legal and recovery proceeding expenses	2,690	953
Contributions to guarantee fund	2,383	2,157
Office maintenance and workplace expenses	2,042	1,753
Employee related expenses	652	775
Training and business trip expenses	572	642
Supervision expenses	261	419
Transportation expenses	355	321
Tax expenses	335	210
Outsourced services	209	268
Other	980	778
Total administrative expenses	**14,547**	**11,033**

Personnel expenses include the bonus reserve of 1,365 thousand euros (2023: 861 thousand euros) which makes 7% of total personnel expenses (2023: 5%).

In the 2024 financial year, Inbank capitalized 5,693 thousand euros (2023: 4,810 thousand euros) of personnel expenses as intangible assets.

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

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. Social tax is divided between health insurance and pension funds. Next table gives overview about the pension fund payments:

In thousands of euros	**31.12.2024**	**31.12.2023**
Social and other taxes	4,673	3,728
incl pension insurance	2,594	2,283
Social and other taxes, total	**4,673**	**3,728**

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

Average number of employees

Average number of employees	**31.12.2024**	**31.12.2023**
Estonia	238	213
Lithuania	67	65
Latvia	37	37
Poland	70	66
Czechia	16	13
Total	**428**	**394**

The average number of employees presented in the above table presents the full-time equivalent (FTE) average for the financial year.

Services provided by the auditor

In thousands of euros	2024	2023
Audit of the Inbank financial statements for the year ended	368	288
Other services provided to Inbank	33	67
Total	**401**	**355**

Other services provided to Inbank include the review of the consolidated and parent company's separate special purpose financial statements that were presented to the Estonian Financial Supervision and Resolution Authority for amount 33 thousand euros (2023: 33 thousand euros and additionally to that training and consultation for amount 34 thousand euros).

Note 9 Loans and receivables

Distribution of receivables by customer sector

In thousands of euros	31.12.2024	31.12.2023
Distribution of receivables by customer sector		
Private persons	1,059,422	953,088
Corporates	9,093	10,930
Loans and receivables before impairment allowance	**1,068,515**	**964,018**
Impairment allowance	-26,973	-21,962
Total loans and receivables	**1,041,542**	**942,056**

More details about loans and receivables disclosed in Notes 3 and 26.

Changes in impairments

In thousands of euros	31.12.2024	31.12.2023
Impairment allowance balance at the beginning of the period	-21,962	-16,191
Impairment provisions set up during the reporting period - loans	-26,397	-25,310
Impairment provisions set up during the reporting period -rental receivables	-685	0
Written off and sold out from financial position during the period	22,071	19,539
Total impairment	**-26,973**	**-21,962**

Impairment losses on loans and receivables

In thousands of euros	2024	2023
Impairment losses during the reporting period	-27,082	-25,310
Recoveries from loans written off and sold out from financial position	10,654	12,107
Recoveries from rental receivables written off and sold out from financial position	73	0
Total impairment losses on loans and receivables	**-16,355**	**-13,203**

Inbank regularly sells receivables that are more than 90 days overdue, with no obligation to repurchase. 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 receivables. The total amount of debt is written off in the statement of financial position.

More details about impairment losses on loans and receivables based on operating segments disclosed in Note 4.

Note 10 Income tax

Income tax

In thousands of euros	2024	2023
Income tax recognized in profit and loss and other comprehensive income	-1,316	-988
Deferred tax assets	-181	920
Total	**-1,497**	**-68**

Income tax expense for the year

In thousands of euros	2024	2023
Profit before taxes	13,710	10,270
Theoretical tax charge at statutory rate (14%)	-1,920	-1,438
Non-taxable income	349	1,155
Non-deductible expenses	-661	-846
incl loans write-off	-129	-97
incl other (marketing, representation costs, insurance etc)	-532	-749
Effects of different tax rates in other countries	345	1,176
Other adjustments	390	-115
Income tax expense for the year	**-1,497**	**-68**

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

Deferred income tax

Deferred tax assets		
Credit loss allowance of loans and receivables	1,800	1,636
Deferred income	2,996	3,184
Tax loss carry forward	639	460
Other	273	256
Deferred tax asset	**5,708**	**5,536**
Deferred tax liabilities		
Deferred expenses	1,495	1,213
Other	39	22
Deferred tax liabilities	**1,534**	**1,235**
Net deferred tax position	**4,174**	**4,301**

Deferred income includes the accrued income calculated using the effective interest method.

The deferred tax assets recognized include an amount of 4,096 thousand euros (31.12.2023: 4,060 thousand euros) related to deductible temporary differences of the Inbank branch in Poland.

The deferred tax assets recognized include an amount of 611 (31.12.2023: 445 thousand euros) thousand euros related to carried-forward tax losses of the Inbank branch in Czechia. These losses were incurred over the past three years, primarily due to the start-up nature of the branch and the associated initial operating costs.

The tax losses are eligible to be carried forward for up to five consecutive tax periods in accordance with Czech tax legislation. The group has assessed the recoverability of the deferred tax assets and concluded that they are recoverable based on projected future taxable income. This assessment is supported by the branch's approved business plans and budgets, which indicate that the branch is expected to generate taxable income starting from 2027. The business plan is based on management expectations that are believed to be reasonable under the circumstances. Key assumptions in the business plan are new sales (incl. pricing), funding cost and growth in operating expenses.

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 2024, Inbank's retained earnings amounted to 90,117 thousand euros, from which 18,408 thousand euros would be possible to distribute as dividends, taking into account the capital requirements (31 December 2023: 77,795 thousand euros, from which 6,566 thousand euros would be possible to distribute as dividends). The corresponding income tax would amount to 4,602 thousand euros (31 December 2023: 1,642 thousand euros), which does not entail an additional income tax expense, because Inbank has enough taxed profit.

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	31.12.2024	31.12.2023
Due from central banks	134,073	162,253
Due from credit institutions	19,118	10,668
Total cash and cash equivalents	**153,191**	**172,921**

All balances in table above are with original maturity of less than three months and insignificant credit risk. The above table 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 mandatory 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 2024, the cash held at central banks earned interest in the amount of 8,667 thousand euros (2023: 5,610 thousand euros).

More details about amounts due from central banks and credit institutions disclosed in Note 3 and 26.

Note 12 Investments in debt securities

Investments in debt securities

In thousands of euros	**31.12.2024**	**31.12.2023**
Investments in debt securities	46,330	33,411
incl. investments in central government debt securities	*45,311*	*32,018*
incl. investments in corporate debt securities	*1,019*	*1,393*
Interest accruals	394	170
Total investments in debt securities	**46,724**	**33,581**

As of 31 December 2024, Inbank's debt securities portfolio consists of debt securities of central governments and corporates with different maturities between 4 August 2025 to 10 March 2027 and coupon rates from 1.30% to 8.50%.

As of 31 December 2023, the bond portfolio included 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%.

More details about investments in debt securities disclosed in Notes 3 and 26.

Note 13 Investments in subsidiaries and associates

AS Inbank with its branches and subsidiaries, together acting as a group (hereinafter: Inbank) is a EU-licensed financial technology company registered in Estonia, which is operating in addition to Estonia also in Latvia, Lithuania, Poland, and Czechia. AS Inbank branches are registered in Czechia, Lithuania and Poland. AS Inbank and its branches comprise the parent company and its separate financial statements.

Investments is subsidiaries

				31.12.2024		31.12.2023	
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	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 InRent Sp. z.o.o	2022	Poland	Rent	100	22	100	44
AS Inbank Rent	2023	Estonia	Rent	100	500	100	500
Inbank Rent SIA	2023	Latvia	Rent	100	3	100	3
Inbank Rent s.r.o	2024	Czechia	Rent	100	0	-	-
Inbank Rent UAB	2024	Lithuania	Rent	100	1	-	-
Mobire Group OÜ	2021	Estonia	Holding company	66	9,660	66	9,660
Mobire Eesti AS	2021	Estonia	Rent	66	408	66	408
Mobire Latvija SIA	2021	Latvia	Rent	66	3	66	3
Mobire Lietuva UAB	2021	Lithuania	Rent	66	3	66	3

More details are disclosed in Note 4.

Equity of major subsidiaries

In thousands of euros	**31.12.2024**	**31.12.2023**
SIA Inbank Latvia	8,532	7,471
Mobire Group OÜ	17,251	14,792
AS Inbank Finance	29,240	22,244
Inbank Ventures OÜ	10,520	10,869
AS Inbank Rent	-575	489

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. Inbank Rent has established subsidiaries in Latvia, Lithuania, Chechia and Poland to scale rental business outside Estonia. Inbank Rent SIA was established on 8 November 2023, Inbank Rent s.r.o on 31 January 2024 and Inbank Rent UAB on 30 April 2024.

On 20 June 2023 Inbank acquired an 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

As of 31.12.2024 AS Inbank does not have any investments in associated companies. As of 31.12.2023 AS Inbank had the following investments in associated companies (ownership interest %) Paywerk AS (20.58%), located in Estonia.

Inbank sold its investments in associate companies Paywerk AS in 2024 and in AS Aktiva Portfolio in 2023. The following table provides an overview of the sales of investments in associate companies.

In thousands of euros	2024	2023
Opening balance	**141**	**1,065**
Share of loss for the year	0	-136
Equity contribution, associates	0	0
Acquisition of associate	0	76
Sale of associate	-141	-864
Closing balance	**0**	**141**

AS Aktiva Portfolio was established for more efficient management of debt portfolio. On 29 of June 2023 Inbank successfully completed the sale of a 34% stake in AS Aktiva Portfolio. Before the sale transaction was completed investment was accounted for using the equity method.

Paywerk AS offers a cross-border "pay later" service. On 31 August 2023 Inbank Ventures OÜ acquired an additional part of Paywerk AS share capital for 76 thousand euros and on 27 March 2024 for 63 thousand euros. After these transactions the total Inbank share in Paywerk AS was 20.58%. Investment was accounted for using the equity method. 23 July 2024, Swedbank AB completed the 100% acquisition of Paywerk AS. As part of the transaction, Inbank AS subsidiary, Inbank Ventures OÜ, sold its 20.58% ownership interest in Paywerk AS to Swedbank AB. Sale income is disclosed under profit and loss Statement row "Share of profit from associates". The following table presents the financial position of Paywerk AS as of 31.12.2024 and 31.12.2023.

In thousands of euros	Paywerk AS	
	31.12.2024	31.12.2023
Current assets	0	249
Non-current assets	0	1,325
Current liabilities	0	131
Non-current liabilities	0	0
Revenue	0	15
Profit or loss from continuing operations	0	-830
Other comprehensive income	0	-
Total comprehensive income	**0**	**-830**
Retained earnings	0	- 2 169
Total Equity	**0**	**1 443**
Holding (%)	**0**	**27.1**
Carrying amount	0	141

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 in 2024 nor in 2023.

Note 14 Tangible fixed 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, 01.01.2023	53,233	*53,025*	2,335	*0*	55,568
Accumulated depreciation	-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 depreciation)	0	*0*	224	*0*	224
Depreciation 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 depreciation	-11,527	*-11,419*	-1,733	*-28*	-13,260
Carrying value	**73,358**	**73,111**	**1,848**	**646**	**75,206**
Cost, 01.01.2024	84,885	*84,530*	3,581	*674*	88,466
Accumulated depreciation	-11,527	*-11,419*	-1,733	*-28*	-13,260
Opening carrying value	**73,358**	**73,111**	**1,848**	**646**	**75,206**
Additions	41,007	*40,885*	4,982	*4,061*	45,989
Write-offs	0	*0*	-8	*0*	-8
Write-offs (accumulated depreciation)	0	*0*	8	*0*	8
Depreciation charge	-11,090	*-10,391*	-1,068	*-693*	-12,158
Transfers	-11,154	*-11,154*	186	*0*	-10,968
Closing carrying value	**92,121**	**92,451**	**5,948**	**4,014**	**98,069**
Cost, 31.12.2024	109,666	*109,666*	8,568	*5,970*	118,234
Accumulated depreciation	-17,545	*-17,545*	-2,620	*-1,956*	-20,165
Carrying value	**92,121**	**92,121**	**5,948**	**4,014**	**98,069**

Tangible assets include cars and equipment for own use, and cars and electronic devices for rental business. Transfers contain assets used for rental business which are reclassified to inventory after the end of rental agreement with the customer and when the asset is no longer used in business activities. Rent assets reclassified to inventory are ready to be sold.

Note 15 Right of use assets

Inbank rents different office spaces and vehicles. Leases have been entered into for a fixed period of 1 to 5 years. All leases are recognised as a right-of-use asset and a corresponding liability from the date when the leased asset becomes available for the use.

Distribution of right to use assets

In thousands of euros	Rental premises	Cars - subleased to customers	Total	*of which: assets used for rent*
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**
Carrying amount, 01.01.2024	**2,062**	**24,654**	**26,716**	**24,654**
Additions	755	3,355	4,110	*3,355*
Amortization charge	-938	-2,839	-3,777	*-2,839*
Termination and modification of lease agreements	327	-6,824	-6,497	*-6,824*
Carrying amount, 31.12.2024	**2,206**	**18,346**	**20,552**	**18,346**

Termination and modification of lease agreement contain assets used for rental business which are reclassified to inventory after the end of rental agreement with the customer and no longer used in business activities. Rent assets reclassified to inventory are ready to be sold.

Information about lease liability is disclosed in Notes 20, 22 and 26.

Note 16 Intangible assets

Intangible assets

In thousands of euros	Licenses	Software	Internally generated software	Goodwill	Total
Cost, 01.01.2023	163	3,399	21,910	8,685	34,157
Accumulated amortization	-133	-1,436	-6,339	0	-7,908
Carrying value	**30**	**1,963**	**15,571**	**8,685**	**26,249**
Additions	63	4,682	4,811	0	9,556
Write-offs	0	-47	0	0	-47
Amortization charge	-22	-588	-4,242	0	-4,852
Closing carrying value	**71**	**6,010**	**16,140**	**8,685**	**30,906**
Cost, 31.12.2023	126	34,383	26,721	8,685	43,194
Accumulated amortization	-55	-12,233	-10,581	0	-12,288
	71	**22,150**	**16,140**	**8,685**	**30,906**

In thousands of euros	Licenses	Software	Internally generated software	Goodwill	Total
Cost, 01.01.2024	126	3,519	30,864	8,685	43,194
Accumulated amortization	-55	-1,533	-10,700	0	-12,288
Carrying value	**71**	**1,986**	**20,164**	**8,685**	**30,906**
Additions	0	986	6,659	0	7,645
Write-offs	0	-366	-3,585	0	-3,951
Amortization charge	-8	-424	-2,608	0	-3,040
Closing carrying value	**63**	**2,182**	**20,630**	**8,685**	**31,560**

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 payroll costs of the software development team. 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 2024 and 31 December 2023. 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	31.12.2024	31.12.2023
Operating segment		
Car rent in Estonia, Latvia, Lithuania (Mobire Group OÜ group)	2,766	2,766
Financing in Lithuania (AS Inbank filialas)	5,919	5,919
Total	**8,685**	**8,685**

For 31 December 2024, 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).

In order to determine the value in use for Car rent operating segment the following main assumptions were used:

	2024	2023
Average rental income growth	16.70%	12.30%
Average total income margin	7.00%	5.74%
Long-term growth rate	2.00%	2.00%
Pre-tax discount rate	8.11%	7.80%

In order to determine the value in use for Financing in Lithuania operating segment the following assumptions were used:

	2024	2023
Average loans and receivables effective interest rate	11.02%	12.55%
Average funding cost	3.74%	3.49%
Long-term growth rate	2.00%	2.00%
Pre-tax discount rate	9.14%	7.65%

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 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 (2023: 2%).

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, Car rent operating segment 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 Financing in Lithuania operating segment goodwill testing, an pre-tax discount rate of 8.60%% was used (2023: 7.65%). For Car rent operating segment goodwill testing, an pre-tax discount rate of 8.85%% was used (2023: 7.8%). 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.

Given a reasonable change in any of the above assumptions there would be no impairment indication for any business segment. The following tables illustrate the impact on the recoverable amount from the change in the main assumptions by +1/-1p.p.

Sensitivity analysis for Car rent operating segment:

		2024		2023
in millions of euros				
Change in the main assumption	+1 p.p.	-1 p.p.	+1 p.p.	-1 p.p.
Average rental income growth	12	-11	8	-8
Average total income margin	29	-29	33	-33
Long-term growth rate	39	-28	23	-16
Pre-tax discount rate	-34	47	-20	29

Sensitivity analysis for Financing in Lithuania operating segment:

		2024		2023
in millions of euros				
Change in the main assumption	+1 p.p.	-1 p.p.	+1 p.p.	-1 p.p.
Average loans and receivables effective interest rate	39	-39	68	-68
Average funding cost	-34	34	-55	55
Long-term growth rate	23	-17	24	-17
Pre-tax discount rate	-20	27	-20	29

Note 17 Other financial assets and other assets

Other financial assets and other assets

In thousands of euros	31.12.2024	31.12.2023
Other financial assets		
Prepaid guarantee amounts	356	516
Accrued receivables	3,403	3,714
Other financial assets	810	1,038
Total other financial assets	**4,569**	**5,268**
Other assets		
Prepaid expenses	2,813	4,327
Inventory	4,845	2,494
Prepaid taxes	1,432	679
Other assets	628	685
Total other assets	**9,718**	**8,185**

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

Inventory comprises of assets (cars and electronics) used in rental business that are intended for sale. These assets are transferred from tangible assets to inventory. Asset which is rented through active rent agreements is disclosed in Note 14. Inventories are stated at the lower of cost and net realizable value. The cost of inventories is determined using the Specific Identification Method, whereby each item of inventory is individually tracked and valued at its specific purchase cost. This method is utilized due to the unique and high-value nature of our inventory items. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs necessary to make the sale. When the net realizable value of an item is lower than its cost, the carrying amount is reduced to its net realizable value, and an impairment loss is recognized in the statement of profit or loss in the period in which the impairment occurs.

Accrued receivables contain receivables from customers and partners. Other financial assets contain 810 thousand euros (31 December 2023: 1,038 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.

Other assets contain current income tax prepayment for amount 618 thousand euros (31 December 2023: 678 thousand euros).

More details about other financial assets and other assets disclosed in Notes 3 and 26.

Note 18 Customer deposits

Deposits

In thousands of euros	31.12.2024	31.12.2023
Customer deposits		
Deposits from private persons	1,159,253	1,069,810
Deposits from non-financial corporates	10,238	11,566
Deposits from financial corporates	1,868	190
Total customer deposits	**1,171,359**	**1,081,566**

Deposits by clients' residency

In thousands of euros	31.12.2024	31.12.2023
Deposits by clients' residency		
Estonia	52,518	52,392
Germany	261,652	245,993
Poland	525,877	474,466
Austria	17,839	18,444
Netherlands	276,456	276,562
Lithuania	8,364	13,607
Czechia	28,616	0
Other residence	37	102
Total deposits by clients' residency	**1,171,359**	**1,081,566**

Deposits also include an accrued interest liability in the amount of 18,913 thousand euros (31 December 2023: 19,540 thousand euros).

More details about customer deposits disclosed in Note 26.

Note 19 Subordinated debt securities

Movements in subordinated debt securities

In thousands of euros	31.12.2024	31.12.2023
Subordinated debt securities		
Opening balance	**31,003**	**22,952**
Subordinated debt securities issued	0	8,000
Interest accruals	2,064	1,339
Interests paid	-2,094	-1,305
Amortisation of transaction costs	-53	17
Subordinated debt securities, total	**30 920**	**31 003**
Subordinated debt securities (AT1)		
Opening balance	**18,742**	**7,618**
Subordinated debt securities issued	2,340	11,100
Interest accruals	2,428	1,389
Interests paid	-2,400	-1,381
Amortisation of transaction costs	16	16
Subordinated debt securities (AT1), total	**21,126**	**18,742**
Total subordinated debt securities	**52,046**	**49,745**

Subordinated debt securities detailed information at 31 December 2024

Subordinated debt securities	Nominal price	Amount	Interest rate	Issue date	Maturity date
EE3300001544	1,000 EUR	8,000	6.0%	19.12.2019	19.12.2029
EE3300002302	1,000 EUR	15,000	5.5%	16.12.2021	15.12.2031
EE3300003714	1,000 EUR	8,000	9.0%	13.12.2023	13.12.2033

Subordinated debt securities (AT1)	Nominal price	Amount	Interest rate	Issue date	Maturity date
EE3300111590	10,000 EUR	315	12.0%	19.12.2018	perpetual
EE3300002286	10,000 EUR	450	7.5%	01.11.2021	perpetual
EE3300003516	10,000 EUR	1,110	12.0%	06.06.2023	perpetual
EE3300004381	10,000 EUR	234	10.0%	07.05.2024	perpetual

Subordinated debt securities detailed information at 31 December 2023

Subordinated debt securities	Nominal price	Amount	Interest rate	Issue date	Maturity date
EE3300001544	1,000 EUR	8,000	6.0%	19.12.2019	19.12.2029
EE3300002302	1,000 EUR	15,000	5.5%	16.12.2021	15.12.2031
EE3300003714	1,000 EUR	8,000	9.0%	13.12.2023	13.12.2033

Subordinated debt securities (AT1)	Nominal price	Amount	Interest rate	Issue date	Maturity date
EE3300111590	10,000 EUR	315	12.0%	19.12.2018	perpetual
EE3300002286	10,000 EUR	450	7.5%	01.11.2021	perpetual
EE3300003516	10,000 EUR	1,110	12.0%	06.06.2023	perpetual

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.

More details about subordinated debt securities disclosed in Note 22 and 26.

Note 20 Other financial liabilities and other liabilities

Other financial liabilities and other liabilities

In thousands of euros	31.12.2024	31.12.2023
Financial liabilities		
Accounts payable	28,571	25,452
Lease liability	20,389	26,159
Non-controlling interest redemption liability	7,978	7,054
Client prepayments	1,199	1,381
Provision for contract fees, early termination	998	881
Total financial liabilities	**59,135**	**60,927**
Other liabilities		
Payables to employees	2,038	1,924
Payroll taxes	1,319	1,095
Other liabilities	**1,263**	**672**

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

Interest expense from lease liability of the financial year was 1,366 thousand euros (2023: 1,239 thousand euros) and lease payments paid 9.4 million euros (2023: 9.4 million euros). Rental expenses related to short-term leases are recognised under operating expenses and were 130 thousand euros in 2024 (2023: 119 thousand euros). See also Note 5.

Undiscounted lease payments expected after reporting date

In thousands of euros	31.12.2024	31.12.2023
Year 1	4,422	7,087
Year 2	4,054	4,893
Year 3	4,141	4,947
Year 4	5,975	4,826
Year 5	1,951	4,660
Total undiscounted lease payments receivable	**20,543**	**26,413**

On 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 7,978 thousand euros as at 31 December 2024 (31 December 2023: 7,054 thousand euros). It has been determined based on future profit assumptions discounted with post-tax discount rate of 19.4%. The discount rate is determined by considering interest rate, country and equity premiums.

In addition to that, the management includes volatility assumptions and a discount for lack of marketability in the final discount rate calculation.

More details about other financial liabilities and other liabilities disclosed in Note 22 and 26.

Note 21 Contingent liabilities

Contingent liabilities

In thousands of euros	**31.12.2024**	**31.12.2023**
Liability in contractual amount	4,116	4,649
incl. unused credit card limits	*4,116*	*4,649*
Expected credit loss (ECL)	18	23

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 2024 and 2023.

Inbank’s management estimates that in 2024 there are no such circumstances that may lead the tax authorities to impose significant additional taxes on Inbank.

Note 22 Reconciliation of liabilities arising from financing activities

The table below sets out movements in the Inbank's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing activities in the statement of cash flows.

In thousands of euros	Lease liabilities	Subordinated debt
Liabilities from financing activities at 01.01.2023	**22,403**	**30,570**
Cash flows	-9,423	16,414
Other non-cash movements	13,179	2,761
Liabilities from financing activities at 31.12.2023	**26,159**	**49,745**
Liabilities from financing activities at 01.01.2024	**26,159**	**49,745**
Cash flows	-9,477	-2,154
Other non-cash movements	3,707	4,455
Liabilities from financing activities at 31.12.2024	**20,389**	**52,046**

Other non-cash movements related to lease liabilities include additions related to new lease contracts for amount 4,111 thousand euros (31 December.2023: 13,111 thousand euros) and related to subordinated debt the interest accruals from subordinated debt securities.

More details about lease liabilities in Note 20 and about subordinated debt in Note 19.

Note 23 Share capital

Share capital

	No of shares	Share price (EUR)	Share capital (thou. EUR)	Share premium (thou. EUR)	Total
Balance, 01.01.2023	**10,262,197**		**1,026**	**31,855**	**32,881**
Share based payment	0		0	0	0
Paid in share capital	601,957	20.00	60	11,708	11,768
incl. transaction costs arising on share issues				*-270*	*-270*
incl. other movements				*0*	*0*
Balance, 31.12.2023	**10,864,154**		**1,086**	**43,563**	**44,649**
Balance, 01.01.2024	**10,864,154**		**1,086**	**43,563**	**44,649**
Share based payment	100,125	12.50	10	1,241	1,251
Paid in share capital	555,384	18.25	56	10,045	10,101
incl. transaction costs arising on share issues				*-225*	*-225*
incl. other movements				*190*	*190*
Balance, 31.12.2024	**11,519,663**		**1,152**	**54,849**	**56,001**

In 2024 Inbank share capital was increased by 11,388 thousand euros through capital contribution (2023: 12,039 thousand euros). Transaction costs in the amount of 225 thousand euros were accounted for as a deduction from equity (2023: 270 thousand euros).

Other movements include correction of previous period transaction costs in the amount of 190 thousand euros (2023: 0 euros).

More information on shares issued under employee stock options presented in Note 24.

Shareholders who hold more than 5% of company shares

Shareholder name	Holding amount 31.12.2024	Holding amount 31.12.2023
Cofi Investeeringud OÜ	23.66%	25.08%
Luciano Orsero	9.34%	9.21%
Elio Tomaso Giovanni Cravero	7.12%	7.62%
Andrea Agostinone	7.04%	7.80%
Roberto De Silvestri	6.28%	8.39%
Patrizia Salice	4.77%	5.06%

Inbank's share capital consists of 11,520 thousand shares (2023: 10,864 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 24 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. All granted options are equity settled and cannot be redeemed for cash.

Employee share options

	2024		2023	
	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**	**673,325**	**9.77**	**549,600**
Granted during the year	15.50	85,700	17.43	144,000
Exercised during the year	12.50	-100,125	0.00	0
Forfeited during the year	19.12	-34,500	16.11	-20,275
As at 31 December	**11.21**	**624,400**	**9.77**	**673,325**
Vested and exercisable at 31 December		0		0

Outstanding share options

		31.12.2024		31.12.2023	
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	12.50	23,700	13.00	121,075
2022	2025	8.76	398,500	8.76	451,250
2023	2026	17.00	123,250	20.00	101,000
2024	2027	15.50	78,950	-	-
Total			**624,400**		**673,325**

Under the share option plans participants are granted options, which vest gradually over a 3-year period. 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 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: 11.38 euros (2023: 17.17 euros);
- Assumed average volatility: 17.79% (average listed peers banks volatility in past 3 years) (2023: 19.1%);
- Option lifetime: 3 years (2023: 3 years);
- Average risk-free interest rate: 1,54% (2023: 1.44%).

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 2024, the reserve amounted to 1,002 thousand euros (31 December 2023: 925 thousand euros).

Personnel expenses related to the option agreements in 2024 amounted to a total of 429 thousand euros (2023: 562 thousand euros).

More information on the employee share options presented in Note 23 and 25.

Note 25 Reserves

Reserves

In thousands of euros	31.12.2024	31.12.2023
Statutory reserve	109	103
Voluntary reserve	1,330	1,330
Share based payments reserve	1,002	926
Other accumulated comprehensive income	-1,003	-713
Total reserves	**1,438**	**1,646**

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 and 24.

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.

Note 26 Fair value of financial assets and liabilities

As of 31 December 2023 and 31 December 2024 all of the Inbank's financial assets and liabilities fell in the financial assets and liabilities carried at amortized cost measurement category except for financial derivatives. Derivatives belonged to the FVTPL measurement category. The derivatives with a positive fair value of as of 31.12.2024 amounted to 27 thousand euros (31.12.2023: 79 thousand euros) and with a negative fair value amounted to 503 thousand euros (31.12.2023: 50 thousand euros).

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		31.12.2024			31.12.2023		
	Note	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level
Assets							
Cash and cash equivalents	11	153,191	153,191	2	172,921	172,921	2
Mandatory reserves at central banks		25,156	25,156	2	21,020	21,020	2
Investments in central government debt securities	12	45,517	45,679	2	31,928	32,119	2
Investments in corporate debt securities	12	1,073	1,045	3	1,458	1,462	3
Loans and receivables - private persons	9	1,020,332	1,032,449	3	920,394	931,155	3
Loans and receivables - corporates	9	9,093	9,093	3	10,901	10,901	3
Other financial assets	17	4,569	4,569	2	5,268	5,268	2
Total assets		**1,258,931**	**1,271,182**		**1,163,890**	**1,174,846**	
Liabilities							
Customer deposits	18	1,156,192	1,171,359	2	1,069,720	1,081,566	2
Subordinated debt securities	19	30,884	30,920	2	30,424	31,003	2
Subordinated debt securities (AT1)	19	20,803	21,126	3	18,110	18,742	3
Redemption liability	20	7,978	7,978	3	7,054	7,054	3
Other financial liabilities	20	51,157	51,157	2	27,714	27,714	2
Total liabilities		**1,267,014**	**1,282,540**		**1,153,022**	**1,166,079**	

Inbank does not own financial assets or liabilities which valuation is done based on Level 1 inputs.

All significant inputs to the valuation models of Level 2 financial assets and liabilities 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.

The fair value of cash and cash equivalents closely approximates their carrying value due to their short-term nature and high liquidity. These assets are readily convertible to known amounts of cash with minimal risk of value changes.

The fair value of mandatory reserves held at the central banks is close to their carrying amount and therefore are classified as Level 2 instruments. The reserves are subject to regulatory requirements and earn interest at rates determined by the central banks, with minimal risk of fluctuations.

The fair value of investments in central government debt securities is based on the latest available trading prices from Nasdaq. Due to low trading volumes, prices reflect sporadic transactions rather than active market data, which may not fully capture current market conditions. As the valuation relies on observable data with adjustments, these securities are classified as Level 2 financial instruments under the fair value hierarchy.

Subordinated debt securities are classified as Level 2 financial instruments under fair value hierarchy based on trading data from Nasdaq. Given potential fluctuations, the valuation is based on the average price of the security over a one-year period.

Customer deposits that are classified as Level 2 instruments are valued using the Discounted Cash Flow (DCF) model. In determining the fair value of these deposits, the discount rate applied is based on Inbank's internal funding costs, which ensures that the valuation reflects the bank’s actual cost of obtaining funds by aligning the discount rate with Inbank's specific funding dynamics and market conditions.

Other financial assets and liabilities’ fair value is based on observable inputs like interest rates and credit spreads, with minimal adjustments. These inputs reflect current market conditions, so the fair value closely matches the carrying value. As the valuation relies on observable data with minor adjustments, these assets are classified as Level 2.

When internal assumptions materially influence the determination of fair value, the financial instrument is categorized under Level 3. Inbank applies appropriate valuation techniques to determine the fair value of its Level 3 financial instruments, considering the specific characteristics of each 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.

Investments in corporate debt securities are valued based on the last available trading price from the Nasdaq exchange, reflecting the limited trading activity and turnover of these instruments.

For private persons loans and receivables, fair value is determined using the Discounted Cash Flow (DCF) method, applying a discount rate that reflects the new average Effective Interest Rate (EIR) of new sales, ensuring alignment with prevailing market interest rates for similar loans.

Corporate loans and receivables, which have floating interest rates tied to Euribor, are also valued using the DCF method. Since all corporate loans are classified as Stage 1, their fair value is primarily influenced by fluctuations in Euribor, ensuring consistency with market-based interest rates.

Subordinated debt securities, specifically perpetual AT1 instruments, are valued using the DCF method with a discount rate which is based on the latest repricing of Inbank's AT1 issuances. This discount rate is uniformly applied across all AT1 securities.

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 27 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

	31.12.2024	31.12.2023
Share options held by Management Board	298,500	316,500
Share options held by Supervisory Board	36,500	55,500

In 2024 nor in 2023 members of the Management Board and Supervisory Board have not exercised any options for the purchase of shares. The cost for share-based payments in 2024 was accounted for in the amount of 143 thousand euros (2023: 230 thousand euros).

No other short or long term benefits are applied.

Remuneration of the Management Board and Supervisory Board

In thousands of euros	2024	2023
Remuneration of the Management Board and Supervisory Board	1,571	1,329

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	31.12.2024			31.12.2023		
Balances as of end of reporting period	Management	Associates	Total	Management	Associates	Total
Loans and receivables	260	0	260	282	0	282
Impairment allowance	-3	0	-3	-3	0	-3
Deposits and subordinated debt securities	2,971	0	2,971	3,052	0	3,052

Transactions

In thousands of euros	12 months 2024			12 months 2023		
Transactions	**Management**	**Associates**	**Total**	**Management**	**Associates**	**Total**
Interest income	18	0	18	19	199	218
Interest expenses	324	0	324	211	0	211
Services purchased	490	0	490	462	0	462
Impairment expenses	1	0	1	2	0	2

Services purchased from management contain consultations and rent. Rent contract end date was August 2026 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, all transactions are done under market conditions.

Loans given to Management Board members are issued on market terms, with an interest rate 5.9%-11% (2023: 5.9%-20%). No debt claims have been sold to the associated company in 2024 (2023: 8,361 thousand euros). The interest rate of deposits received from related parties matches with the interest rate offered to customers, interest rates are between 2.1% and 3.35% (2023: 1.32% and 8%).

More details about loans are disclosed in Note 9.

Note 28 Events after the end of the reporting period

In January, 2025 Inbank acquired an additional 0.9% of Mobire Group OÜ shares. Total Inbank share into Mobire Group OÜ after acquisition was 67%. Acquisition of shares was made out of non-controlling interest redemption liability (see Note 20).

Note 29 Parent company's separate statement of financial position

In thousands of euros	31.12.2024	31.12.2023
Assets		
Cash and cash equivalents	149,165	171,119
Mandatory reserves at central banks	25,156	21,020
Investments in debt securities	45,679	32,119
Financial assets measured at fair value through profit or loss	27	79
Loans and receivables	1,083,381	969,381
Investments in subsidiaries and associates	4,075	4,119
Other financial assets	5,271	4,043
Tangible fixed assets	243	319
Right of use assets	1,316	1,407
Intangible assets	27,494	27,251
Other assets	2,561	4,111
Deferred tax assets	4,707	4,505
Total assets	**1,349,075**	**1,239,473**
Liabilities		
Customer deposits	1,178,676	1,087,903
Financial liabilities measured at fair value through profit or loss	503	50
Other financial liabilities	19,813	18,400
Current tax liability	-143	45
Deferred tax liability	533	204
Other liabilities	3,669	3,250
Subordinated debt securities	52,046	49,745
Total liabilities	**1,255,097**	**1,159,597**
Equity		
Share capital	1,152	1,086
Share premium	54,849	43,563
Statutory reserve	109	103
Other reserves	1,109	1,419
Retained earnings	36,759	33,705
Total equity	**93,978**	**79,876**
Total liabilities and equity	**1,349,075**	**1,239,473**

Note 30 Parent company's separate statement of comprehensive income

In thousands of euros	2024	2023
Interest income calculated using effective interest method	93,772	74,417
Interest expense	-51,196	-43,250
Net interest income	**42,576**	**31,167**
Fee and commission income	363	472
Fee and commission expenses	-3,625	-3,582
Net fee and commission income/expenses	**-3,262**	**-3,110**
Other operating income	9,463	5,574
Other operating expenses	0	-1
Net rental income/expenses	**9,463**	**5,573**
Net gains/losses from financial assets measured at fair value	9	-14
Foreign exchange rate gain/losses	366	127
Net gain/losses from financial items	**375**	**113**
Total net interest, fee and other income and expenses	**49,152**	**33,743**
Personnel expenses	-14,761	-11,546
Marketing expenses	-1,774	-1,861
Administrative expenses	-12,197	-9,105
Depreciations, amortization	-7,716	-5,522
Total operating expenses	**-36,448**	**-28,034**
Share of profit/loss from associates	-22	501
Impairment losses on loans and receivables	-8,523	-7,945
Profit before income tax	**4,159**	**-1,735**
Income tax	-1,223	192
Profit for the period	**2,936**	**-1,543**
Other comprehensive income that may be reclassified subsequently to profit or loss		
Currency translation differences	-288	-417
Total comprehensive income for the period	**2,648**	**-1,960**

Note 31 Parent company’s separate statement of cash flows

In thousands of euros	2024	2023
Cash flows from operating activities		
Interest received	92,309	73,116
Interest paid	-51,863	-35,613
Fees received	291	472
Fees paid	-4,236	-3,582
Other operating income received	9,463	5,574
Other operating expenses paid	0	-1
Personnel expenses	-14,197	-16,174
Administrative and marketing expenses	-11,330	-10,808
Income tax paid	-1,439	-818
Cash flows from operating activities before changes in the operating assets and liabilities	**18,998**	**12,166**
Changes in operating assets		
Loans and receivables	-121,283	-233,628
Mandatory reserves at central banks	-4,136	-6,574
Other financial assets	-1,228	-802
Other assets	536	-1,788
Changes of operating liabilities		
Customer deposits	91,401	236,213
Other financial liabilities	462	381
Other liabilities	501	876
Net cash flows from operating activities	**-14,749**	**6,844**
Cash flows from investing activities		
Investments in debt securities	-26,654	-37,682
Repayments of debt securities	14,000	12,403
Acquisition of tangible fixed assets	-26	-409
Acquisition of intangible assets	-7,070	-4,091
Sale of associates	22	37,495
Net cash used in/from investing activities	-19,728	7,716

Cash flows from financing activities		
Share capital contribution (including share premium)	11,393	12,039
Subordinated debt securities issued	2,340	19,133
Lease liability payments	-1,044	-720
Net cash used in/from financing activities	12,689	30,452
Effect of exchange rate changes	-166	-18
Cash and cash equivalents at the beginning of the reporting period	**171,119**	**126,125**
Net increase/decrease in cash and cash equivalents	-21,954	44,994
Cash and cash equivalents at the end of the reporting period	**149,165**	**171,119**

Note 32 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
				Share based payment reserve	Voluntary reserve	Currency translation reserve		
Balance, 01.01.2023	**1,026**	**31,855**	**100**	**360**	**1,330**	**-298**	**35,233**	**69,606**
Profit for the period	0	0	0	0	0	0	-1,543	-1,543
Other comprehensive income	0	0	0	0	0	-417	0	-417
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**-417**	**-1,543**	**-1,960**
Paid in share capital	60	11,708	0	0	0	0	0	11,768
Share-based payment reserve	0	0	0	444	0	0	18	462
Transfer to statutory reserve capital	0	0	3	0	0	0	-3	0
Balance, 31.12.2023	**1,086**	**43,563**	**103**	**804**	**1,330**	**-715**	**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**
Balance, 01.01.2024	**1,086**	**43,563**	**103**	**0**	**0**	**-715**	**33,705**	**79,876**
Profit for the period	0	0	0	0	0	0	2,936	2,936
Other comprehensive income	0	0	0	0	0	-288	0	-288
Total comprehensive income	**0**	**0**	**0**			**-288**	**2,936**	**2,648**
Paid in share capital	66	11,096	0	0	0	0	10	11,172
Share-based payment reserve	0	0	0	-22	0	0	304	282
Transfer to statutory reserve capital	0	0	6	0	0	0	-6	0
Other movements	0	190	0	0	0	0	-190	0
Balance, 31.12.2024	**1,152**	**54,849**	**109**	**782**	**1,330**	**-1,003**	**36,759**	**93,978**
Carrying amount of holdings under control and significant influence							-4,075	-4,075
Value of holdings under control and significant influence under equity method							57,653	57,653
Adjusted unconsolidated equity, 31.12.2024							**90,337**	**147,556**

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 2024 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 are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

3 March 2025

/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 2024, 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 3 March 2025.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- 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.

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Translation note:

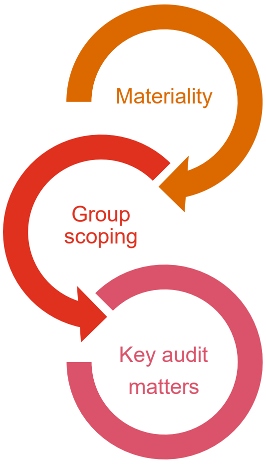
This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the original document submitted in machine-readable .xhtml format that is submitted to the Tallinn Stock Exchange (Link: https://www.nasdaqbaltic.com/statistics/et/instrument/EE3300002542/reports?date=2025-03-03).

The non-audit services that we have provided to the Bank and its subsidiaries in the period from 1 January 2024 to 31 December 2024 are disclosed in the management report and note 8 to the consolidated financial statements.

Our audit approach

Overview



- Overall Group audit materiality is EUR 1,475 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 a full scope audit of the Bank's and significant components' financial information and specific audit procedures over material statement of profit and loss and other comprehensive income and statement of financial position line items of other components. 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 receivables to private persons.

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, if any, both individually and in aggregate on the consolidated financial statements as a whole.

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Overall Group audit materiality	EUR 1,475 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 are assessed as 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 receivables to private persons (refer to Note 1 "Material accounting policy information", Note 2 "Significant accounting estimates and judgements", Note 3 "Risk management" and Note 9 "Loans and receivables" for further details. As at 31 December 2024, gross loans and receivables to private persons amount to EUR 1,059,422 thousand against which credit loss allowance in the amount of EUR 26,953 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)	We assessed whether the Group's accounting policies in relation to assessing the impairment of loans and receivables to private persons complied with International Financial Reporting Standards as adopted by the European Union. As part of the procedures performed, we updated our understanding of the Group's policies and procedures related to the estimation of allowances for expected credit losses, especially the changes applied to address the uncertainties resulting from changes observed in the economic environment. 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 also 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 Group ECL methodology;

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based on complex modelling techniques and estimates determined by the management; • application of forward looking and probability-weighted information in the ECL assessment.	• 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. We also assessed the adequacy and completeness of the disclosures in the consolidated financial statements in accordance with the applicable accounting standards.

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.

The Group's consolidated financial statements comprise the financial information of a number of entities disclosed in Note 13 to the consolidated financial statements. Based on the size and risk characteristics we determined which components are significant due to risk or size and the Group audit team performed a full scope audit for the following entities within the Group: AS Inbank parent company, Lithuanian branch (AS Inbank Filialas), Polish branch (AS Inbank Spółka Akcyjna-Oddział w Polsce), AS Inbank Finance, SIA Inbank Latvia and Mobire Group OÜ. Additionally, we performed specified procedures of the statement of financial position and the statement of profit or loss for Inbank Ventures OÜ and Czechia branch (AS Inbank Odštepny Závod). At the Group level we tested the consolidation process and performed additional analytical procedures to confirm our conclusion that no material misstatements exist that may affect 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 General information, A year in numbers, Key financial indicators and ratios, Highlights, Our business, Message from the Chairman of the Supervisory Board and the Management report (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.

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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.

If, based on the work we have performed on the Management report and other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement in the Management report or in this other information, we are required to report that fact. 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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 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 2024 (the "Presentation of the Consolidated Financial Statements").

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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 the provisions of the International Standard on Quality Management (Estonia) 1 (revised), and accordingly maintain a comprehensive system of quality management including documented policies and 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 8 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

Original report is signed in Estonian language

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

3 March 2025
Tallinn, Estonia

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Profit allocation proposal

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

- 12,208 thousand euros to retained earnings;
- 6 thousand euros to statutory reserve.

AS Inbank
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