

Interim Report Q3 2024

AS Inbank

AS Inbank General Information

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)
Phone	+372 640 8080
Email	info@inbank.ee
Website	www.inbank.eu
Reporting period	01.01.2024 - 30.09.2024

Members of the Supervisory Board

Jan Andresoo, Chairman

Roberto De Silvestri

Triinu Bucheton

Raino Paron

Erkki Raasuke

Members of the Management Board

Priit Põldoja, Chairman

Marko Varik

Margus Kastein

Maciej Pieczkowski

Piret Paulus

Erik Kaju

Evelin Lindvers

Ivar Kurvits

AS Inbank interim report for Q3 2024 is unaudited.

The bank does not hold any ratings assigned by international rating agencies.

Management Board declaration

The Management Board of AS Inbank is of the opinion that:

- the data and information presented in this interim report for the Q3 of 2024 consisting of the management report and financial statements as at 30 September 2024 are correct and complete;
- this interim report gives a true and fair view of the financial position of the AS Inbank consolidation group as at 30 September 2024, its financial performance and cash flows for the 9 month period ended 30 September 2024;
- the accounting policies and procedures used in preparing the interim report comply with IAS 34;
- the interim report has been prepared using the policies and procedures of the financial statements for the year concluded on 31 December 2023.

AS Inbank is a going concern.

Tallinn, 07 November 2024

Priit Põldoja

Chairman of the Management Board

Management report



Inbank continued to deliver strong sales results and steady revenue growth during the third quarter of 2024. Our gross merchandise value (GMV) reached a record 184 million euros during the quarter, with net interest income growing by 25% compared to last year, reflecting a strong underlying performance. Inbank's total net income grew by 16% for the quarter compared to last year. Our Q3 results were negatively impacted by a 1.2 million euro fair value adjustment on financial instruments used to manage interest rate risks. During the first two quarters of the year the company made a fair value gain on the same instruments.

The quarterly net profit was 3.1 million euros which is 7% higher than a year ago. Quarterly return on equity (ROE) was 8.8%. Inbank's profit for the first 9 months of the year reached 10.8 million euros, a 46% increase compared to the same period last year. The ROE for 9 months was 10.9%.

Inbank's GMV grew by 4% compared to the previous quarter and 1% compared to the same quarter a year ago, reaching 184 million euros. Auto marketplaces and dealers continued to show very strong results reaching 64 million euros of GMV, which is 42% more than a year ago. Merchant solutions sales were worth 61 million euros, which is 15% less than a year ago due to lower sales in Poland and Lithuania, where we lost some partners due to repricing efforts. All other product segments showed similar sales volumes compared to last year. As a result, during 2024, auto marketplaces and dealers have become Inbank's largest segment in terms of sales and portfolio.

Due to repricing efforts over the last 2 years our retail portfolio Effective Interest Rate (EIR) continues to improve. During Q3 our EIR reached 11.21% which is 0.41% higher than a year ago. At the same time, due to a decline in the interest rate environment, our funding cost continues to decline, reaching 4.38% for the quarter which is 0.18% lower than a year ago. As a result, our net interest margin improved to 5.43%. Looking forward, we expect our funding cost to continue to drop and portfolio EIR to rise. At the same time, due to changes in the interest rate environment, we stopped our repricing efforts during the last quarter and will focus on increasing sales volumes over the coming quarters.

During Q3 2024, our total impairment losses decreased to 1.5% of the loan portfolio. For the first 9 months of the year, Inbank's impairment loss ratio stood at 1.5%, which is below our long-term average. During the quarter, we improved the accuracy of our provisioning methodology and while the changes impacted the distribution of loans between credit quality stages, they did not impact overall impairment losses for the quarter overall.

To support Inbank's growth and international expansion, we raised 10.14 million euros of equity in August. The lead investor was Swedbank pension funds and the round was supported by 52 investors in total. As a result, Inbank's total capital adequacy ratio increased to 17.54% and CET1 capital ratio increased to 12.36%.

During the quarter, Inbank sold its 21% stake in financial technology start-up Paywerk to Swedbank AB. This transaction resulted in 0.7 million euros of extraordinary profit for the quarter. While Paywerk did not succeed as a stand-alone company, we are excited to see that the technology our team developed is valued by a leading regional retail bank.

During the third quarter, we launched the Smart Rent service for renting Apple products in iDeal stores in Lithuania, making the service now available in all three Baltic countries. We also started cooperation with the largest electronics retailer Datart in Czechia.

Inbank's financial performance has continued to improve throughout 2024. While sudden changes in interest expectations resulted in weaker Q3 results, the decline in the interest rate environment is expected to benefit our financial performance going forward. As always, we continue to invest in new products and market opportunities. Clearly the interest cycle has changed, and our focus will turn gradually towards growing sales and partnerships in all our markets. The superiority of our embedded finance solutions coupled with the declining interest rate environment will greatly support Inbank's growth ambitions in the upcoming quarters and years.

Priit Põldoja

Chairman of the Management Board

Inbank in numbers

881,000+

Active customer contracts

6,200

Active retail partners

121,000+

New contracts quarterly

€1.11bn

Loan and rental portfolio

1.5%

Credit losses

8.8%

Return on equity

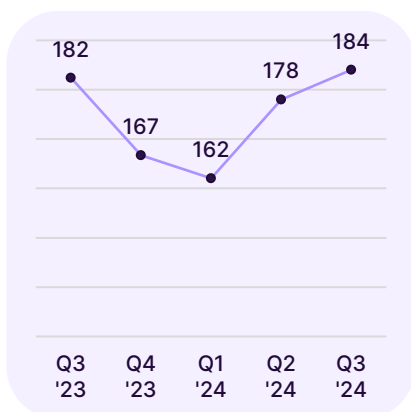
Key financials

(in millions of €)

Gross merchandise value

€184m

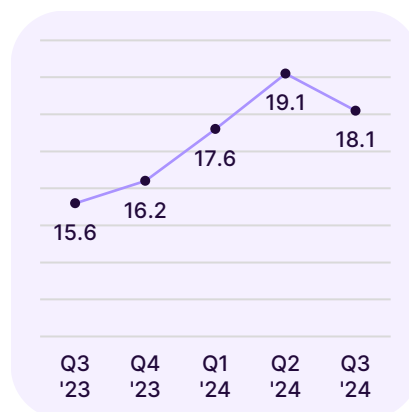
+1% year-to-year



Total net income

€18.1m

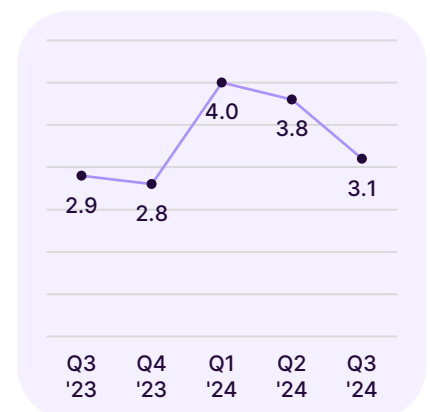
+16% year-to-year



Net profit

€3.1m

+7% year-to-year



Key financial indicators and ratios

Key financial indicators

In millions of euros	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	% change YoY
Total net income	15.6	16.2	17.6	19.1	18.1	16%
Net profit	2.9	2.8	4.0	3.8	3.1	7%
Total assets	1,236	1,321	1,345	1,425	1,428	16%
Loan and rental portfolio	975	1,030	1,050	1,080	1,114	14%
Deposit portfolio	1,021	1,082	1,106	1,176	1,164	14%
Equity	110	124	128	133	146	33%

Ratios

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Retail portfolio effective interest rate (EIR)*	10.8%	10.8%	11.0%	11.2%	11.2%
Funding cost*	4.6%	4.6%	4.5%	4.4%	4.4%
Net interest margin*	5.1%	5.1%	5.0%	5.4%	5.4%
Total income margin*	5.2%	4.9%	5.2%	5.5%	5.1%
Impairment losses to loan portfolio*	1.5%	1.4%	1.4%	1.7%	1.5%
Cost/income ratio	59.7%	59.9%	56.9%	56.6%	61.1%
Return on equity (ROE)*	10.6%	9.1%	12.6%	11.6%	8.8%

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

* The methodology for calculating key financial indicators and ratios has been revised in 2023. 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.

Condensed consolidated interim financial statements

Condensed consolidated statement of financial position

In thousands of euros	Note	30.09.2024	31.12.2023	30.09.2023* restated
Assets				
Cash and cash equivalents	8; 18	192,998	172,921	150,701
Mandatory reserves at central banks		23,910	21,020	18,593
Investments in debt securities	9; 18	35,236	33,581	31,164
Financial assets measured at fair value through profit or loss		15	79	119
Loans and receivables	7; 18	1,021,059	942,056	895,610
Investments in associates	10	0	141	213
Other financial assets	11; 18	3,512	5,268	2,958
Tangible assets		84,064	75,206	67,458
Right of use assets		21,603	26,716	24,810
Intangible assets		32,081	30,906	29,263
Other assets	11	8,876	8,185	10,974
Deferred tax assets		4,758	4,505	4,066
Total assets		1,428,112	1,320,584	1,235,929
Liabilities				
Customer deposits	12; 18	1,164,182	1,081,566	1,021,106
Financial liabilities measured at fair value through profit or loss		374	50	6
Other financial liabilities	14; 18	60,086	60,927	59,488
Current tax liability		696	311	138
Deferred tax liability		482	204	203
Other liabilities	14	4,075	3,691	3,412
Subordinated debt securities	13; 18	52,028	49,745	41,708
Total liabilities		1,281,923	1,196,494	1,126,061
Equity				
Share capital	16	1,152	1,086	1,026
Share premium	16	54,656	43,563	31,855
Statutory reserve	17	109	103	103
Other reserves	17	1,344	1,543	1,865
Retained earnings		88,928	77,795	75,019
Total equity		146,189	124,090	109,868
Total liabilities and equity		1,428,112	1,320,584	1,235,929

* Change in the presentation of cash and cash equivalents was made for 30 September 2023. For more details refer to Note 1.

Notes set out on pages 13 - 44 form an integral part of the condensed consolidated interim financial statements.

Condensed consolidated statement of profit and loss and other comprehensive income

In thousands of euros	Note	Q3 2024	9 months 2024	Q3 2023* restated	9 months 2023* restated
Interest income based on EIR	3; 4	30,870	88,946	26,014	71,474
Interest expense	3; 4	-13,603	-40,287	-12,164	-32,490
Net interest income	4	17,267	48,659	13,850	38,984
Fee and commission income	3; 5	98	315	118	359
Fee and commission expenses	3; 5	-1,268	-3,637	-1,066	-3,062
Net fee and commission income/expenses	5	-1,170	-3,322	-948	-2,703
Income from rental services	3	8,123	23,431	6,275	17,036
Sale of assets previously rented to customers	3	3,992	12,114	3,755	10,584
Other operating income	3	328	804	191	549
Cost of rental services	3	-5,252	-15,378	-4,063	-11,088
Cost of assets sold previously rented to customers	3	-3,949	-11,685	-3,059	-9,253
Net operating income/expenses		3,242	9,286	3,099	7,828
Net gains/losses from financial assets measured at fair value	3	-1,372	-177	110	76
Foreign exchange rate gain/losses	3	164	382	-501	-213
Net gain/losses from financial items		-1,208	205	-391	-137
Total net interest, fee and other income and expenses		18,131	54,828	15,610	43,972
Personnel expenses	6	-5,033	-14,726	-3,981	-12,152
Marketing expenses	6	-849	-2,186	-753	-2,418
Administrative expenses	6	-3,259	-9,284	-2,955	-8,073
Depreciations, amortization	3	-1,932	-5,706	-1,629	-4,601
Total operating expenses	3	-11,073	-31,902	-9,318	-27,244
Share of profit from associates	3; 10	663	663	-72	322
Impairment losses on loans and receivables	3; 7	-3,832	-11,158	-3,354	-9,968
Profit before income tax		3,889	12,431	2,866	7,082
Income tax	3	-796	-1,597	34	344
Profit for the period		3,093	10,834	2,900	7,426
Other comprehensive income that may be reclassified subsequently to profit or loss					
Currency translation differences		-15	-272	324	-12
Total comprehensive income for the period		3,078	10,562	3,224	7,414

* Change in the presentation of 2023 was made. For more details refer to Note 1.

Notes set out on pages 13 - 44 form an integral part of the condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows

In thousands of euros	Note	Q3 2024	9 months 2024	Q3 2023* restated	9 months 2023* restated
Cash flows from operating activities					
Interest received	4	30,506	87,321	24,690	66,516
Interest paid	4	-13,924	-32,368	-10,408	-26,332
Fees received	5	124	560	536	1,571
Fees paid	5	-1,222	-3,637	-1,082	-3,137
Income from rental services		8,123	23,431	6,275	17,036
Cost of rental services		-2,957	-7,185	-1,265	-3,384
Sale of assets previously rented to customers		3,992	12,114	3,755	10,584
Other operating income received		328	804	191	549
Personnel expenses paid	6	-5,187	-15,017	-4,925	-15,780
Administrative and marketing expenses paid	6	-2,546	-7,708	-4,554	-10,904
Income tax paid		-571	-880	78	-638
Cash flows from operating activities before changes in the operating assets and liabilities		16,666	57,435	13,291	36,081
Changes in operating assets					
Loans and receivables	7	-35,629	-88,936	-24,423	-147,070
Acquisition of tangible assets for rental business		-6,386	-19,750	-7,702	-26,492
Mandatory reserves at central banks		-1,653	-2,890	-191	-4,146
Other financial assets	11; 18	-1,071	1,756	2,155	429
Other assets	11; 18	-1,576	-3,522	-162	-5,829
Changes of operating liabilities					
Customer deposits	12	-11,048	74,640	53,567	186,092
Other financial liabilities	14; 18	2,945	4,989	-447	2,071
Other liabilities	14; 18	-4,453	-2,447	1,057	2,079
Net cash from operating activities		-42,205	21,275	37,145	43,215
Cash flows from investing activities					
Investments in debt securities	9	-15,500	-15,500	-1	-29,738
Repayments of debt securities	9	6,000	14,000	0	7,402
Acquisition of tangible assets		0	-447	-445	-964
Acquisition of intangible assets		1,408	-5,699	-1,284	-3,165
Acquisition of associates	10	0	-63	0	0
Sale of associates	10	867	867	-76	1,174
Net cash used in/from investing activities		-7,225	-6,842	-1,806	-25,291

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In thousands of euros	Note	Q3 2024	9 months 2024	Q3 2023* restated	9 months 2023* restated
Cash flows from financing activities					
Share capital contribution (incl. share premium)	16	10,142	11,393	0	0
Subordinated debt securities issued	13	0	2,340	0	11,100
Acquisitions of non-controlling interests by redeeming put option		0	0	0	-1,930
Lease liability payments		-2,346	-8,227	-1,670	-7,057
Net cash used in/from financing activities		7,796	5,506	-1,670	2,113
Effect of exchange rate changes		175	138	-561	-225
Cash and cash equivalents at the beginning of the reporting period	8	234,457	172,921	117,593	130,889
Net increase/decrease in cash and cash equivalents		-41,459	20,077	33,108	19,812
Cash and cash equivalents at the end of the reporting period	8	192,998	192,998	150,701	150,701

Cash and cash equivalents

In thousands of euros	Note	Q3 2024	9 months 2024	Q3 2023* restated	9 months 2023* restated
Due from central banks without mandatory reserve		178,657	178,657	141,862	141,862
Due from other credit institutions within three months		14,341	14,341	8,839	8,839
Total cash and cash equivalents	8	192,998	192,998	150,701	150,701

* Change in the presentation of 2023 was made. For more details refer to Note 1.

Notes set out on pages 13 - 44 form an integral part of the condensed consolidated interim financial statements.

Condensed consolidated statement of changes in equity

In thousands of euros	Share capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings/ accumulated loss	Total equity
Balance, 01.01.2023	1,026	31,855	100	1,421	67,522	101,924
Profit for the period	0	0	0	0	7,426	7,426
Other comprehensive income	0	0	0	-12	0	-12
Total comprehensive income	0	0	0	-12	7,426	7,414
Paid in share capital	0	0	0	0	0	0
Share-based payment reserve	0	0	0	456	0	456
Transfer to statutory reserve capital	0	0	3	0	-3	0
Other movements	0	0	0	0	74	74
Balance, 30.09.2023	1,026	31,855	103	1,865	75,019	109,868
Balance, 01.01.2024	1,086	43,563	103	1,543	77,795	124,090
Profit for the period	0	0	0	0	10,834	10,834
Other comprehensive income	0	0	0	-272	0	-272
Total comprehensive income	0	0	0	-272	10,834	10,562
Paid in share capital	66	11,093	0	0	0	11,159
Share-based payment reserve	0	0	0	73	305	378
Transfer to statutory reserve capital	0	0	6	0	-6	0
Other movements	0	0	0	0	0	0
Balance, 30.09.2024	1,152	54,656	109	1,344	88,928	146,189

At 30 September 2024, Inbank's share capital consisted of 11,520 thousand authorized registered ordinary shares (30 September 2023: 10,262 thousand shares) with a nominal value of 0.10 euro each. All issued shares have been paid. For more details see also Notes 16 and 17.

Notes set out on pages 13 - 44 form an integral part of the condensed consolidated interim financial statements.

Note 1 Accounting policies

The interim financial report has been prepared in accordance with the International Accounting Standard IAS 34 “Interim Financial Reporting”, as adopted by the EU, and consists of condensed financial statements and selected explanatory notes. The accounting policies used in the preparation of the interim report are the same as the accounting policies used in the annual report for the year ended 31 December 2023, which comply with the International Financial Reporting Standards, as adopted by the European Commission (IFRS EU).

The interim financial report is not audited and does not contain the entire range of information required for the preparation of complete financial statements. The interim financial report should be read in conjunction with the Annual Report prepared for the year ended 31 December 2023, which has been prepared in accordance with the International Financial Reporting Standards (IFRS).

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

The companies listed below belong to the consolidation group of AS Inbank as at 30 September 2024:

Company name	Year of purchase/ founded	Location	Activity	30.09.2024		31.12.2023	
				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
IB 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	0.4	-	-
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

For more details refer to Note 10.

Changes in presentation

For better presentation and compliance with IFRS Inbank changed presentation of condensed consolidated statements of financial position, condensed consolidated statement of profit and loss and other comprehensive income and condensed consolidated statement of cash flows.

Changes in presentation is disclosed in the tables below. More details about the change is presented in the annual report for the year ended 31 December 2023 which can be found in Inbank website.

Changes in presentation in condensed consolidated statement of financial position

In thousands of euros	30.09.2023	Change	30.09.2023* restated
Assets			
Due from central banks	160,455	-160,455	-
Due from credit institutions	8,839	-8,839	-
Cash and cash equivalents	-	150,701	150,701
Mandatory reserves at central banks	-	18,593	18,593
Total	169,294	0	169,294

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

In thousands of euros	Q3 2023	Change	Q3 2023* restated	9 months 2023	Change	9 months 2023* restated
Interest income based on EIR	24,917	1,097	26,014	68,507	2,967	71,474
Interest expense	-12,164	0	-12,164	-32,490	0	-32,490
Net interest income	12,753	1,097	13,850	36,017	2,967	38,984
Fee and commission income	1,326	-1,208	118	3,654	-3,295	359
Fee and commission expenses	-1,177	111	-1,066	-3,390	328	-3,062
Net fee and commission income/ expenses	149	-1,097	-948	264	-2,967	-2,703
Other operating income	10,221	-10,030	191	28,169	-27,620	549
Other operating expenses	-7,122	7,122	0	-20,341	20,341	0
Income from rental services	-	6,275	6,275	-	17,036	17,036
Sale of assets previously rented to customers	-	3,755	3,755	-	10,584	10,584
Cost of rental services	-	-4,063	-4,063	-	-11,088	-11,088
Cost of assets sold previously rented to customers	-	-3,059	-3,059	-	-9,253	-9,253
Net operating income/expenses	3,099	0	3,099	7,828	0	7,828

Changes in presentation in condensed consolidated statement of cash flows

In thousands of euros	9 months 2023	Change	9 months 2023* restated
Cash flows from operating activities			
Interest received	63,474	3,042	66,516
Interest paid	-26,332	0	-26,332
Fees received	4,866	-3,295	1,571
Fees paid	-3,390	253	-3,137
Income from rental services	0	17,036	17,036
Cost of rental services	0	-3,384	-3,384
Sale of assets previously rented to customers	0	10,584	10,584
Other operating income received	28,169	-27,620	549
Other operating expenses paid	-20,341	20,341	0
Personnel expenses paid	-15,780	0	-15,780
Administrative and marketing expenses paid	-10,904	0	-10,904
Income tax paid	-638	0	-638
Cash flows from operating activities before changes in the operating assets and liabilities	19,124	16,957	36,081
Changes in operating assets			
Loans and receivables	-147,070	0	-147,070
Acquisition of tangible assets for rental business	0	-26,492	-26,492
Mandatory reserves at central banks	-4,146	0	-4,146
Other financial assets	429	0	429
Other assets	-3,077	3,077	0
Changes of operating liabilities			
Customer deposits	186,092	0	186,092
Other financial liabilities	13,789	-11,718	2,071
Other liabilities	2,079	0	2,079
Net cash from operating activities	40,767	2,448	43,215
Cash flows from investing activities			
Investments in debt securities	-29,738	0	-29,738
Repayments of debt securities	7,402	0	7,402
Acquisition of tangible assets	-446	-518	-964
Acquisition of intangible assets	-3,165	0	-3,165
Sale of associates	1,174	0	1,174
Net cash used in/from investing activities	-24,773	-518	-25,291

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In thousands of euros	9 months 2023	Change	9 months 2023* restated
Cash flows from financing activities			
Subordinated debt securities issued	11,100	0	11,100
Acquisitions of non-controlling interests by redeeming put option	0	-1,930	-1,930
Lease liability payments	-7,057	0	-7,057
Net cash used in/from financing activities	4,043	-1,930	2,113
Effect of exchange rate changes	-225	0	-225
Cash and cash equivalents at the beginning of the reporting period	130,889	0	130,889
Net increase/decrease in cash and cash equivalents	19,812	0	19,812
Cash and cash equivalents at the end of the reporting period	150,701	0	150,701

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In thousands of euros	Q3 2023	Change	Q3 2023* restated
Cash flows from operating activities			
Interest received	23,577	1,113	24,690
Interest paid	-10,408	0	-10,408
Fees received	1,744	-1,208	536
Fees paid	-1,177	95	-1,082
Income from rental services	-	6,275	6,275
Cost of rental services	-	-1,265	-1,265
Sale of assets previously rented to customers	-	3,755	3,755
Other operating income received	10,221	-10,030	191
Other operating expense paid	-10,735	10,735	0
Personnel expenses paid	-4,925	0	-4,925
Administrative and marketing expenses paid	-4,554	0	-4,554
Income tax paid	78	0	78
Cash flows from operating activities before changes in the operating assets and liabilities	3,821	9,470	13,291
Changes in operating assets			
Loans and receivables	-24,423	0	-24,423
Acquisition of tangible assets for rental business	-26,453	18,751	-7,702
Mandatory reserves at central banks	-191	0	-191
Other financial assets	2,155	0	2,155
Other assets	1,315	-1,477	-162
Changes of operating liabilities			
Customer deposits	53,567	0	53,567
Other financial liabilities	6,946	-7,393	-447
Other liabilities	1,057	0	1,057
Net cash from operating activities	17,794	19,351	37,145
Cash flows from investing activities			
Investments in debt securities	-1	0	-1
Repayments of debt securities	0	0	0
Acquisition of tangible assets	18,522	-18,967	-445
Acquisition of intangible assets	-1,284	0	-1,284
Sale of associates	-76	0	-76
Net cash used in/from investing activities	17,161	-18,967	-1,806

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In thousands of euros	Q3 2023	Change	Q3 2023* restated
Cash flows from financing activities			
Subordinated debt securities issued	0	0	0
Acquisitions of non-controlling interests by redeeming put option	0	0	0
Lease liability payments	-1,670	0	-1,670
Net cash used in/from financing activities	-1,670	0	-1,670
Effect of exchange rate changes	-177	-384	-561
Cash and cash equivalents at the beginning of the reporting period	117,593	0	117,593
Net increase/decrease in cash and cash equivalents	33,108	0	33,108
Cash and cash equivalents at the end of the reporting period	150,701	0	150,701

Note 2 Significant accounting estimates and judgements

According to the IFRS, many of the financial indicators given in the report are based on strictly accounting-related management estimates and opinions, which have an impact on the value of the assets and liabilities presented in the financial statements as of the balance sheet date and on the income and expenses of the subsequent financial years. Although these estimates are based on the best knowledge of the management and conclusions from ongoing events, the actual result may not coincide with them in the end and may differ significantly from these estimates.

The management consistently reviews such decisions and estimates, including the ones that have an influence on the fair value of financial instruments, impairment of financial assets, non-controlling interests redemption liability and others.

The management relies on experience and the other factors it considers reasonable in the given situation when making these decisions and estimates.

Note 3 Operating segments

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

Inbank divides its 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 financing segment includes Inbank together with its branches in Lithuania, Poland and Czechia and subsidiaries Inbank Finance and Inbank Latvia. The rental segment includes Inbank Rent and Mobire's business area, which consolidates the rental service in Estonia, Latvia, Lithuania, Poland and Czechia (hereinafter Inbank Rent means Inbank Rent AS together with its subsidiaries and Mobire means Mobire Group together with its subsidiaries). Investments business segment include all remaining entities not mentioned before. Key activity for those companies is holding companies and hardware rental.

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

The financial results of business segments are regularly monitored by Inbank's board. Important financial indicators are profitability, income-cost ratio, income growth and loan portfolio quality.

The financing business offers credit products with the largest product group being hire purchase. The main activity of Mobire's business area is car rental service, Inbank Rent offers IT equipment rent services. Inbank Ventures, which is part of the investment segment, offers hardware rental to Inbank companies.

The revenues of the reported segments contain revenues from transactions between the segments. Such transactions include loans given by AS Inbank and AS Inbank Finance with as well as rental 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.

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

Income of reported segments and net profit structure

In thousands of euros	Financing business					Rent	Investments	Eliminations	Total
	Estonia	Latvia	Lithuania	Poland	Czechia				
9 months 2024									
Interest income based on EIR	44,239	8,529	17,152	37,632	1,206	21	150	-19,897	89,032
<i>incl. income from external customers</i>	25,578	8,529	17,152	36,632	1,120	21	0	0	89,032
<i>incl. income from internal customers</i>	18,661	0	0	1,000	86	0	150	-19,897	0
Fee and commission income	315	0	0	0	0	0	0	0	315
<i>incl. loan administration fees</i>	178	0	0	0	-34	0	0	0	144
<i>incl. other fees</i>	137	0	0	0	34	0	0	0	171
Rental services	0	0	0	0	0	23,431	0	0	23,431
Sale of assets previously rented to customers	0	0	0	0	0	12,114	0	0	12,114
Other operating income	10,437	69	162	69	0	168	750	-10,851	804
<i>incl. income from external customers</i>	362	43	162	68	0	168	1	0	804
<i>incl. income from internal customers</i>	10,075	26	0	1	0	0	749	-10,851	0
Total income	54,991	8,598	17,314	37,701	1,206	35,734	900	-30,748	125,696
Net gains from financial assets measured at fair value	-185	0	0	8	0	0	0	0	-177
Foreign exchange rate gains/losses	236	0	0	147	0	0	-1	0	382
Interest expense	-25,602	-2,486	-5,205	-21,751	-794	-4,351	0	19,902	-40,287
Fee and commission expenses	-1,926	-220	-674	-722	-89	-6	0	0	-3,637
<i>incl. loan initiation fees</i>	-373	-112	-197	-506	-88	-4	0	0	-1,280
<i>incl. loan administration fees</i>	-1,234	-83	-415	-207	0	-2	0	0	-1,941
<i>incl. other fees</i>	-319	-25	-62	-9	-1	0	0	0	-416
Cost of rental services	0	0	0	0	0	-15,378	0	0	-15,378
Cost of assets sold previously rented to customers	0	0	0	0	0	-11,685	0	0	-11,685
Total expenses	-27,477	-2,706	-5,879	-22,318	-883	-31,420	-1	19,902	-70,782
Operating expenses	-20,292	-3,094	-6,353	-7,069	-1,686	-3,495	-1,497	11,584	-31,902
<i>incl. depreciations, amortization</i>	-4,421	-180	-514	-138	-66	-211	-242	66	-5,706
Share of profit from associates	0	0	0	0	0	0	663	0	663
Impairment losses on loans and receivables	-4,088	-1,180	-1,782	-3,550	-144	-414	0	0	-11,158
Profit before income tax	3,134	1,618	3,300	4,764	-1,507	405	65	738	12,517
Income tax	0	-323	-476	-973	175	0	0	0	-1,597
Net profit/loss	3,134	1,295	2,824	3,791	-1,332	405	65	738	10,920
Total assets	1,165,421	96,449	214,858	535,646	27,688	112,793	18,457	-743,200	1,428,112
Total liabilities	1,061,974	87,683	189,400	539,019	31,583	96,330	7,756	-731,822	1,281,923
Total equity	103,447	8,766	25,458	-3,373	-3,895	16,463	10,701	-11,378	146,189

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In thousands of euros	Financing business					Rent	Investments	Eliminations	Total
	Estonia	Latvia	Lithuania	Poland	Czechia				
Q3 2024									
Interest income based on EIR	15,373	2,951	5,935	13,075	618	3	53	-7,052	30,956
<i>incl. income from external customers</i>	8,785	2,951	5,935	12,704	578	3	0	0	30,956
<i>incl. income from internal customers</i>	6,588	0	0	371	40	0	53	-7,052	0
Fee and commission income	99	0	0	-1	0	0	0	0	98
<i>incl. loan administration fees</i>	50	0	0	-1	-34	0	0	0	15
<i>incl. other fees</i>	49	0	0	0	34	0	0	0	83
Rental services	0	0	0	0	0	8,105	0	18	8,123
Sale of assets previously rented to customers	0	0	0	0	0	3,992	0	0	3,992
Other operating income	3,801	22	70	23	0	102	273	-3,963	328
<i>incl. income from external customers</i>	118	15	70	22	0	102	1	0	328
<i>incl. income from internal customers</i>	3,683	7	0	1	0	0	272	-3,963	0
Total income	19,273	2,973	6,005	13,097	618	12,202	326	-10,997	43,497
Net gains from financial assets measured at fair value	-1,372	0	0	0	0	0	0	0	-1,372
Foreign exchange rate gains/losses	165	0	0	0	0	0	-1	0	164
Interest expense	-8,922	-873	-1,844	-7,167	-398	-1,452	0	7,053	-13,603
Fee and commission expenses	-708	-80	-208	-231	-38	-3	0	0	-1,268
<i>incl. loan initiation fees</i>	-135	-38	-66	-174	-37	-3	0	0	-453
<i>incl. loan administration fees</i>	-476	-29	-120	-48	0	0	0	0	-673
<i>incl. other fees</i>	-97	-13	-22	-9	-1	0	0	0	-142
Cost of rental services	0	0	0	0	0	-5,252	0	0	-5,252
Cost of assets sold previously rented to customers	0	0	0	0	0	-3,949	0	0	-3,949
Total expenses	-10,837	-953	-2,052	-7,398	-436	-10,656	-1	7,053	-25,280
Operating expenses	-7,456	-1,039	-2,035	-2,497	-655	-1,011	-995	4,615	-11,073
<i>incl. depreciations, amortization</i>	-1,520	-58	-157	-45	-23	-71	-80	22	-1,932
Share of profit from associates	0	0	0	0	0	0	663	0	663
Impairment losses on loans and receivables	-1,822	-122	-351	-1,116	-3	-418	0	0	-3,832
Profit before income tax	-842	859	1,567	2,086	-476	117	-7	671	3,975
Income tax	0	-171	-214	-411	0	0	0	0	-796
Net profit/loss	-842	688	1,353	1,675	-476	117	-7	671	3,179

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In thousands of euros	Financing business					Rent	Investments	Eliminations	Total
	Estonia	Latvia	Lithuania	Poland	Czechia				
9 months 2023									
Interest income based on EIR	33,941	6,804	14,120	29,613	271	2	1	-13,278	71,474
<i>incl. income from external customers</i>	21,802	6,804	14,120	29,073	271	2	0	-598	71,474
<i>incl. income from internal customers</i>	12,139	0	0	540	0	0	1	-12,680	0
Fee and commission income	359	0	0	0	0	0	0	0	359
<i>incl. loan administration fees</i>	236	0	0	0	0	0	0	0	236
<i>incl. other fees</i>	123	0	0	0	0	0	0	0	123
Rental services	0	0	0	0	0	17,036	0	0	17,036
Sale of assets previously rented to customers	0	0	0	0	0	10,584	0	0	10,584
Other operating income	8,987	57	111	70	0	469	773	-9,918	549
<i>incl. income from external customers</i>	322	34	88	70	0	445	3	-413	549
<i>incl. income from internal customers</i>	8,665	23	23	0	0	24	770	-9,505	0
Total income	43,287	6,861	14,231	29,683	271	28,091	774	-23,196	100,002
Net gains from financial assets measured at fair value	117	0	0	-41	0	0	0	0	76
Foreign exchange rate gains/losses	-250	0	0	39	-2	0	0	0	-213
Interest expense	-15,646	-1,595	-3,541	-21,578	-217	-3,190	0	13,277	-32,490
Fee and commission expenses	-1,385	-184	-709	-729	-55	0	0	0	-3,062
<i>incl. loan initiation fees</i>	-246	-115	-199	-501	-52	0	0	0	-1,113
<i>incl. loan administration fees</i>	-832	-57	-423	-225	0	0	0	0	-1,537
<i>incl. other fees</i>	-307	-12	-87	-3	-3	0	0	0	-412
Cost of rental services	0	0	0	0	0	-11,088	0	0	-11,088
Cost of assets sold previously rented to customers	0	0	0	0	0	-9,362	0	109	-9,253
Total expenses	-17,164	-1,779	-4,250	-22,309	-274	-23,640		13,386	-56,030
Operating expenses	-16,403	-2,969	-6,080	-6,582	-1,277	-2,688	-1,096	9,851	-27,244
<i>incl. depreciations, amortization</i>	-3,295	-132	-557	-128	-42	-267	-229	49	-4,601
Share of profit from associates	501	0	0	0	0	0	0	-179	322
Impairment losses on loans and receivables	-3,533	-982	-1,829	-3,497	-127	0	0	0	-9,968
Profit before income tax	6,688	1,131	2,072	-2,705	-1,407	1,763	-322	-138	7,082
Income tax	0	0	-319	442	221	0	0	0	344
Net profit/loss	6,688	1,131	1,753	-2,263	-1,186	1,763	-322	-138	7,426
Total assets	1,051,857	85,996	198,183	432,434	9,387	100,841	18,330	-661,099	1,235,929
Total liabilities	976,561	78,570	176,208	439,223	11,410	86,627	6,945	-649,483	1,126,061
Total equity	75,296	7,426	21,975	-6,789	-2,023	14,214	11,385	-11,616	109,868

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In thousands of euros	Financing business					Rent	Investments	Eliminations	Total
	Estonia	Latvia	Lithuania	Poland	Czechia				
Q3 2023									
Interest income based on EIR	12,852	2,472	5,010	10,918	167	1	0	-5,406	26,014
<i>incl. income from external customers</i>	7,891	2,472	5,010	10,693	167	1	0	-219	26,015
<i>incl. income from internal customers</i>	4,961	0	0	225	0	0	0	-5,187	-1
Fee and commission income	118	0	0	0	0	0	0	0	118
<i>incl. loan administration fees</i>	232	0	0	0	0	0	0	0	232
<i>incl. other fees</i>	-114	0	0	0	0	0	0	0	-114
Rental services	0	0	0	0	0	6,275	0	0	6,275
Sale of assets previously rented to customers	0	0	0	0	0	3,755	0	0	3,755
Other operating income	3,150	18	44	24	0	108	272	-3,425	191
<i>incl. income from external customers</i>	111	9	30	24	0	100	3	-81	196
<i>incl. income from internal customers</i>	3,039	9	14	0	0	8	269	-3,344	-5
Total income	16,120	2,490	5,054	10,942	167	10,139	272	-8,831	36,353
Net gains from financial assets measured at fair value	119	0	0	-9	0	0	0	0	110
Foreign exchange rate gains/losses	-341	0	0	-158	-1	0	-1	0	-501
Interest expense	-6,355	-667	-1,457	-7,722	-128	-1,240	0	5,405	-12,164
Fee and commission expenses	-506	-57	-235	-243	-25	0	0	0	-1,066
<i>incl. loan initiation fees</i>	-80	-31	-78	-164	-24	0	0	0	-377
<i>incl. loan administration fees</i>	-316	-22	-130	-79	0	0	0	0	-547
<i>incl. other fees</i>	-110	-4	-27	0	-1	0	0	0	-142
Cost of rental services	0	0	0	0	0	-4,063	0	0	-4,063
Cost of assets sold previously rented to customers	0	0	0	0	0	-3,072	0	13	-3,059
Total expenses	-7,083	-724	-1,692	-8,132	-154	-8,375	-1	5,418	-20,743
Operating expenses	-5,803	-1,003	-1,865	-2,423	-418	-898	-361	3,453	-9,318
<i>incl. depreciations, amortization</i>	-1,181	-43	-182	-43	0	-115	-81	16	-1,629
Share of profit from associates	0	0	0	0	0	0	0	-72	-72
Impairment losses on loans and receivables	-1,045	-420	-598	-1,228	-63	0	0	0	-3,354
Profit before income tax	2,189	343	899	-841	-468	866	-90	-32	2,866
Income tax	0	0	-139	117	56	0	0	0	34
Net profit/loss	2,189	343	760	-724	-412	866	-90	-32	2,900

Note 4 Net interest income

Net interest income

In thousands of euros	Q3 2024	9 months 2024	Q3 2023	9 months 2023
Interest income based on EIR				
Loans and receivables	28,310	81,210	24,198	66,715
<i>incl. private persons</i>	28,167	80,745	23,932	66,111
<i>incl. corporates</i>	143	465	266	604
Investments to debt securities	262	916	300	860
Receivables from central banks and credit institutions	2,298	6,820	1,516	3,899
Total interest income	30,870	88,946	26,014	71,474
Interest expense				
Deposits received	-12,192	-36,018	-11,026	-29,731
Debt securities issued	-1,087	-3,183	-819	-1,904
Lease liability	-324	-1,086	-319	-855
Total interest expense	-13,603	-40,287	-12,164	-32,490
Net interest income	17,267	48,659	13,850	38,984

More details about interest income and expense based on business disclosed in Note 3.

Note 5 Net fee and commission income

Net fee and commission income

In thousands of euros	Q3 2024	9 months 2024	Q3 2023	9 months 2023
Fee and commission income				
Private persons	98	315	118	357
<i>incl. recognised over time</i>	94	304	66	215
<i>incl. recognised point in time</i>	4	11	52	142
Corporates	0	0	0	2
<i>incl. recognised over time</i>	0	0	0	2
Total fee and commission income	98	315	118	359
Fee and commission expenses				
Loan initiation fees	-453	-1,280	-377	-1,113
Loan administration expenses	-674	-1,941	-547	-1,537
Other fee expenses	-141	-416	-142	-412
Total fee and commission expenses	-1,268	-3,637	-1,066	-3,062

More details about fee and commission income and expense based on business segments disclosed in Note 3.

Note 6 Operating expenses

Operating expenses

In thousands of euros	Q3 2024	9 months 2024	Q3 2023	9 months 2023
Personnel expenses				
Personnel expense	3,864	11,281	3,013	9,452
Social and other taxes	1,169	3,445	968	2,700
Total personnel expenses	5,033	14,726	3,981	12,152
Marketing expenses				
Advertising and marketing	714	1,799	601	1,971
Sales costs	135	387	152	447
Total marketing expenses	849	2,186	753	2,418
Administrative expenses				
IT expenses	1,074	2,921	796	2,037
Office maintenance and workplace expenses	539	1,560	542	1,311
Legal and recovery proceeding expenses	322	910	223	692
Employee related expenses	136	434	190	542
Contributions to guarantee fund	758	1,625	778	1,615
Supervision expenses	65	192	-59	202
Training and business trip expenses	95	394	158	489
Outsourced services	54	160	-20	174
Transportation expenses	89	275	79	233
Tax expenses	43	148	84	244
Other	84	665	183	533
Total administrative expenses	3,259	9,284	2,955	8,073

More details about operating expenses based on business segments disclosed in Note 3.

Note 7 Loans and receivables

Distribution of receivables by customer sector

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Distribution of receivables by customer sector			
Private persons	1,037,140	953,088	905,295
Corporates	8,854	10,930	10,825
Loans and receivables before impairment allowance	1,045,994	964,018	916,120
Impairment allowance	-24,935	-21,962	-20,510
Total loans and receivables	1,021,059	942,056	895,610

More details about loans and receivables disclosed in Note 18.

Changes in impairments

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Impairment allowance balance at the beginning of the period	-21,962	-16,191	-16,191
Impairment provisions set up during the reporting period	-19,522	-25,310	-18,620
Written off and sold out from financial position during the period	16,549	19,539	14,301
Total impairment	-24,935	-21,962	-20,510

Impairment losses on loans and receivables

In thousands of euros	Q3 2024	9 months 2024	Q3 2023	9 months 2023
Impairment losses during the reporting period	-6,616	-19,522	-6,275	-18,620
Recoveries from loans written off and sold out from financial position	2,784	8,364	2,921	8,652
Total impairment losses on loans and receivables	-3,832	-11,158	-3,354	-9,968

Inbank regularly sells receivables that are more than 90 days overdue, with no obligation to repurchase (except in the case of fraud or the death of the customer, if these events have appeared before the sale transaction was completed). The difference between the sale price and the carrying amount of debt is recognised in the profit and loss and other comprehensive income under line impairment losses on loans and 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 business segments disclosed in Note 3.

Distribution of receivables from private persons

In thousands of euros

30.09.2024 Distribution of receivables	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
0-3 days	974,392	-4,325	-530	-1,939	967,598	0.7%
4-30 days	30,404	-335	-2,127	-570	27,372	10.0%
31-89 days	14,077	-44	-2,336	-578	11,119	21.0%
90-179 days	3,367	0	-41	-1,645	1,681	50.1%
180+ days	14,900	0	0	-10,345	4,555	69.4%
Total receivables	1,037,140	-4,704	-5,034	-15,077	1,012,325	2.4%

31.12.2023 Distribution of receivables	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
0-3 days	898,068	-5,195	-72	-1,252	891,549	0.7%
4-30 days	25,255	-1,544	-64	-355	23,292	7.8%
31-89 days	14,751	0	-2,526	-780	11,445	22.4%
90-179 days	4,042	0	0	-2,199	1,843	54.4%
180+ days	10,972	0	0	-7,946	3,026	72.4%
Total receivables	953,088	-6,739	-2,662	-12,532	931,155	2.3%

30.09.2023 Distribution of receivables	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
0-3 days	851,503	-5,267	-67	-849	845,320	0.7%
4-30 days	28,038	-1,785	-60	-303	25,890	7.7%
31-89 days	12,406	-2	-2,430	-606	9,368	24.5%
90-179 days	3,445	-2	-5	-1,949	1,489	56.8%
180+ days	9,903	0	0	-7,157	2,746	72.3%
Total receivables	905,295	-7,056	-2,562	-10,864	884,813	2.3%

Distribution of receivables from corporates

In thousands of euros

30.09.2024 Distribution of receivables	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
0-3 days	8,842	-18	0	0	8,824	0.2%
4-30 days	5	-102	0	0	-97	2040.0%
31-89 days	6	0	0	0	6	0.0%
90-179 days	0	0	0	0	0	0.0%
180+ days	1	0	0	0	1	0.0%
Total receivables	8,854	-120	0	0	8,734	1.4%

31.12.2023 Distribution of receivables	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
0-3 days	10,689	-26	0	0	10,663	0.2%
4-30 days	232	-1	-1	0	230	0.9%
31-89 days	7	0	0	0	7	0.0%
90-179 days	1	0	0	-1	0	100.0%
180+ days	1	0	0	0	1	0.0%
Total receivables	10,930	-27	-1	-1	10,901	0.3%

30.09.2023 Distribution of receivables	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
0-3 days	10,772	-28	0	0	10,744	0.3%
4-30 days	50	0	0	0	50	0.0%
31-89 days	1	0	0	0	1	0.0%
90-179 days	0	0	0	0	0	0.0%
180+ days	2	0	0	0	2	0.0%
Total receivables	10,825	-28	0	0	10,797	0.3%

Note 8 Cash and cash equivalents

Cash and cash equivalents

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Due from central banks	178,657	162,253	141,862
Due from credit institutions	14,341	10,668	8,839
Total cash and cash equivalents	192,998	172,921	150,701

Balances in table above are with original maturity of less than three months and insignificant credit risk except mandatory reserves at central banks, which are not available to finance day to day operations.

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

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

Note 9 Investments in debt securities

Investments in debt securities

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Investments in debt securities	35,098	33,411	31,027
<i>incl. investments in central government debt securities</i>	<i>34,080</i>	<i>32,018</i>	<i>29,051</i>
<i>incl. investments in corporate debt securities</i>	<i>1,018</i>	<i>1,393</i>	<i>1,976</i>
Interest accruals	138	170	137
Total investments in debt securities	35,236	33,581	31,164

Maturity and yield of debt securities

Investments in debt securities	Maturity from/to	Yield
Investments in central government debt securities	04.08.2025 / 16.09.2026	3.3% - 3.61%
Investments in corporate debt securities	10.03.2027	9.00%

In March, April and September 2024 bonds of the Republic Estonia in the amount of 14 million euros expired and in September new bonds of Republic Estonia in the amount of 15.5 million euros with maturity of September 2026 were acquired. Additional information about investments in debt securities is disclosed in Note 18.

Note 10 Business combinations and investments in associates and subsidiaries

Further information on Inbank consolidation group has been disclosed in Note 1.

Investments in subsidiaries

Equity of major subsidiaries

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
SIA Inbank Latvia	8,766	7,471	6,738
Mobire Group OÜ	16,600	14,792	12,794
AS Inbank Finance	29,122	22,244	45,603
Inbank Ventures OÜ	10,698	10,869	17,279
AS Inbank Rent	-137	489	500

On 21 March 2023 Inbank established its subsidiary in Estonia under the name of AS Inbank Rent. Key activity of the subsidiary is the rental business. AS Inbank Rent has established subsidiaries in Latvia, Lithuania, Czechia and Poland to scale rental business outside Estonia, more information about rental entities is disclosed in Note 1.

20 June 2023 Inbank acquired additional 12.67% of Mobire Group OÜ shares. 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 14.

Investments in associates

Paywerk AS offers a cross-border "pay later" service. On 31 August 2023 Inbank Ventures OÜ acquired 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".

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

Inbank has not received dividends from associates.

Note 11 Other financial assets and other assets

Other financial assets and other assets

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Other financial assets			
Prepaid guarantee amounts	404	516	403
Accrued receivables	2,828	3,714	2,555
Other financial assets	280	1,038	0
Total other financial assets	3,512	5,268	2,958
Other assets			
Prepaid expenses	3,817	4,327	4,697
Assets held for sale	4,422	2,494	4,856
Prepaid taxes	174	679	520
Other assets	463	685	901
Total other assets	8,876	8,185	10,974

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

Other financial assets contain 280 thousand euros (31 December 2023: 1,038 thousand euros; 30 September 2023: 0 euro) receivables from commercial banks which are pledged and are therefore not available for general use by Inbank. The restricted cash relates to the pledge required under derivatives trading agreements.

More details about other financial assets and other assets disclosed in Note 18.

Note 12 Customer deposits

Deposits

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Customer deposits			
Deposits from private persons	1,151,706	1,069,810	1,010,403
Deposits from non-financial corporates	10,267	11,566	10,614
Deposits from financial corporates	2,209	190	89
Total customer deposits	1,164,182	1,081,566	1,021,106

Deposits by clients' residency

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Deposits by clients' residency			
Estonia	51,499	52,392	56,531
Germany	258,918	245,993	277,579
Poland	521,823	474,466	425,694
Austria	17,279	18,444	19,194
Netherlands	281,232	276,562	235,563
Lithuania	10,650	13,607	6,494
Czechia	22,692	0	0
Other residence	89	102	51
Total deposits by clients' residency	1,164,182	1,081,566	1,021,106

Deposits also include an accrued interest liability in the amount of 22,928 thousand euros (31 December 2023: 19,540 thousand euros; 30 September 2023: 18,054 thousand euros).

More details about customer deposits disclosed in Note 18.

Note 13 Subordinated debt securities

Subordinated debt securities

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Subordinated debt securities issued	52,090	49,750	41,750
Interest accruals and other costs	-62	-5	-42
Total subordinated debt securities	52,028	49,745	41,708

Subordinated debt securities detailed information

Subordinated debt securities	Nominal price	Amount	Interest rate	Issue date	Maturity date
EE3300111590	10,000 EUR	315	12.0%	19.12.2018	perpetual
EE3300001544	1,000 EUR	8,000	6.0%	19.12.2019	19.12.2029
EE3300002286	10,000 EUR	450	7.5%	01.11.2021	perpetual
EE3300002302	1,000 EUR	15,000	5.5%	16.12.2021	15.12.2031
EE3300003516	10,000 EUR	1,110	12.0%	06.06.2023	perpetual
EE3300003714	1,000 EUR	8,000	9.0%	13.12.2023	13.12.2033
EE3300004381	10,000 EUR	234	10.0%	07.05.2024	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. The AT1 bond is accounted for as liability because in specific circumstances Inbank is obliged to pay back the debt instrument to investors.

The subordinated debt securities issued are recorded at amortized cost by using the effective interest rate method. In addition to coupon interest rate, the effective interest rate mainly depends on transaction costs, recognised as a change in nominal value of the debt securities and charged to interest expense over a term of five years.

Note 14 Other financial liabilities and other liabilities

Other financial liabilities and other liabilities

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Financial liabilities			
Amounts to be paid	27,769	25,452	25,258
Lease liability	20,851	26,159	24,462
Non-controlling interest redemption liability	7,747	7,054	7,723
Client prepayments	3,719	2,262	2,045
Total financial liabilities	60,086	60,927	59,488
Other liabilities			
Payables to employees	1,875	1,924	1,544
Payroll taxes	1,510	1,095	956
Other liabilities	690	672	912
Total other liabilities	4,075	3,691	3,412

The amounts to be paid include liabilities to customers and partners. These amounts to be paid relate to loan granting activities and payments for operating expenses.

In January 2021, Inbank acquired 53% of the shares in Mobire, a full-service rental company. 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 7,747 thousand euros as at 30 September 2024 (31 December 2023: 7,054 thousand euros; 30 September 2023: 7,723 thousand euros), which has been adjusted by future profit assumptions with post-tax discount rate 19.9% (31 December 2023: 19.9%; 30 September 2023: 19.9%). The discount rate is determined by considering interest rate, country and equity premiums.

21 June 2023 Inbank Ventures OÜ acquired an additional 12.67% of Mobire Group OÜ shares. Amount paid was released from redemption liability and decreased price payable in final redemption after the end of 2025.

More details about other financial liabilities and other liabilities disclosed in Note 18.

Note 15 Contingent liabilities

Contingent liabilities

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Revocable commitments			
Liability in contractual amount	4,134	4,649	4,692
Expected credit loss (ECL)	45	23	23

In different countries where Inbank operates, the Tax authority has the right to inspect the companies' 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 nor 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 16 Share capital

Share capital

	No of shares	Share price (EUR)	Share capital (thou. EUR)	Share premium (thou. EUR)	Total
Opening balance, 01.01.2023	10,262,197		1,026	31,854	32,880
incl. transaction costs arising on share issues				-166	-166
Closing balance, 30.09.2023	10,262,197		1,026	31,854	32,880
Opening balance, 01.01.2024	10,864,154		1,086	43,563	44,649
Paid in share capital	100,125	12.50	10	1,241	1,251
Paid in share capital	555,384	18.15	56	10,080	10,136
Transaction costs arising on share issues				-228	-228
Closing balance, 30.09.2024	11,519,663		1,152	54,656	55,808

In June 2024, the share capital was increased with a monetary contribution in the amount of 1,251 thousand euros related to the exercising of employee share options.

In August 2024 Inbank issued new shares through direct offering to existing shareholders and new investors for amount 10,136 thousand euros.

Shareholders who hold more than 5% of company shares

Shareholder name	Holding amount 30.09.2024
Cofi Investeeringud OÜ	23.66%
Luciano Orsero	9.34%
Andrea Agostinone	7.26%
Elio Tomaso Giovanni Cravero	7.12%
Roberto De Silvestri	6.28%

Note 17 Reserves

Reserves

In thousands of euros	30.09.2024	31.12.2023	30.09.2023
Statutory reserve	109	103	103
Voluntary reserve	1,330	1,330	1,330
Share based payments reserve	1,000	926	845
Other accumulated comprehensive income	-986	-713	-310
Total reserves	1,453	1,646	1,968

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. In 2024, personnel costs and the reserve for share-based payment were calculated in the amount of 415 thousand euros (Q3 2024: 123 thousand euros; 9 months 2023: 473 thousand euros; Q3 2023: 162 thousand euros). Regarding options realized in June 2024, the share-based payment reserve and retained earnings were adjusted in the amount of 304 thousand euros (9 months 2023:0 euros).

Other accumulated comprehensive income is formed from unrealized exchange rate differences arising from the translation of financial indicators of foreign business units. This reserve is created by consolidating Inbank entities whose functional currency is different from Inbank's functional currency.

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

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

Note 18 Fair value of financial assets and liabilities

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

Fair value of financial assets and liabilities

In thousands of euros	30.09.2024				31.12.2023			30.09.2023		
	Note	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level
Assets										
Cash and cash equivalents	8	192,998	192,998	2	172,921	172,921	2	150,701	150,701	2
Mandatory reserves at central banks		23,910	23,910	2	21,020	21,020	2	18,593	18,593	2
Investments in central government debt securities	9	33,842	34,213	2	31,928	32,119	2	29,111	29,111	2
Investments in corporate debt securities	9	1,035	1,023	3	1,458	1,462	3	2,041	2,053	3
Loans and receivables - private persons	7	984,622	1,012,325	3	920,394	931,155	3	884,813	884,813	3
Loans and receivables - corporates	7	8,734	8,734	3	10,901	10,901	3	10,797	10,797	3
Other financial assets	11	3,512	3,512	2	5,268	5,268	2	2,958	2,958	2
Total assets		1,248,653	1,276,715		1,163,890	1,174,846		1,099,014	1,099,026	
Liabilities										
Customer deposits	12	1,148,920	1,164,182	2	1,069,720	1,081,566	2	992,346	1,021,106	3
Subordinated debt securities	13	30,785	30,910	2	30,424	31,003	2	21,590	22,966	2
Subordinated debt securities (AT1)	13	20,803	21,118	3	18,110	18,742	3	16,076	18,742	3
Other financial liabilities	14	60,086	60,086	2	60,927	60,927	2	59,488	59,488	3
Total liabilities		1,260,594	1,276,296		1,179,181	1,192,238		1,089,501	1,122,302	

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

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

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 household loans and advances, 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 advances, 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 14. For short term assets and liabilities fair value is set based on carrying value.

Note 19 Related parties

Members of the Management Board 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.

Remuneration of the Management Board and Supervisory Board

In thousands of euros	Q3 2024	9 months 2024	Q3 2023	9 months 2023
Remuneration of the Management Board and Supervisory Board	337	1,162	296	1,001

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	30.09.2024			30.09.2023		
	Management	Associates	Total	Management	Associates	Total
Balances as of end of reporting period						
Loans and receivables	246	0	246	276	0	276
Impairment allowance	-2	0	-2	-1	0	-1
Deposits and subordinated debt securities	2,968	0	2,968	2,963	0	2,963

Transactions

In thousands of euros	9 months 2024			9 months 2023		
	Management	Associates	Total	Management	Associates	Total
Transactions						
Interest income	9	0	9	12	199	211
Interest expenses	242	0	242	138	0	138
Services purchased	392	0	392	188	0	188
Impairment expenses	0	0	0	1	0	1

Services purchased from management contain consultations and rent. Rent contract end date is 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. Inbank finances its subsidiaries and branches with loans issued under market conditions. Interest rates are between 2.85% and 5.93% (2023: 0% and 7.45%). Such loans are eliminated from the consolidated financial statements.

Loans given to management board members are issued on market terms, with an interest rate 5.9%-20% (2023: 5.9%-20%). No debt claims have been sold to the associated company in 2024 (debt claims sold to the associated company in 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 1.8% and 3.35% (2023: 1.32 and 8%).

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