

Company AS Inbank  
Type Company Release  
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Attachments:

- Inbank-10002910451-en.pdf (<http://oam.fi.ee/en/download?id=4112>)

Currency

Title Update: Unaudited Financial Results of Inbank AS for Q3 2019

ANNOUNCEMENT

01.11.2019

Inbank AS

Updated with Q3 2019 Interim Report in English.

Unaudited Financial Results of Inbank AS for Q3 2019

Inbank's Q3 2019 net profit was 2.22 EURm and the 9-month result was 6.57 EURm. Return on equity in Q3 was 22%.

- \* Net profit grew 44% compared to Q3 2018, when Inbank's reported net profit was 1.55 EURm and the 9-month result 6.23 EURm accordingly.
- \* Compared to Q3 2018, Inbank's loan portfolio increased by 56%, reaching 310 EURm. At the same time, the deposit portfolio doubled, reaching 375 EURm.
- \* Inbank continues to report solid and profitable growth on all four markets. The overall sales of credit products was 220 EURm, which is 49% more compared to the year before. The overall sales figure is split by countries as follows: Estonia 70,7 EURm (+35%), Latvia 38,7 EURm (+29%), Lithuania 73,1 EURm (+22%), Poland 37,8 EURm (+562%).
- \* In Q3, the number of active contracts surpassed half a million reaching 519,000 by the end of the quarter.
- \* Inbank continues to grow and invest into both technology and people. This year, Inbank has welcomed 83 new employees and by the end of Q3 Inbank Group employs a total of 215 professionals.

Jan Andresoo, Chairman of the Management Board, comments on the results:

"From product point of view, the two main drivers of growth were the small loan and hire purchase products. We are reporting solid sales across the past nine months, especially in Poland, where year-on-year sales have increased seven



times making it the most successful hire-purchase market of Inbank Group.

Inbank's strategy for 2019 was to mainly focus on product development and improve the overall competitiveness of our offering. Throughout the last three quarters we have invested heavily into our technology team and will continue doing so in the future. Whilst it is still too early to report the launch of new products and services, I can confirm that in the near future we will be surprising the markets with some new and innovative products.

We are ready to launch the Inbank branch in Lithuania and are currently waiting for the final permission from the Bank of Lithuania. According to the initial timeline we are planning to start our activity in the Lithuanian market as a bank in Q4 2019. As Inbank continues to finance its operations mainly from its retail deposits, establishing a branch in Lithuania will add a new source for deposits and diversify our financing channels further.

In accordance with the strategic decision to sell our 7,94% shareholding in Coop Pank, Inbank has already sold 4% of its shares in September 2019. We plan to sell the remaining shares in the IPO process and to reinvest the capital to support our international growth."

#### Key Financial Indicators 30.09.2019

- \* Total assets 446,0 EURm
- \* Loan portfolio 310,3 EURm
- \* Deposit portfolio 375,1 EURm
- \* Net profit 6,57 EURm
- \* Total equity? 43,9 EURm
- \* Return on equity 22,1%

#### Consolidated statement of profit and loss and other comprehensive income

EURt

	Q3 2019 9 months 2019	Q3 2018 9 months 2018
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Interest income	9 854	26 983	7 079	15 785
Interest expense	-1 685	-4 471	-1 151	-2 549
Net interest income	8 169	22 512	5 928	13 236



Fee income	255	687	188	523
Fee expense	-459	-1 261	-370	-720
Net fee and commission income	-204	-574	-182	-197
Net gains from financial assets measured at fair value	273	539	0	1 204
Other operating income	25	578	277	452
Total net interest, fee and other income	8 263	23 055	6 023	14 695
Personnel expenses	-2 001	-5 898	-1 509	-4 034
Marketing expenses	-518	-1 687	-474	-945
Administrative expenses	-1 009	-2 739	-800	-1 832
Depreciations, amortisation	-333	-912	-124	-284
Total operating expenses	-3 861	-11 236	-2 907	-7 095
Profit before profit from associates and impairment losses on loans	4 402	11 819	3 116	7 600
Share of profit from associates	0	0	0	1 986
Impairment losses on loans and advances	-1 898	-4 845	-1 248	-3 087
Profit before income tax	2 504	6 974	1 868	6 499



Income tax	-283	-408	-322	-274
Profit for the period	2 221	6 566	1 546	6 225

Other comprehensive  
income/loss

Items that may be  
reclassified subsequently  
to profit or loss

Currency translation differences	133	82	-58	52
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Total comprehensive income for the period	2 354	6 648	1 488	6 277
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Net profit attributable to

Shareholders of parent company	2 221	6 566	1 541	6 214
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Non-controlling interest	0	0	4	11
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Profit for the reporting period	2 221	6 566	1 545	6 225
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Total comprehensive income/loss is attributable to

Shareholders of parent company	2 354	6 648	1 483	6 266
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Non-controlling interest	0	0	5	11
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Total comprehensive income for the reporting period	2 354	6 648	1 488	6 277
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Consolidated statement of financial position



EURt

30.09.2019 31.12.2018

Assets

Cash in hand	4	4
Due from central banks	89 754	64 620
Due from credit institutions	29 411	13 700
Financial assets at fair value through profit and loss	2 390	4 600
Loans and advances	310 341	225 639
Investments in associates	97	97
Tangible assets	725	545
Right of use asset	764	0
Intangible assets	10 365	7 697
Other financial assets	83	64
Other assets	462	514
Deferred tax asset	1 573	564
Total assets	445 969	318 044

Loan from credit institution	0	10 429
Customer deposits	375 133	240 175
Other financial liabilities	10 801	8 776
Other liabilities	2 526	2 654



Debt securities issued	4 009	10 017
Subordinated debt securities	9 551	9 528
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Total liabilities	402 020	281 579
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Equity		
Share capital	903	874
Share premium	15 908	15 053
Statutory reserve capital	88	79
Other reserves	1 536	1 401
Retained earnings	25 514	19 018
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Total equity attributable to the shareholders of parent company	43 949	36 425
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Non-controlling interest	0	40
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Total equity	43 949	36 465
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Total liabilities and equity	445 969	318 044
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Inbank is a consumer finance focused digital bank active in the Baltics and Poland with additional deposits accepted in Germany, Austria and Holland. Inbank has over 1,700 active partners and 519,000 active contracts. Inbank bonds are listed on the Nasdaq Baltic Stock Exchange.

#### Additional information

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