

Company AS Inbank
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Attachments:

- Inbank-10001517431-en.pdf (<http://oam.fi.ee/en/download?id=3741>)
- Inbank-10001517433-et.pdf (<http://oam.fi.ee/en/download?id=3742>)

Currency

Title Audited financial results of Inbank AS for 2018

Inbank's annual report for 2018 in English is attached to the following announcement.

In 2018, Inbank earned its largest profit, 9.3 million euros, and increased its loan and deposit portfolios by almost 1.5 times. Sales volumes increased in all four home markets and the efficiency of the company and credit quality of the bank improved as well.

In 2018, Inbank's consolidated profit increased to 9.3 million euros which was 25.3% more than a year before. The profit of the Estonian unit was 8.2 million, in Latvia 1.4 million, and the profit earned in seven months in Lithuania was 1.3 million euros. In 2018, the loss in Poland was 1.9 million euros. Inbank's balance sheet size increased from 126 million euros to 318 million euros in a year.

Inbank's deposit portfolio increased by 153% in a year and reached 240.2 million euros by the end of the year. The loan portfolio increased by 143%, reaching 225.6 million euros. In Estonia, Latvia, Lithuania and Poland, Inbank sold credit products for 204 million euros, which was 60% more than in 2017.

According to Jan Andresoo, Chairman of the Management Board of Inbank, the last year was best described by increasing business volumes and organizational development. In addition, Inbank was able to fulfil all set objectives in all markets.

"Our balance sheet, loan and deposit portfolios, and number of people increased by several times, and at the same time, the credit cost decreased and the cost-income ratio improved," said Andresoo. "In Estonia, we grew our credit



portfolio's market share by three percent to 16 percent among banks and rose to the second place by total consumer loans portfolio," said Andresoo.

A significant part of Inbank's growth was due to an acquisition of UAB Mokilizingas, a Lithuanian consumer financing company. "In Lithuania, compared to last year, the sales of credit products increased by 1.9 times to 103.5 million euros, and the credit portfolio increased by over 1.8 times to 89.3 million euros. This means that we were able to keep growing after the transaction," Andresoo said.

In Latvia, the volume of Inbank's loan portfolios increased by 1.4 times to almost 20 million euros, and new sales grew by almost two times to 16.4 million euros.

In Poland, Inbank grew its sales volumes by over two times to 12.2 million euros, compared to last year. "In the second half of the year, our Polish branch exceeded our Latvian company in terms of sales volume, and in December, the monthly sales in Poland rose already to more than 2.3 million euros," said Andresoo.

This year, Inbank expects further growth in Lithuanian and Polish markets. Inbank plans to open a bank branch in Lithuania and launch banking products in the market. In Poland, the priority is given to increasing business volumes and achieving break-even. "In all markets, we are focusing on developing new attractive financing solutions and supporting our partners via various sales channels," said Andresoo.

In 2018, Inbank sold 10% of shares of Coop Pank AS and 25.9% of shares of Veriff OÜ. By these transactions, Inbank gained extraordinary profit in the amount of 3.2 million euros.

Key financial figures as of 31 December 2018

- * Balance sheet total 318 million euros
- * Total loan portfolio 225.6 million euros
- * Total deposits 240.2 million euros
- * Profit 9.3 million euros
- * Equity 36.4 million euros

Consolidated statement of profit and loss and other comprehensive income

EURt

2018 2017



Interest income	23 633 13 023	
Interest expense	-3 760 -2 009	
Net interest income	19 873 11 014	
Fee income	703	551
Fee expense	-1 091	-607
Net fee and commission income	-388	-56
Net gains from financial assets measured at fair value	1 204	0
Other operating income	666	705
Total net interest, fee and other income	21 355 11 663	
Personnel expenses	-5 795 -3 997	
Marketing expenses	-1 592	-929
Administrative expenses	-2 814 -1 602	
Depreciations, amortisation	-445	-215
Total operating expenses	-10 646 -6 743	
Profit before profit from associates and impairment losses on loans	10 709	4 920
Share of profit from associates	1 986	6 203
Impairment losses on loans and advances	-2 686 -3 532	



Profit before income tax	10 009	7 591
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Income tax	-733	-92
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Profit for the period	9 276	7 499
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Other comprehensive income/loss		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	73	-38
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Total comprehensive income for the period	9 349	7 461
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Net profit attributable to		
Shareholders of parent company	9 262	7 496
Non-controlling interest	14	3
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Profit for the reporting period	9 276	7 499
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Total comprehensive income/loss is attributable to		
Shareholders of parent company	9 335	7 458
Non-controlling interest	14	3
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Total comprehensive income for the reporting period	9 349	7 461
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Consolidated statement of financial position

EURt

31.12.2018 31.12.2017

Assets



Cash in hand	4	4
Due from central banks	64 620	14 767
Due from credit institutions	13 700	8 530
Financial assets at fair value through profit and loss	4 600	0
Loans and advances	225 639	92 895
Investments in associates	97	7 806
Tangible assets	545	279
Intangible assets	7 697	816
Other financial assets	64	61
Other assets	514	459
Deferred tax asset	564	364
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Total assets	318 044	125 981
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Liabilities		
Loan from credit institution	10 429	0
Customer deposits	240 175	95 056
Other financial liabilities	8 776	1 263
Other liabilities	2 654	1 136
Debt securities issued	10 017	0
Subordinated debt securities	9 528	6 480
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Total liabilities	281 579	103 935
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Equity		
Share capital	874	782



Share premium	15 053	9 068
Statutory reserve capital	79	79
Other reserves	1 401	1 352
Retained earnings	19 018	10 739
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Total equity attributable to the shareholders of parent company	36 425	22 020
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Non-controlling interest	40	26
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Total equity	36 465	22 046
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Total liabilities and equity	318 044	125 981
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Inbank started its banking activities in 2015 and provides its services through its internet bank and partner network. Inbank is active in Estonian, Latvian, Lithuanian and Polish consumer financing markets. In addition, international deposits are gathered from German and Austrian markets.

Additional information

Jan Andresoo

Inbank AS

Chairman of the Management Board

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Attachment

- * Inbank AS Annual Report 2018 (<https://ml-eu.globenewswire.com/Resource/Download/d9216bbd-7237-493b-a3a2-08981d7e09d2>)

