

Company AS Inbank  
Type Company Release  
Category Management interim statement or quaterly financial report  
Disclosure time 06 Aug 2019 07:55:00 +0300

Attachments:

- Inbank-10002558331-en.pdf (<http://oam.fi.ee/en/download?id=4012>)
- Inbank-10002558333-et.pdf (<http://oam.fi.ee/en/download?id=4013>)

Currency

Title Financial Results of Inbank AS for Q2 2019

Inbank announces Q2 2019 comprehensive income of 2.27 EURm and H1 2019 comprehensive income of 4.29 EURm.

Inbank continued on a strong growth trajectory across all four of its home markets in H1 2019 with credit product sales increasing by 49%. Poland, with its nearly 7x growth contributed by almost half towards Inbank's total growth. The group loan portfolio increased by 54.7%, reaching 275.6 EURm and the deposit portfolio by 71.3% to 272.8 EURm.

Estonia contributed 45.7 EURm to the group credit product sales, Lithuania, Latvia and Poland respectively 43.3 EURm, 24.2 EURm and 20.6 EURm. Year-on-year sales growth in Poland was 588%, 37% in Estonia, 32% in Latvia and 23% in Lithuania.

Commenting on the positive results, Inbank CEO Jan Andresoo said, 'The strong results of Q2 and H1 reflected our expectations. Compared to the same period a year ago, the sales growth is nearly 50% and we are particularly pleased with the performance in Poland. These results are indicative of the positive and effective dynamics we have been working towards for a while now.'

Inbank's Q2 and H1 2019 comprehensive income was, respectively, 2.27 EURm and 4.29 EURm. The 2018 results were 0.88 EURm and 4.79 EURm. 'It should be noted that the numbers have been affected by one-off events such as the revaluation of Coop Pank shares in the amount of 0.3 EURm and the effect of recognized deferred tax asset attributable to previous periods in the amount of 0.3 EURm,' said Andresoo.

The most significant focus points of H1 highlighted by Andresoo were product development and innovation in addition to the highly promising partnership with payment services facilitator PayU in Poland. He added that the main focus of Inbank's product development continues to be simplifying commerce and helping



Inbank's partners sell more. The whole organisation is dedicated to being able to introduce some new solutions as early as at the end of this year. 'The other notable development, our partnership with PayU, has ensured that our services are now available to 40 million Polish consumers via thousands of e-commerce merchants,' he added.

Andresoo also highlighted the ongoing brand launch preparations in Lithuania as a key development, adding that all relevant information has been shared with the Estonian FSA.

'We acquired Mokilizingas last year and established ourselves in the Lithuanian market. Preparations for phase two - launching the Inbank brand- are now under way. This step gives us an additional market for acquiring deposits and diversifying our financing channels,' said Andresoo.

Q2 also saw Inbank make a strategic decision to commence with the sales process of its 7.94% stake in Coop Pank AS - Inbank plans to invest this capital in its international growth and development.

Key financial indicators (30th of June 2019):

- Balance Sheet 338.2EURm
- Loan Portfolio 275.6EURm
- Deposit Portfolio 272.8EURm
- Comprehensive Income 4.29EURm
- Total Equity 40.66EURm
- Return on Equity 22.5%

Condensed consolidated statement of profit and loss and other comprehensive income

EURt

	Q2 2019	H1 2019	Q2 2018	H1 2018
Interest income	8,974	17,129	4,909	8,706
Interest expense	-1,396	-2,786	-827	-1,398
Net interest income	7,578	14,343	4,082	7,308
Fee income	228	432	174	335
Fee expense	-427	-802	-196	-350



Net fee and commission income	-199	-370	-22	-15
<hr/>				
Net gains from financial assets measured at fair value	266	266	0	1,204
Other operating income	308	553	91	175
<hr/>				
Total net interest, fee and other income	7,953	14,792	4,151	8,672
<hr/>				
Personnel expenses	-2,041	-3,897	-1,314	-2,525
Marketing expenses	-778	-1,169	-345	-471
Administrative expenses	-931	-1,730	-566	-1,032
Depreciations, amortisation	-302	-579	-93	-160
<hr/>				
Total operating expenses	-4,052	-7,375	-2,318	-4,188
<hr/>				
Profit before profit from associates and impairment losses on loans	3,901	7,417	1,833	4,484
<hr/>				
Share of profit from associates	0	0	0	1,986
Impairment losses on loans and advances	-1,752	-2,947	-987	-1,839
<hr/>				
Profit before income tax	2,149	4,470	846	4,631
<hr/>				
Income tax	174	-125	-55	48
<hr/>				
Profit for the period	2,323	4,345	791	4,679
<hr/>				

Other comprehensive income/loss



Items that may be reclassified  
subsequently to profit or loss

Currency translation differences	-50	-51	90	110
<hr/>				
Total comprehensive income for the period	2,273	4,294	881	4,789
<hr/>				

Net profit attributable to

Shareholders of parent company	2,323	4,345	788	4,673
Non-controlling interest	0	0	3	6
<hr/>				
Profit for the reporting period	2,323	4,345	791	4,679
<hr/>				

Total comprehensive income/loss is  
attributable to

Shareholders of parent company	2,273	4,294	878	4,783
Non-controlling interest	0	0	3	6
<hr/>				
Total comprehensive income for the reporting period	2,273	4,294	881	4,789
<hr/>				

Condensed consolidated statement of financial  
position

EURt

30.06.2019 31.12.2018

Assets

Cash in hand	4	4
--------------	---	---



Due from central banks	25,402	64,620
Due from credit institutions	19,458	13,700
Financial assets at fair value through profit and loss	5,187	4,600
Loans and advances	275,582	225,639
Investments in associates	97	97
Tangible assets	672	545
Right of use asset	862	0
Intangible assets	9,138	7,697
Other financial assets	72	64
Other assets	511	514
Deferred tax asset	1,235	564
<hr/>		
Total assets	338,220	318,044
<hr/>		

Loan from credit institution	0	10,429
Customer deposits	272,839	240,175
Other financial liabilities	9,020	8,776
Other liabilities	2,146	2,654
Debt securities issued	4,009	10,017
Subordinated debt securities	9,543	9,528
<hr/>		
Total liabilities	297,557	281,579
<hr/>		

Equity		
Share capital	874	874



Share premium	15,053	15,053
Statutory reserve capital	88	79
Other reserves	1,373	1,401
Retained earnings	23,275	19,018
<hr/>		
Total equity attributable to the shareholders of parent company	40,663	36,425
<hr/>		
Non-controlling interest	0	40
<hr/>		
Total equity	40,663	36,465
<hr/>		
<hr/>		
Total liabilities and equity	338,220	318,044
<hr/>		

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 1,500 active partners and 500,000 active contracts. Inbank bonds are listed on the Nasdaq Baltic Stock Exchange.

For further information please contact:

Kärri Brewster-Palts

Inbank AS

Head of Group Marketing

karri.brewster-palts@inbank.ee

00372 5565 5500

