

Company AS Inbank  
Type Company Release  
Category Half-yearly financial report  
Disclosure time 03 Aug 2022 08:00:00 +0300

Attachments:

- Inbank\_Interim\_Report\_2022\_Q2.pdf (<http://oam.fi.ee/en/download?id=6647>)
- Inbank\_vahearuanne\_2022\_Q2.pdf (<http://oam.fi.ee/en/download?id=6648>)

Currency

Title Inbank Unaudited Financial Results for Q2 and 6 Months 2022

In Q2 2022 Inbank earned a net profit of 2.6 million euros, increasing 45% year-on-year. The 2022 half-year net profit was 5.6 million euros, which is 28% more than the year before. The return on equity in Q2 was 12.5%.

- \* Inbank's loan portfolio increased by 37% compared to Q2 2021 reaching 674 million euros. The deposit portfolio grew by 36% and reached 709 million euros by the end of Q2.
- \* Total sales for Q2 was 129 million euros increasing 4% year-on-year. In terms of product segments, sales finance decreased 15% year-on-year to 76 million euros, amounting to 58% of total sales. Personal loans increased by 56% to 23 million euros, while car financing increased in sales volume by 44% to 31 million euros.
- \* On 1 July Inbank completed the sale of its 29.8% stake in Maksekeskus which will result in 11.5 million euros of extraordinary profit in the third quarter.
- \* By the end of Q2, Inbank had 823,000 active customer contracts and over 5,100 active merchant partners.

Priit Põldoja, Chairman of the Management Board, comments on the results:

"For the tenth consecutive quarter, Inbank is operating in a rather unclear environment. At the same time, our business volumes continue to reach new records. We sold credit products worth 129.6 million euros and made a profit of 2.6 million euros. In the first half of the year, Inbank earned 5.6 million euros in net profit.

While in the past two years, Inbank's growth was driven by the Polish market, the Baltic countries were once again the bank's growth engine in the past quarter. The main reason for the change is the rise in interest rates to 7% in the Polish market. Higher interest rates and rise in the cost of living have



clearly reduced growth volumes in Poland. We are glad to see that Inbank's diversified business model is working well and the decline in growth in Poland was compensated by record sales in the Baltics.

Navigating a complex environment has been part of Inbank's growth story. Our success has been driven mainly by product development, investments in technology, and growth in new markets. Many of these investments have proven to be fruitful. We have done the same this time. On 1 July, the sale of Inbank's 29.8% stake in Maksekeskus was finalised. As a result, Inbank will earn an extraordinary profit of 11.5 million euros in the third quarter. The capital earned from the sale of Maksekeskus will serve Inbank as a good buffer to cope in a more complex environment.

Also, in June Inbank was approved by the Czech National Bank to provide financial services in the Czech Republic. Already in July, Inbank signed its first sales finance contract there which lays the foundation for Inbank's growth in yet another European market."

Key financial indicators for 30.06.2022 and Q2

Total assets EUR 876 million  
 Loan portfolio EUR 674 million  
 Deposit portfolio EUR 709 million  
 Total equity EUR 84.7 million  
 Net profit EUR 2.61 million  
 Return on equity 12.5%

Consolidated income statement (in thousands of euros)\*

	Q2 2022	Q2 2021	6 months 2022	6 months 2021
Interest income based on EIR	14 937	11 473	28 758	22 589
Interest expense	-3 817	-2 264	-6 764	-4 407
Net interest income	11 120	9 209	21 994	18 182
Fee income	826	486	1 531	935
Fee expense	-789	-783	-1 591	-1 572
Net fee and commission income	37	-297	-60	-637
Net gains from financial assets measured at fair value	342	0	158	0



Foreign exchange rate gains/losses	-226	-191	-253	-131
Net gains/losses from financial items	116	-191	-95	-131
Other operating income	6 437	5 031	12 096	8 553
Other operating expense	-4 614	-3 707	-8 488	-6 428
Total net interest, fee and other income	13 096	10 045	25 447	19 539
Personnel expenses	-3 476	-2 832	-6 748	-5 583
Marketing expenses	-783	-657	-1 346	-1 200
Administrative expenses	-2 071	-1 582	-3 859	-2 696
Depreciations, amortisation	-1 094	-805	-2 103	-1 545
Total operating expenses	-7 424	-5 876	-14 056	-11 024
Profit before profit from associates and impairment losses on loans	5 672	4 169	11 391	8 515
Share of profit from subsidiaries and associates	-82	-79	-140	257
Impairment losses on loans and advances	-3 087	-1 941	-5 660	-3 746
Profit before income tax	2 503	2 149	5 591	5 026
Income tax	108	-344	-39	-675
Profit for the period	2 611	1 805	5 552	4 351



Other comprehensive income that  
may be reclassified subsequently  
to profit or loss

Currency translation differences	-61	185	35	59
Total comprehensive income for the period	2 550	1 990	5 587	4 410

Consolidated statement of financial position (in thousands of  
euros)

	30.06.2022	31.12.2021	30.06.2021
Assets			
Due from central banks	79 484	77 453	64 123
Due from credit institutions	13 442	17 870	18 881
Investments in debt securities	8 994	7 684	6 194
Financial assets designated at fair value through profit or loss	153	0	0
Loans and advances	673 566	604 848	492 211
Investments in associates	816	774	4 429
Tangible assets	34 368	19 147	12 563
Right of use asset	25 354	25 231	27 385
Intangible assets	24 265	22 423	21 043
Other financial assets	2 350	2 151	1 388
Other assets	6 690	2 769	3 326
Deferred tax asset	2 764	2 401	2 258
Assets held for sale	4 203	4 203	0
Total assets	876 449	786 954	653 801



## Liabilities

Customer deposits	708 727	617 857	520 907
Other financial liabilities	49 417	49 188	45 027
Current tax liability	95	284	637
Deferred tax liability	73	125	0
Other liabilities	2 871	3 296	3 891
Subordinated debt securities	30 540	37 187	17 582
Total liabilities	791 723	707 937	588 044

## Equity

Share capital	997	997	961
Share premium	30 436	30 436	23 865
Statutory reserve capital	100	96	96
Other reserves	1 782	1 625	1 619
Retained earnings	51 411	45 863	39 216
Total equity	84 726	79 017	65 757

Total liabilities and equity	876 449	786 954	653 801
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\*To provide better overview, an adjustment was made in the 31.12.2021 report, which resulted in reclassification of the subsidiary's 100% buyout option expense which is now reflected in the same expense group as the subsidiary's other operating expense. In addition, due to the growth of Polish and Czech business and foreign currency transactions, foreign exchange gains and losses were reclassified from administrative expenses and are reported under "Foreign exchange rate revaluation losses/gains". The effect of the change on the report and the numerical indicators are presented in the table below:

Q2	6 Q2 2021 months	6 months 2021
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2021 Reclassification restated      2021 Reclassification restated

Foreign exchange rate gains/losses	0	-191	-191	0	-131	-131
Other operating expense	-3 592	-115	-3 707	-6 313	-115	-6 428
Administrative expenses	-1 888	306	-1 582	-2 942	246	-2 696

Inbank is a consumer finance focused digital bank active in the Baltics, Poland, and Czechia with additional deposits accepted in Germany, Austria, the Netherlands and Finland. Inbank has over 5,100 active partners and 823,000 active customer contracts. Inbank bonds are listed on the Nasdaq Baltic Stock Exchange.

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