



Inbank AS  
Company presentation Q1 2019



# Overview of Inbank

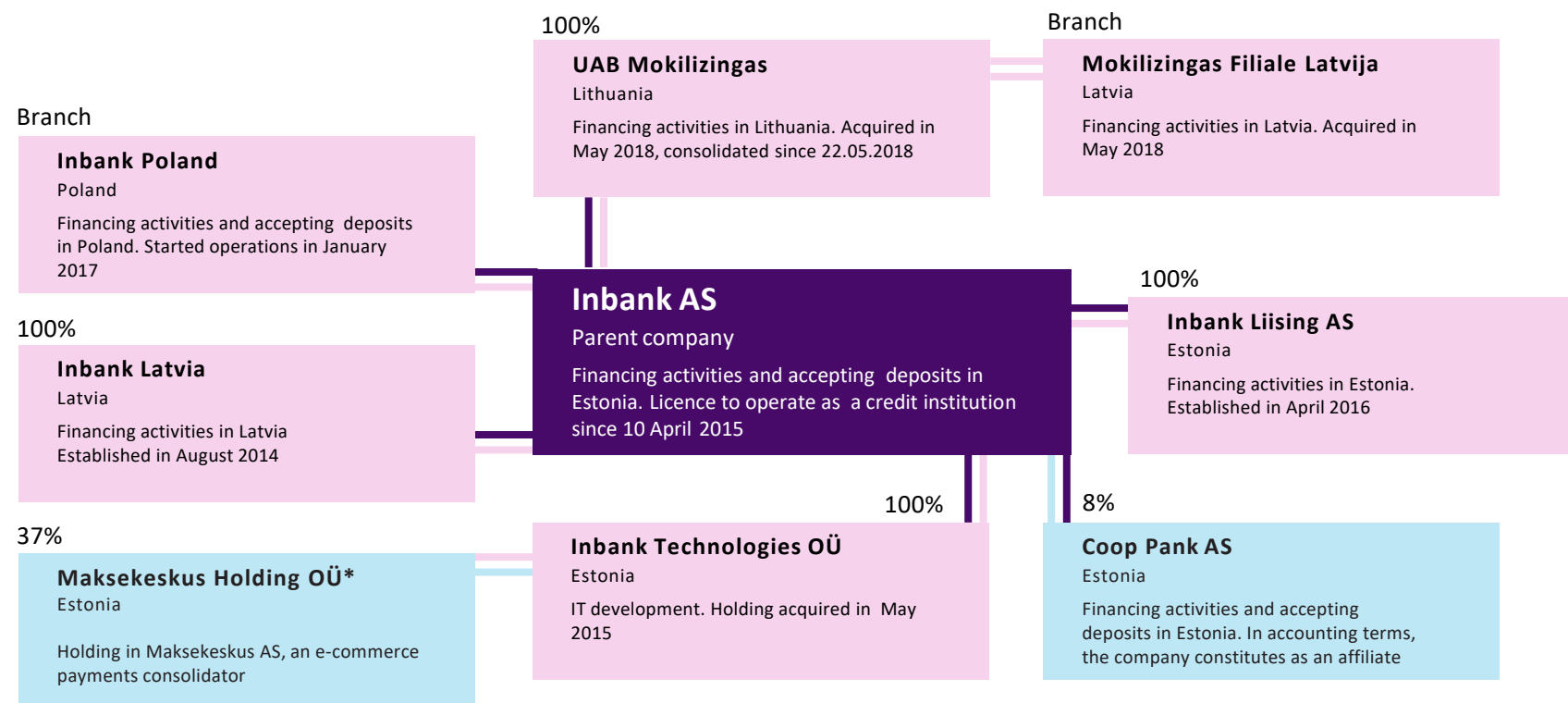
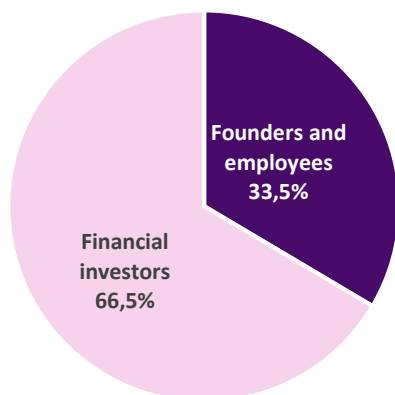
Inbank is an Estonian consumer finance focused digital bank with an EU credit institution license

- Founded in 2010 by former banking executives Priit Põldoja and Jan Andresoo
- In April 2015 received a banking license and rebranded itself as Inbank
- Balance sheet of 341 EURm and equity of 38 EURm by 31.03.2019
- Inbank operates in 4 countries with offices in Tallinn, Riga, Vilnius, Klaipeda, Kaunas, Warsaw and Gdansk
- Inbank employs 163 people



# Group structure and shareholders

Shareholders with above 10% holding	No. of shares	% of holding
Cofi Investeeringud OÜ	24 635	28,2%
Pershing Hall Holding Limited	23 858	27,3%



\* Maksekeskus Holding OÜ has 20,3% shareholding in Maksekeskus AS, making Inbank a 7,6% shareholder in the payment consolidator

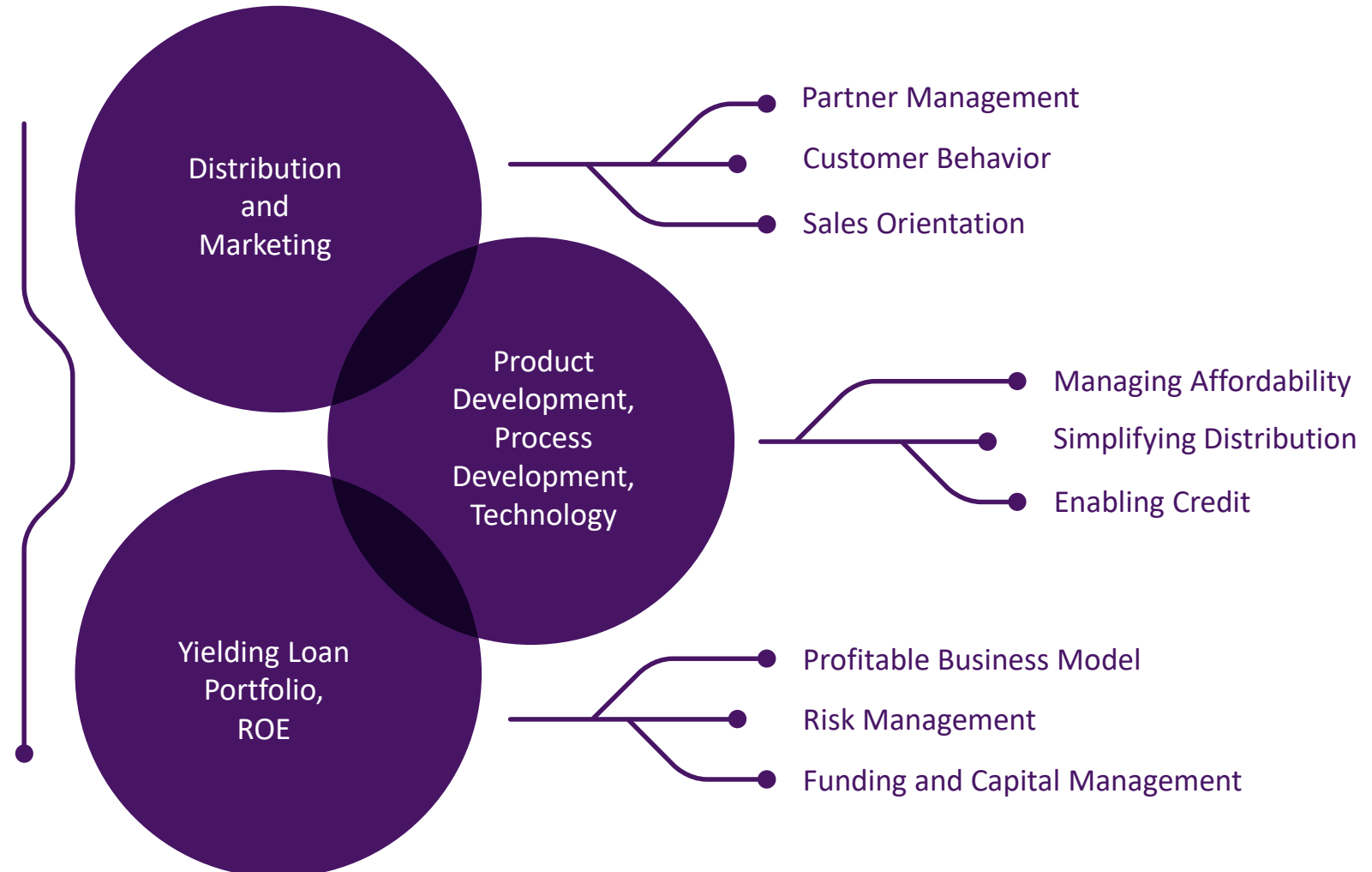
# Countries of operation

31.03.2019	Number of employees	Number of offices	Active Distribution partners	Net loan portfolio EURm
Group	163	7	1 583	246
Estonia	65	1	205	108
Latvia	24	1	174	44
Lithuania	57	3	1 114	79
Poland	17	2	90	14



# Strategy & core competencies

We help our partners sell more by simplifying purchases and making financing more accessible to our customers



# Efficient and automated business model

## Automatic scoring and contract completion

- 90% of contracts completed automatically online or at point-of-sale
- Average time for credit decision less than 7 seconds

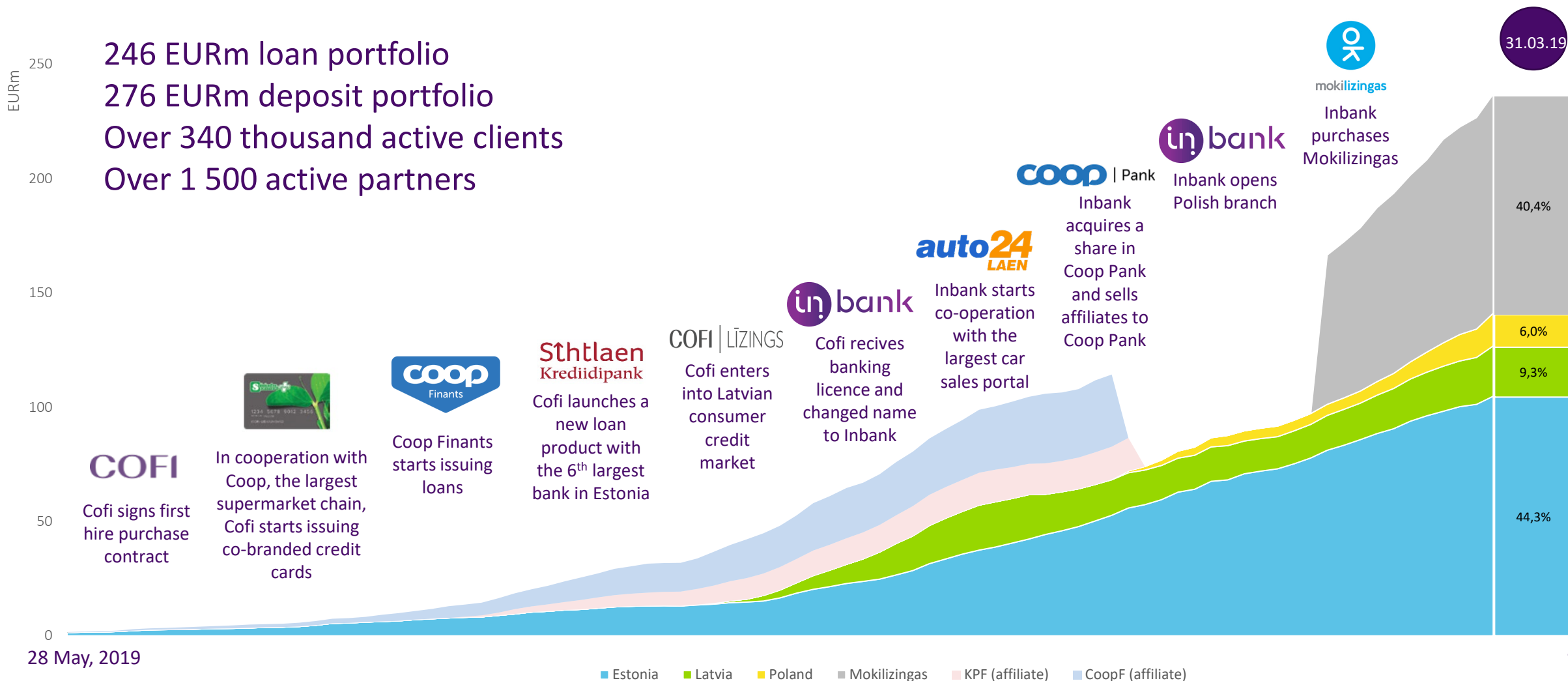
## Partner-based distribution model

- Experience with 3 strategic distribution partners- a supermarket chain, a bank, an online marketplace
- Over 1 500 active partner merchants and over 340 000 active customers
- Financing solution fully integrated into partners' business processes

## Loan process overview



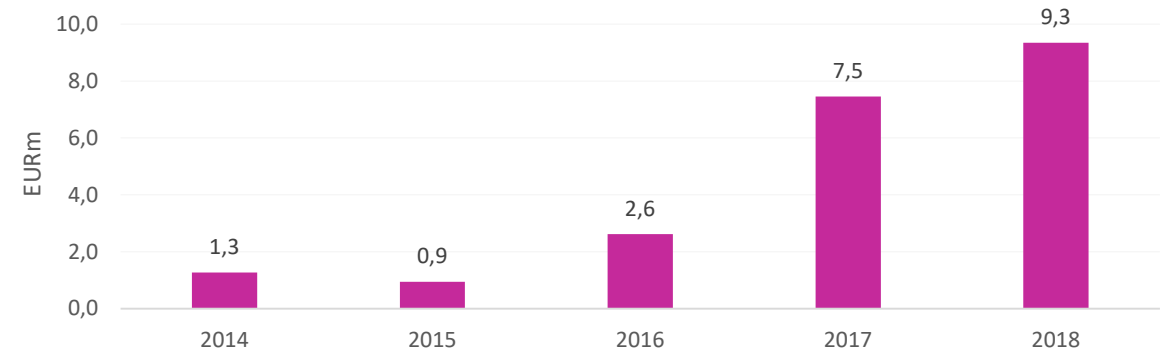
# Main milestones



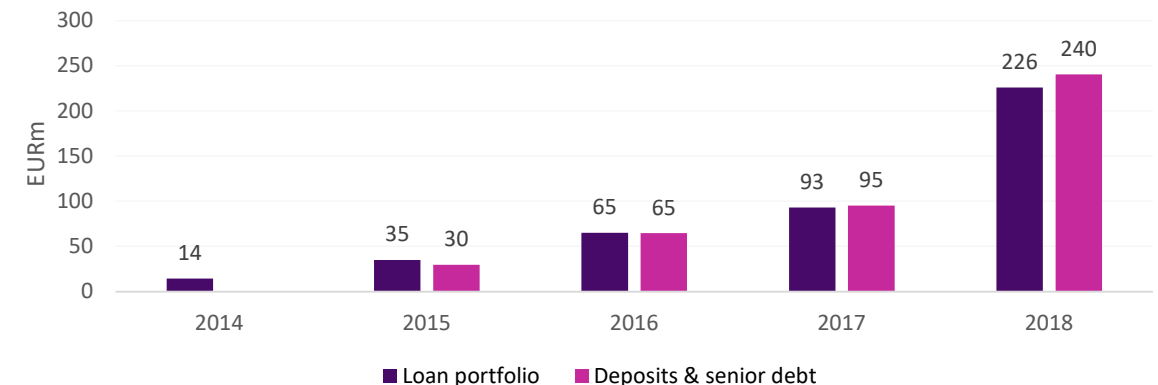
# Key annual financial indicators

EURm	2014	2015	2016	2017	2018
Loan portfolio	14	35	65	93	226
Deposit portfolio	0	30	65	95	240
Total assets	15	42	85	126	318
Owner's equity	6	8	12	22	36
Net interest income	1,9	3,4	8,4	11,0	19,9
Net fee and commission income	0,3	0,0	0,1	-0,1	-0,4
Total net income	2,4	4,0	9,2	11,7	21,4
Operating expenses	1,0	2,6	4,2	6,7	10,6
Operating profit	1,4	1,5	5,0	4,9	10,7
Impairment losses on loans	0,3	1,0	3,2	3,5	2,7
<b>Total comprehensive income</b>	<b>1,3</b>	<b>0,9</b>	<b>2,6</b>	<b>7,5</b>	<b>9,3</b>
Return on equity	43,1%	14,5%	26,6%	44,1%	31,9%
Net interest margin	16,7%	12,3%	13,7%	11,1%	9,5%
Impairment losses to loan portfolio	2,4%	4,0%	6,4%	4,5%	1,7%
Cost/income ratio	41,1%	63,2%	45,7%	57,8%	49,9%

## Comprehensive income



## Loan and deposit portfolio development

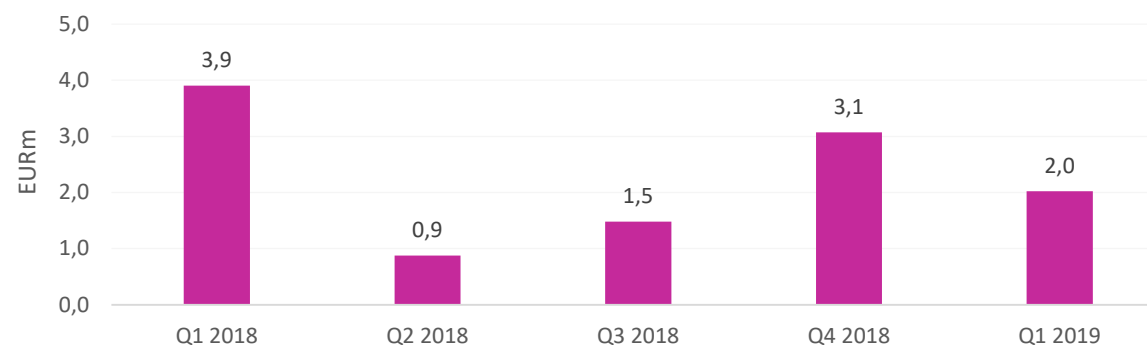




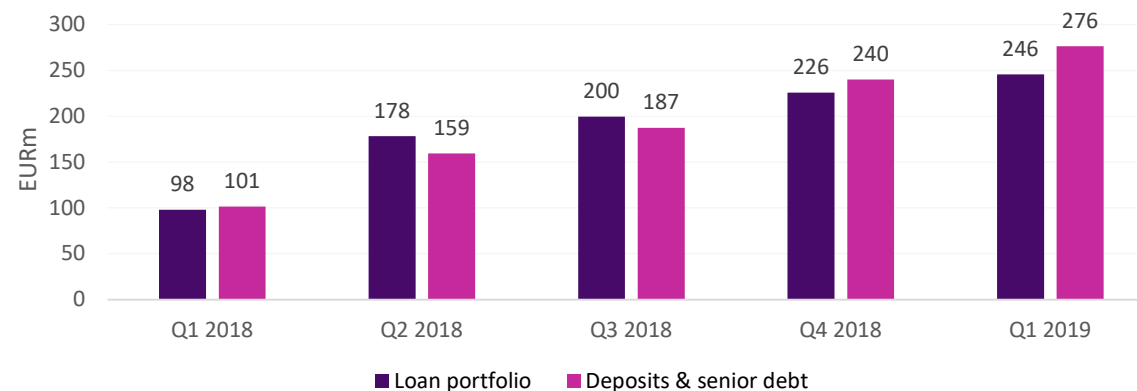
# Key quarterly financial indicators

EURm	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Loan portfolio	98	178	200	226	246
Deposit portfolio	101	159	187	240	276
Total assets	135	238	263	318	341
Owner's equity	25	32	33	36	38
Net interest income	3,2	4,1	5,9	6,6	6,8
Net fee and commission income	0,0	0,0	-0,2	-0,2	-0,2
Total net income	4,5	4,2	6,0	6,7	6,8
Operating expenses	1,9	2,3	2,9	3,6	3,3
Operating profit	2,7	1,8	3,1	3,1	3,5
Impairment losses on loans	0,9	1,0	1,2	-0,4	1,2
<b>Total comprehensive income</b>	<b>3,9</b>	<b>0,9</b>	<b>1,5</b>	<b>3,1</b>	<b>2,0</b>
Return on equity	67,5%	12,4%	18,0%	34,9%	21,9%
Net interest margin	10,7%	9,3%	10,0%	9,5%	8,7%
Impairment losses to loan portfolio	3,6%	2,9%	2,6%	-0,7%	2,1%
Cost/income ratio	41,4%	55,8%	48,3%	53,3%	48,6%

## Comprehensive income



## Loan and deposit portfolio development



# Inbank AS Consolidated Income Report

EURt	Q1 2019	Q1 2018	% change
<b>Continuing operations</b>			
Interest income	8 155	3 797	115%
Interest expenses	-1 390	-571	143%
<b>Net interest income</b>	<b>6 765</b>	<b>3 226</b>	<b>110%</b>
Fee and commission income	204	161	27%
Fee and commission expense	-375	-154	144%
<b>Net fee and commission income</b>	<b>-171</b>	<b>7</b>	<b>-2542%</b>
Net gains from financial assets measured at fair value	0	1204	n.a.
Other income related to operations	245	84	191%
<b>Total net income</b>	<b>6 839</b>	<b>4 521</b>	<b>51%</b>
Personnel expenses	-1 856	-1 211	53%
Marketing expenses	-391	-126	210%
Other operating expenses	-1 076	-533	102%
<b>Total operating expenses</b>	<b>-3 323</b>	<b>-1 870</b>	<b>78%</b>
<b>Operating profit</b>	<b>3 516</b>	<b>2 651</b>	<b>33%</b>
Other income from affiliates	0	1 986	n.a.
<b>Profit before loan losses</b>	<b>3 517</b>	<b>4 637</b>	<b>-24%</b>
Impairment losses on loans	-1 195	-852	40%
<b>Profit before income tax</b>	<b>2 322</b>	<b>3 785</b>	<b>-39%</b>
Income tax	-299	103	-391%
<b>Profit for the reporting period</b>	<b>2 022</b>	<b>3 888</b>	<b>-48%</b>
Unrealized currency exchange income / -loss	-1	20	-105%
<b>Comprehensive income</b>	<b>2 021</b>	<b>3 908</b>	<b>-48%</b>
Profit (loss) attributable to the parent company	2 021	3 905	-48%
Profit (loss) attributable to non-controlling interest	0	3	n.a.
<b>Total comprehensive income for the period</b>	<b>2 021</b>	<b>3 908</b>	<b>-48%</b>

- Q1 2018 figures do not include Mokilizingas  
 - Normalized YoY change on total net income would be 38%, change for total operating expenses 15% and 102% for comprehensive income (when including the effect of Mokilizingas and excluding extraordinary items in Q1 2018 in amount of 3,2 EURm - sale of Coop Pank and Veriff OÜ shares)

# Inbank AS Consolidated Balance Sheet

EURt	31.03.2019	31.12.2018	% change
<b>Assets</b>			
Cash and cash equivalents	79 605	78 324	2%
Loan portfolio (net)	245 563	225 639	9%
Financial assets at fair value through profit and loss	4 600	4 600	0%
Investment in affiliates	97	97	0%
Intangible assets	8 073	7 697	5%
Other assets	2 182	1 123	94%
Income tax asset	564	564	0%
<b>Total assets</b>	<b>340 684</b>	<b>318 044</b>	<b>7%</b>
<b>Liabilities</b>			
Loan from credit institutions	0	10 429	-100%
Customer deposits	276 460	240 175	15%
Other liabilities	12 303	11 430	8%
Senior debt	4 009	10 017	-60%
Subordinated debt	9 535	9 528	0%
<b>Total liabilities</b>	<b>302 307</b>	<b>281 579</b>	<b>7%</b>
<b>Equity</b>			
Paid-in capital	15 927	15 927	0%
Reserves	1 498	1 480	1%
Retained earnings of previous periods	20 952	19 018	10%
<b>Total equity attributable to the shareholders of parent company</b>	<b>38 377</b>	<b>36 425</b>	<b>5%</b>
Minority interest	0	40	-100%
<b>Total equity</b>	<b>38 377</b>	<b>36 465</b>	<b>5%</b>
<b>Total liabilities and equity</b>	<b>340 684</b>	<b>318 044</b>	<b>7%</b>



# Group level management

❖ The core of Inbank management are centralised finance, risk, product development and IT teams

❖ Inbank Group management is focused on strategy, innovation and growth into new markets as well as meeting bank's capital return and risk appetite targets

Priit Põldoja

Chairman of Supervisory Board, Founder



Jan Andresoo

CEO, Chairman of Management Board, Founder



Piret Paulus

Head of Group Business Development, Member of Management Board



Marko Varik

CFO, Member of Management Board



Liina Sadrak

Head of Business Processes, Member of Management Board



Ivar Kallast

CRO, Member of Management Board



Priit Piile

Head of IT



Erkki Saarniit

Head of Group Product Development



# Management of Inbank Group companies

- ❖ The backbone for Inbank's international growth is strong local management
- ❖ Inbank has looked for entrepreneurial and experienced local managers that can replicate Inbank business model in their respective countries

Girts Ledins

Chief Executive Officer,  
Inbank Lizings



Maciej Pieczkowski

Chief Executive Officer,  
Inbank Poland



Benas Pavlauskas

Chief Executive Officer,  
Mokilizingas



Margus Kastein

Managing Director,  
Inbank Estonia



Juris Filipovs

Chief Operating Officer,  
Inbank Lizings



Tomasz Rzeski

Chief Commercial Officer,  
Inbank Poland



Jone Virbickiene

Chief Financial Officer,  
Mokilizingas



# Key success factors

Profitable consumer finance business model

Proven track record with strong market position in Estonia and Lithuania

Potential to grow business in Poland and take the business model into more countries

EU banking license for accessing sustainable funding

Strong international investor base to support the growth of the bank

Experienced and professional team

Excellent proprietary technology and innovative digital solutions

Focused strategy and organization





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