

# Inbank AS

Investor Presentation Q2 2020



# Highlights Q2 2020

- Q2 was primarily affected by the state of emergency in our home markets resulting in a **sharp decline in sales** in March and April across all product lines. However, we are already witnessing a **rapid recovery** both in sales and in demand.
- Provisions for future loan losses increased by 113% amounting to 3.7 million euros. **Profit before loan losses increased** by 10% and amounted to 4.3 million euros.
- During the COVID-19 crisis, we reviewed our investment strategy and focused even more on partner-based business by launching **Indivy**, a new generation 'pay later' platform, in May.
- Redesigned the formerly country-based organisation to product-centric. From now on Inbank has **three cross-border business units**: Sales Finance, Personal Loans & Cards, and Car Financing.

## LOAN PORTFOLIO

€ 349 m

YEAR-ON-YEAR

## NET PROFIT

€ 2.7 m

6 MONTHS

## ROE

11%

6 MONTHS

## SALES

-4%

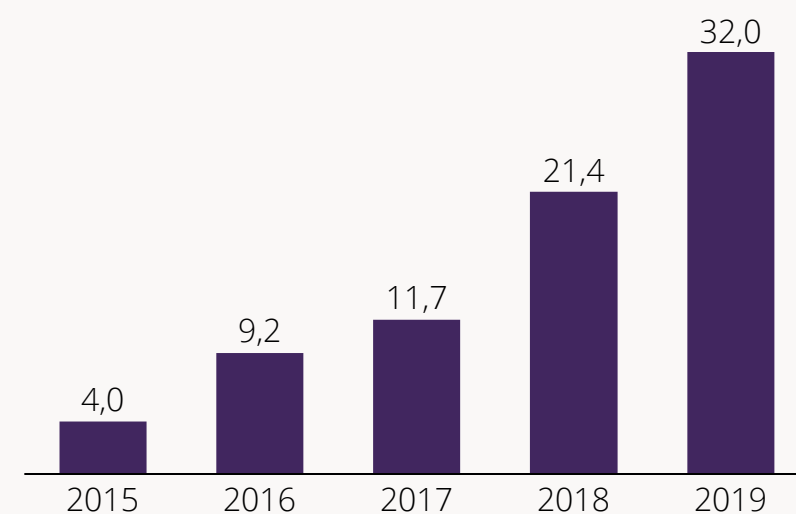
6 MONTHS



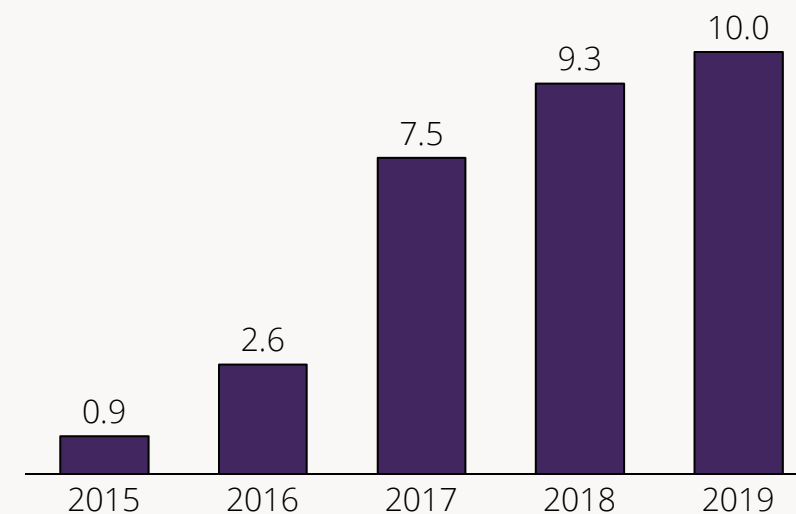


# Key financials

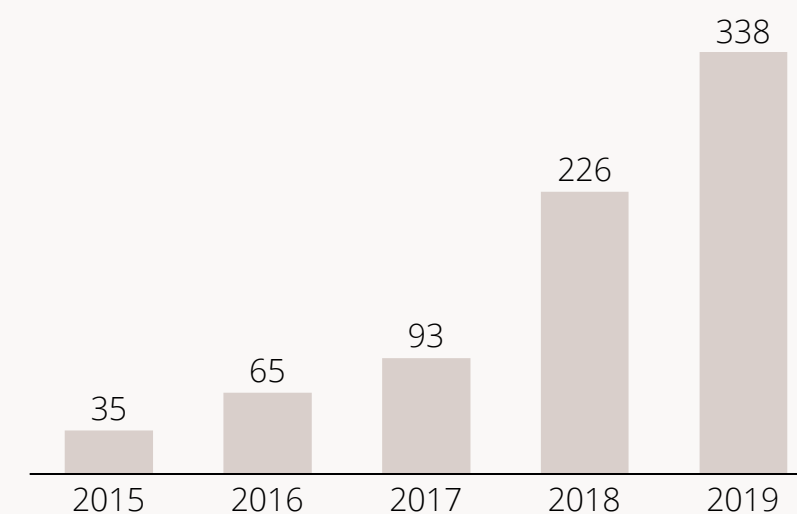
**Net income**  
(Millions of euros)



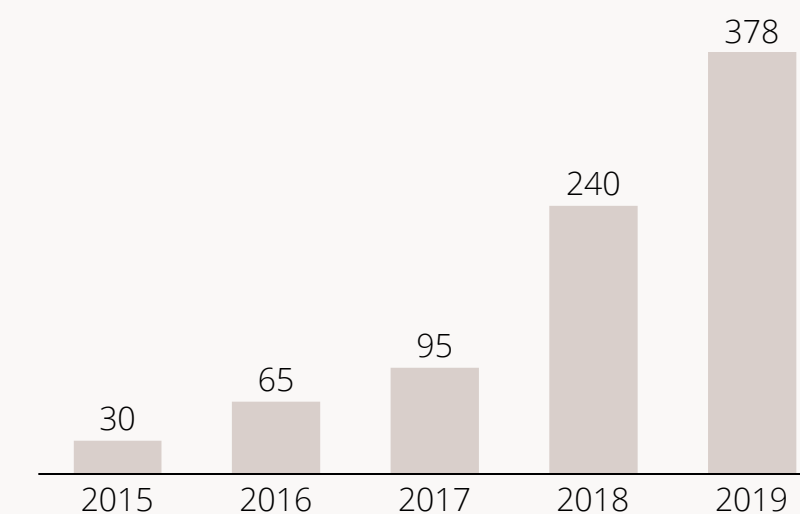
**Net profit**  
(Millions of euros)



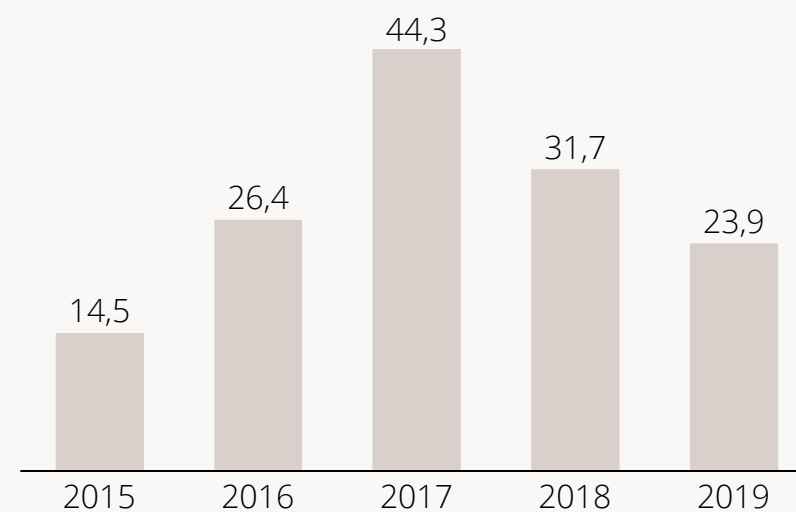
**Loan portfolio**  
(Millions of euros)



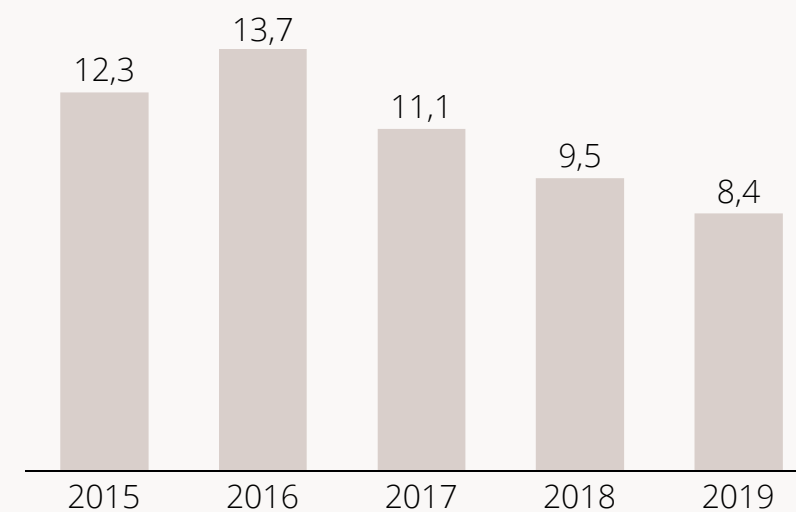
**Deposit portfolio**  
(Millions of euros)



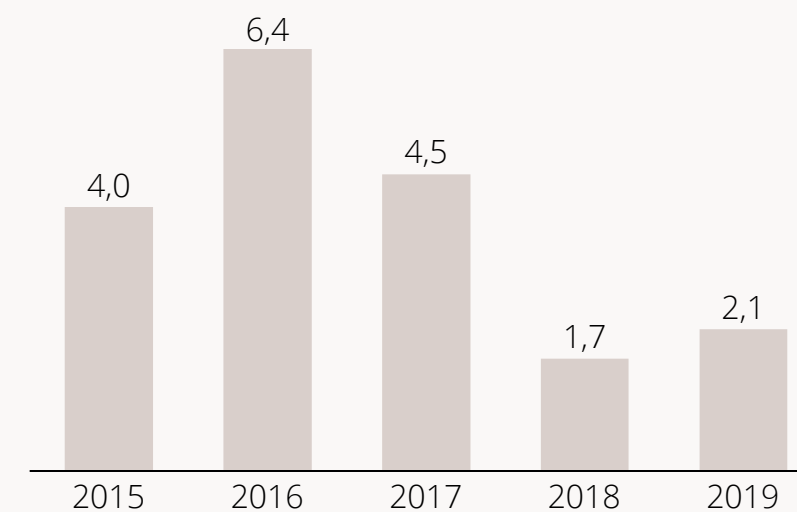
**Return on equity (%)**



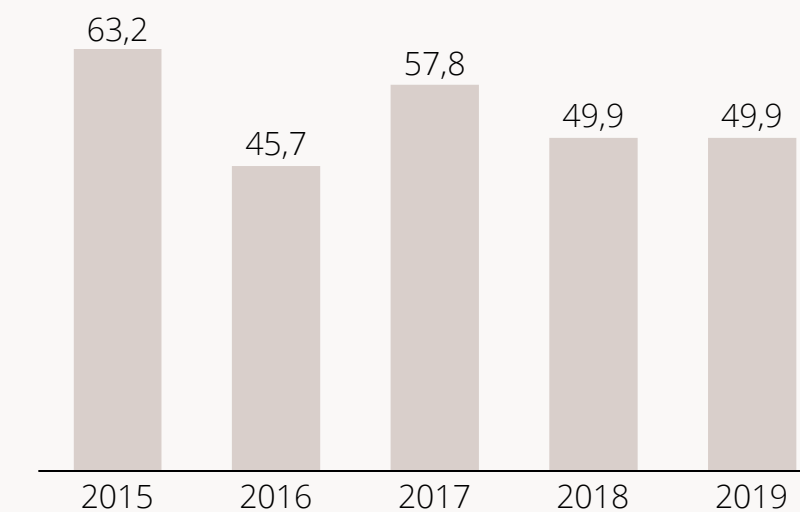
**Net interest margin (%)**



**Impairment losses to loan portfolio (%)**

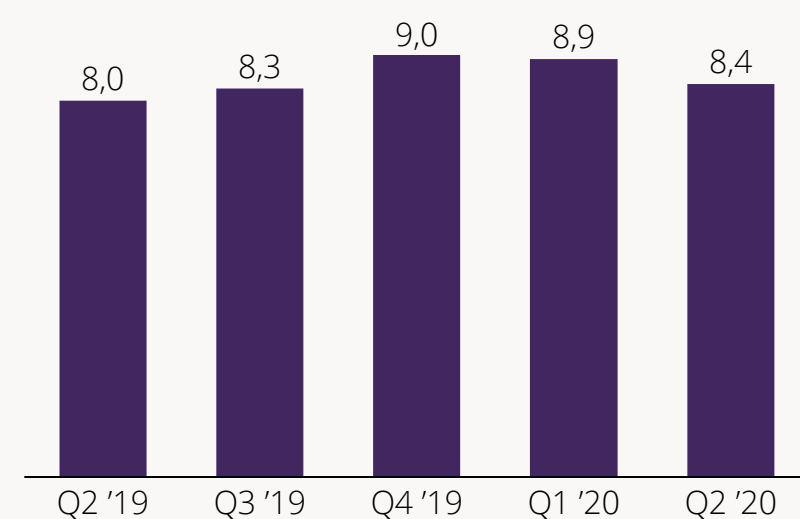


**Cost / income (%)**

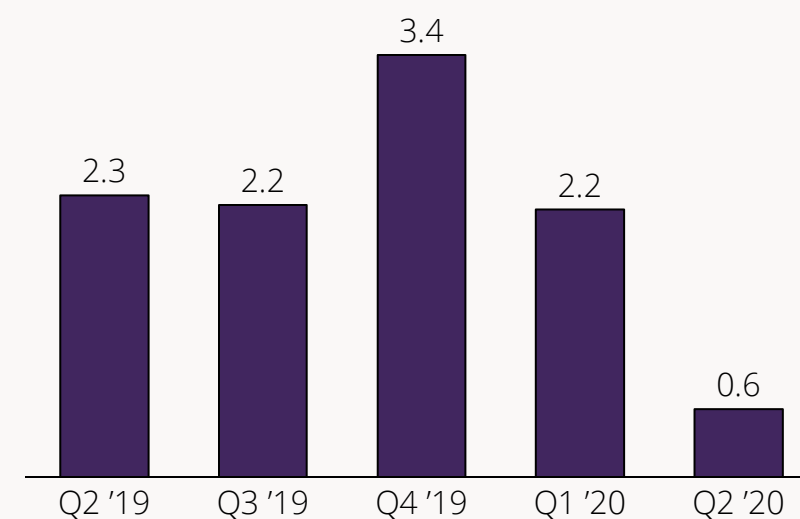


# Quarterly results

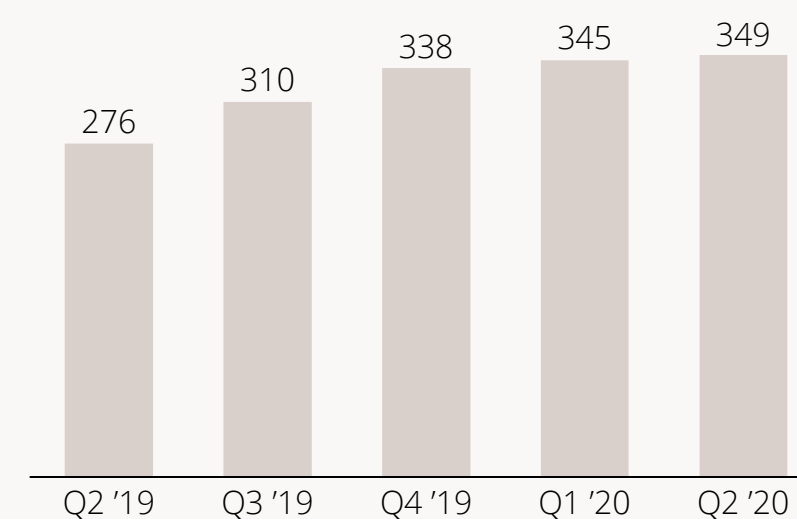
**Net income**  
(Millions of euros)



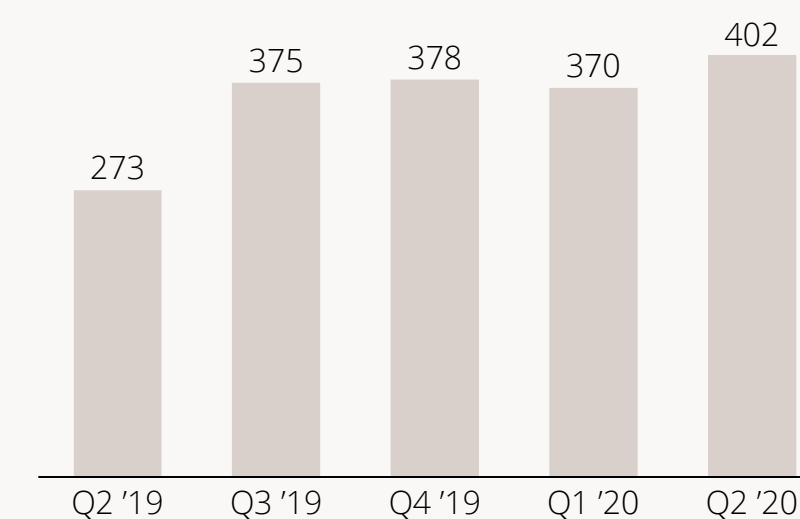
**Net profit**  
(Millions of euros)



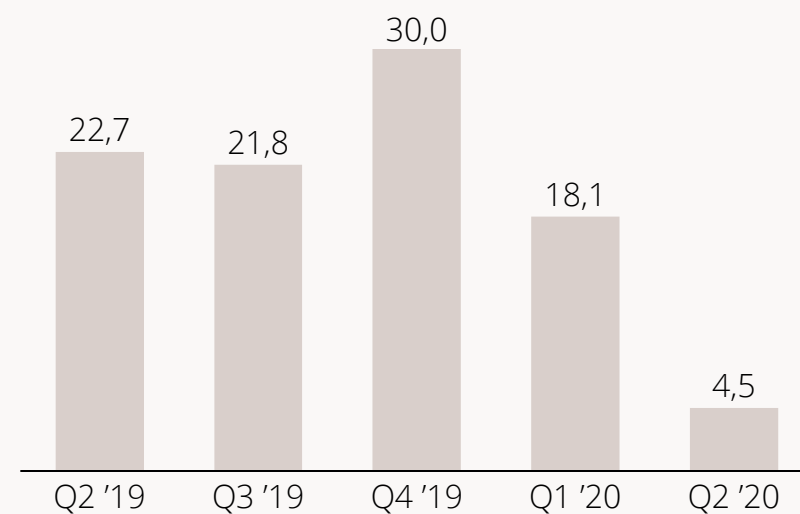
**Loan portfolio**  
(Millions of euros)



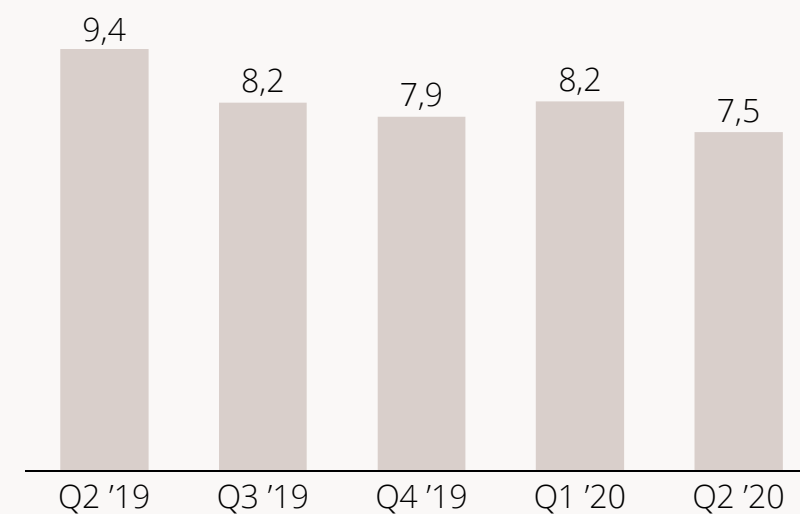
**Deposit portfolio**  
(Millions of euros)



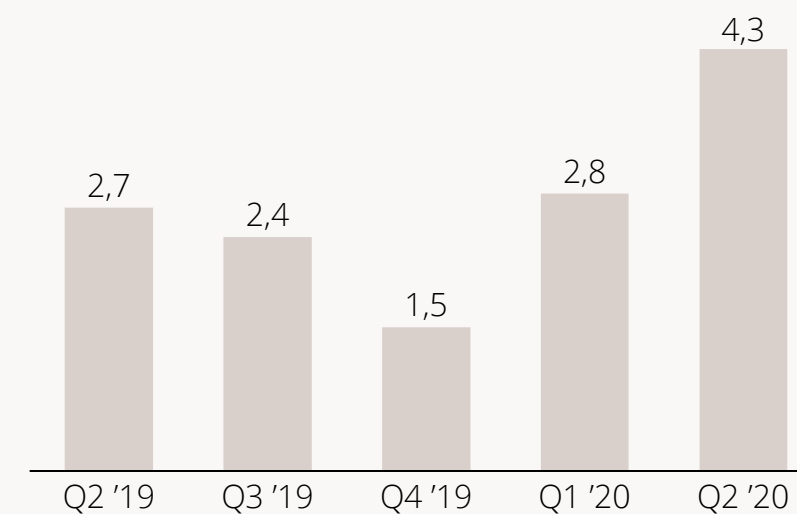
**Return on equity (%)**



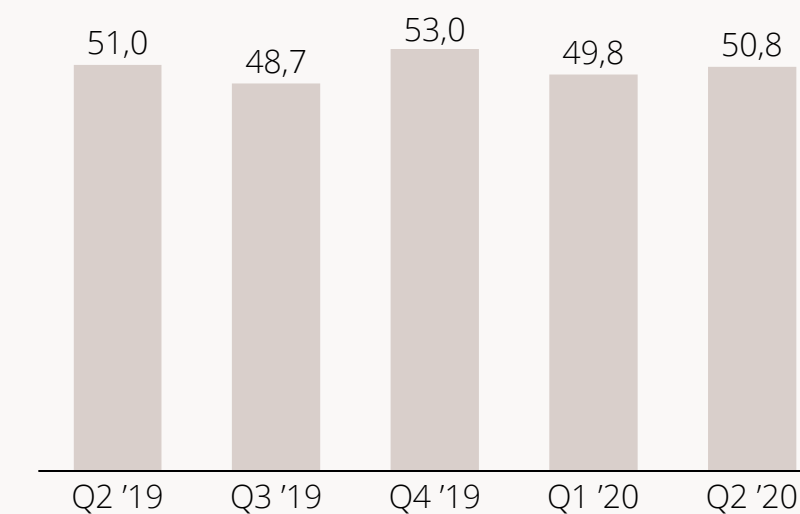
**Net interest margin (%)**



**Impairment losses to loan portfolio (%)**



**Cost / income ratio (%)**



# Building the shopping experience of tomorrow

We help merchants sell more by integrating consumer financing solutions into the shopping experience. Thanks to our proprietary digital technology and easily integrated financing solutions we are enabling customers to have a frictionless end-to-end shopping journey.

Inbank operates in the EUR 48 billion Baltic and Polish consumer finance markets, and also accepts deposits from Germany, Austria and the Netherlands. We have offices in Tallinn, Riga, Vilnius, Kaunas, Klaipeda, Warsaw and Gdansk.

€ 950M  
VOLUME FINANCED

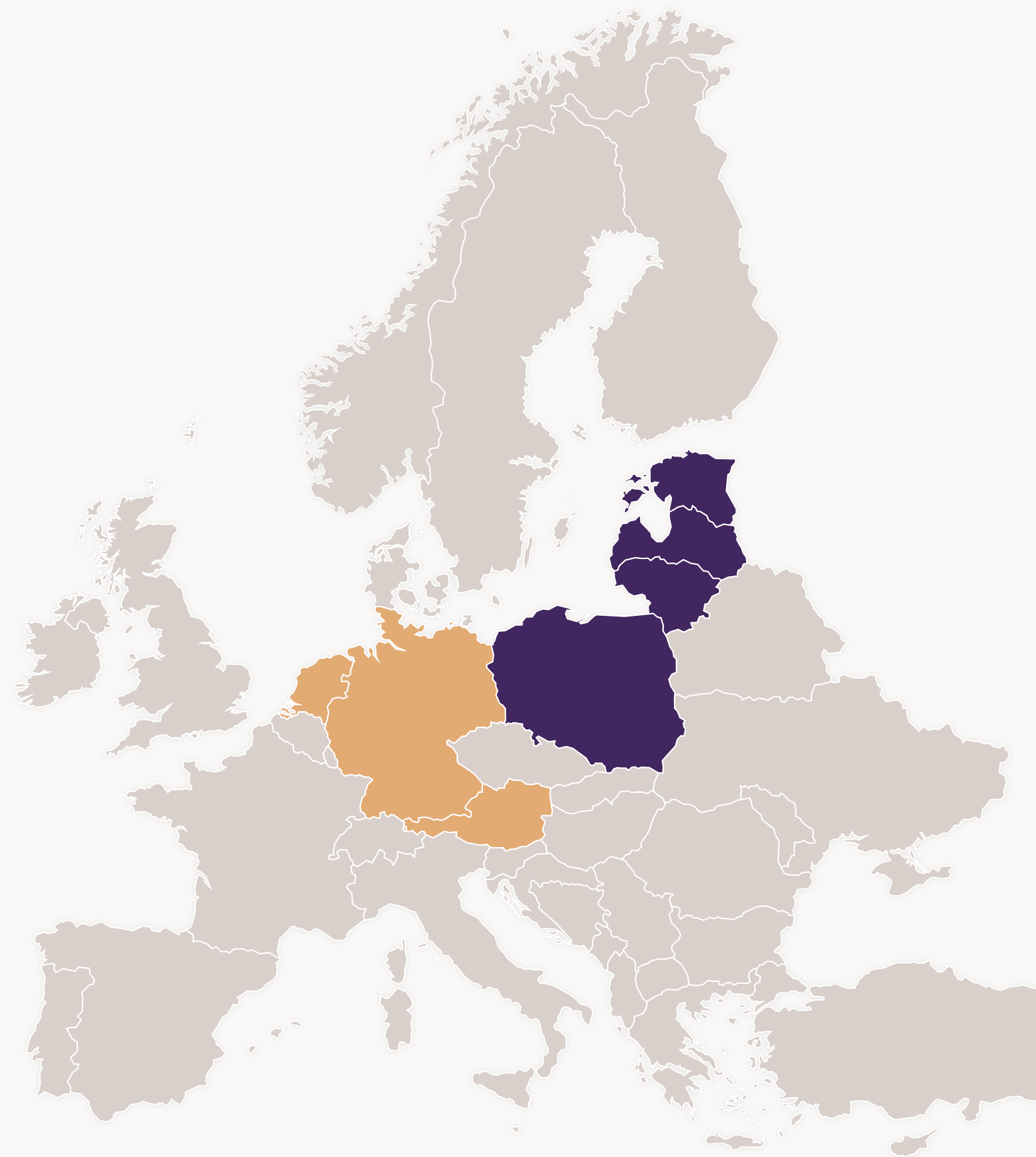
600K  
ACTIVE CONTRACTS

3,000+  
ACTIVE PARTNERS

 4  
COUNTRIES

 7  
OFFICES

 230+  
PEOPLE



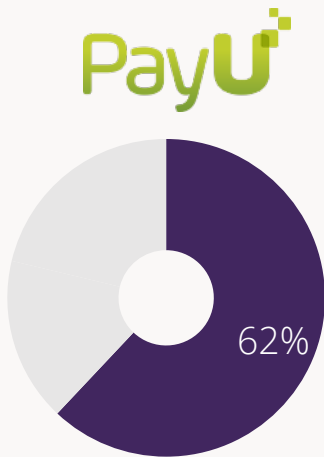
# Our business



## Sales finance

Integrated financing solutions for e-commerce

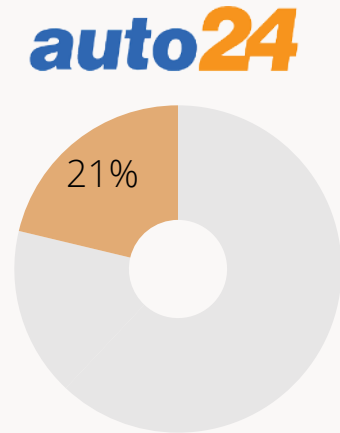
Cooperation with PayU in Poland



## Car financing

Integrated financing solutions for e-commerce

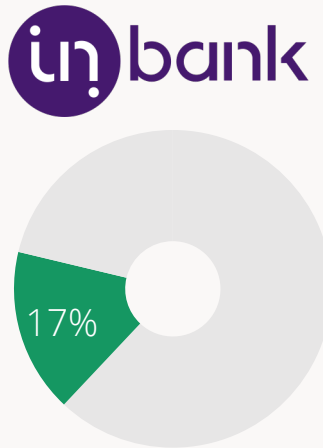
Strategic partnerships with leading Baltic and Polish car portals



## Personal loans

Integrated financing solutions for e-commerce

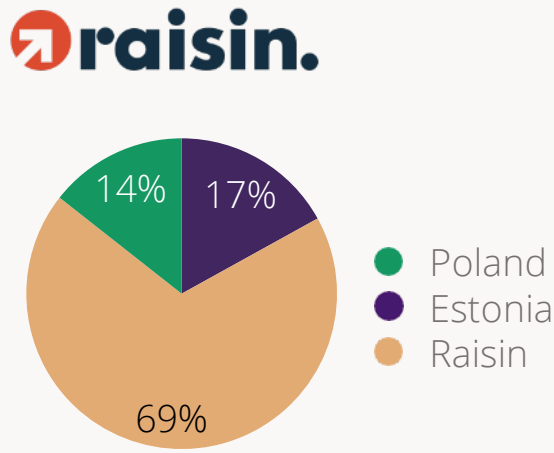
Tailored conditions depending on the loan purpose



## Deposits

Integrated financing solutions for e-commerce

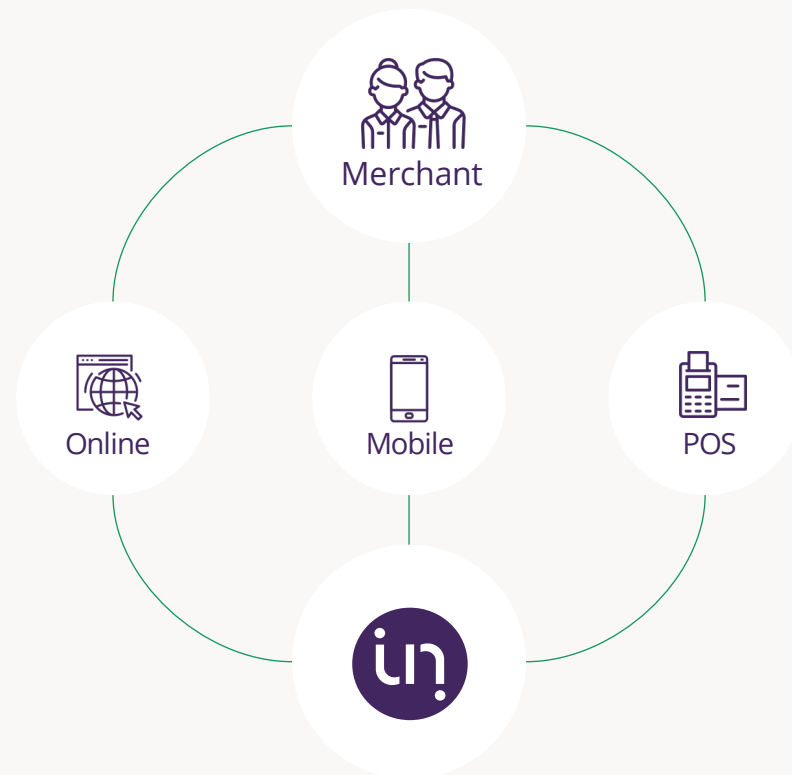
Offering term deposits in 6 EU countries



Poland  
Estonia  
Raisin

# Automated process

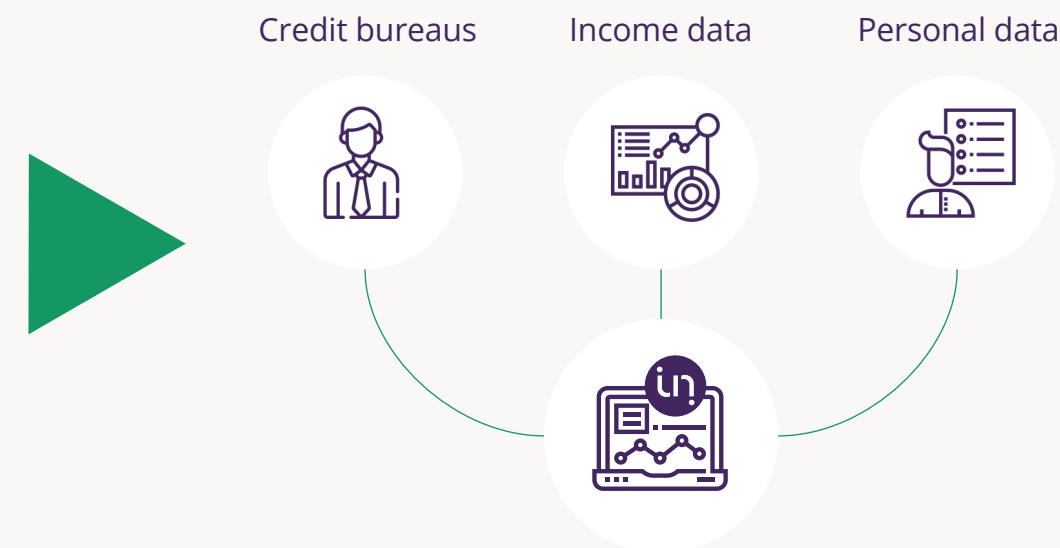
## Integrated API



### Benefits: merchants

- Partner- and sector-centric approach
- Financing solution fully integrated into partners' business process through flexible API
- Repeat sales and greater conversion rates
- Complementary fee income

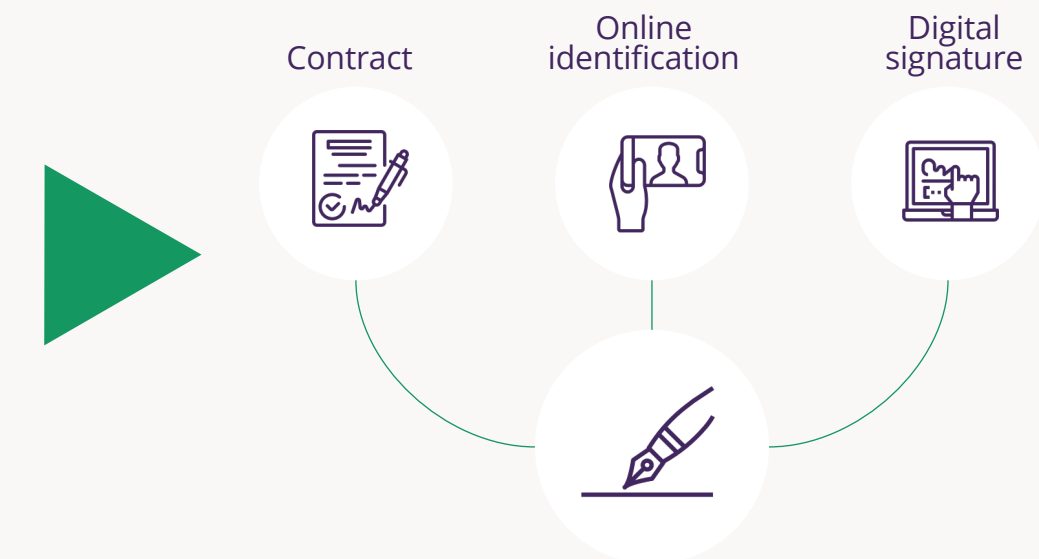
## Statistical model



### Benefits: merchants + customers

- Quick and automated
- decision-making – credit decision in less than 7 seconds
- 90% of contracts completed automatically online or at point-of-sale

## Identification and signing



### Benefits: customers

- Benefits: customers
- Flexible financing with a range of options for increasing customer purchasing power
- All-digital experience, convenient online identification and contract signing

# Inbank business model and success factors

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



## Value adding

We operate through an effective B2B distribution network that enables us to be part of the end-to-end consumer journey and utilise B2C retention and cross-sales.

## Scalable

Thanks to our scalable proprietary technology and agile organisation, we can grow fast within our home markets as well as expand to new markets in Europe through partnerships with leading local merchants.

## Profitable

We have built a profitable business model since inception. Over the past five years our profit has grown from 0.9 to 10 million euros. We have maintained a solid 24% ROE in 2019.

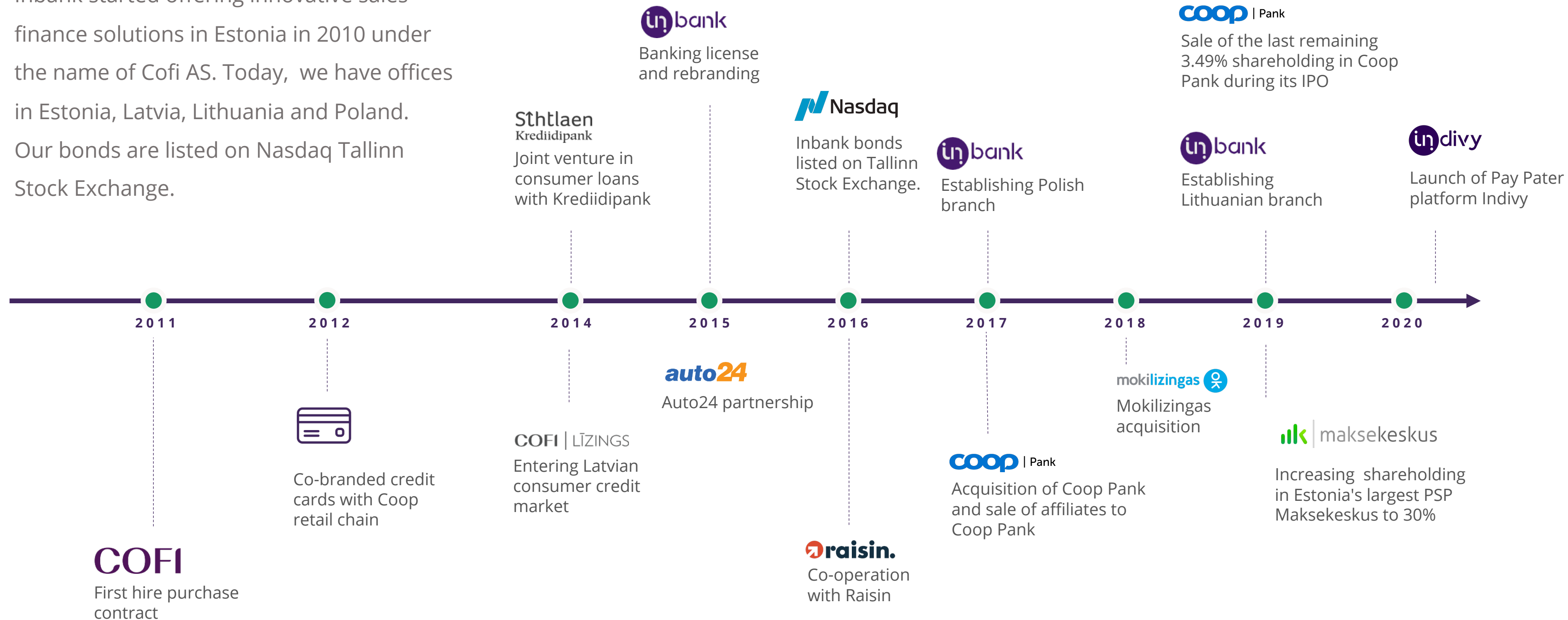
## Sustainable

EU banking license and strong international investor base ensure sustainable funding to support growth. Our bonds are listed on Nasdaq Tallinn Stock Exchange.



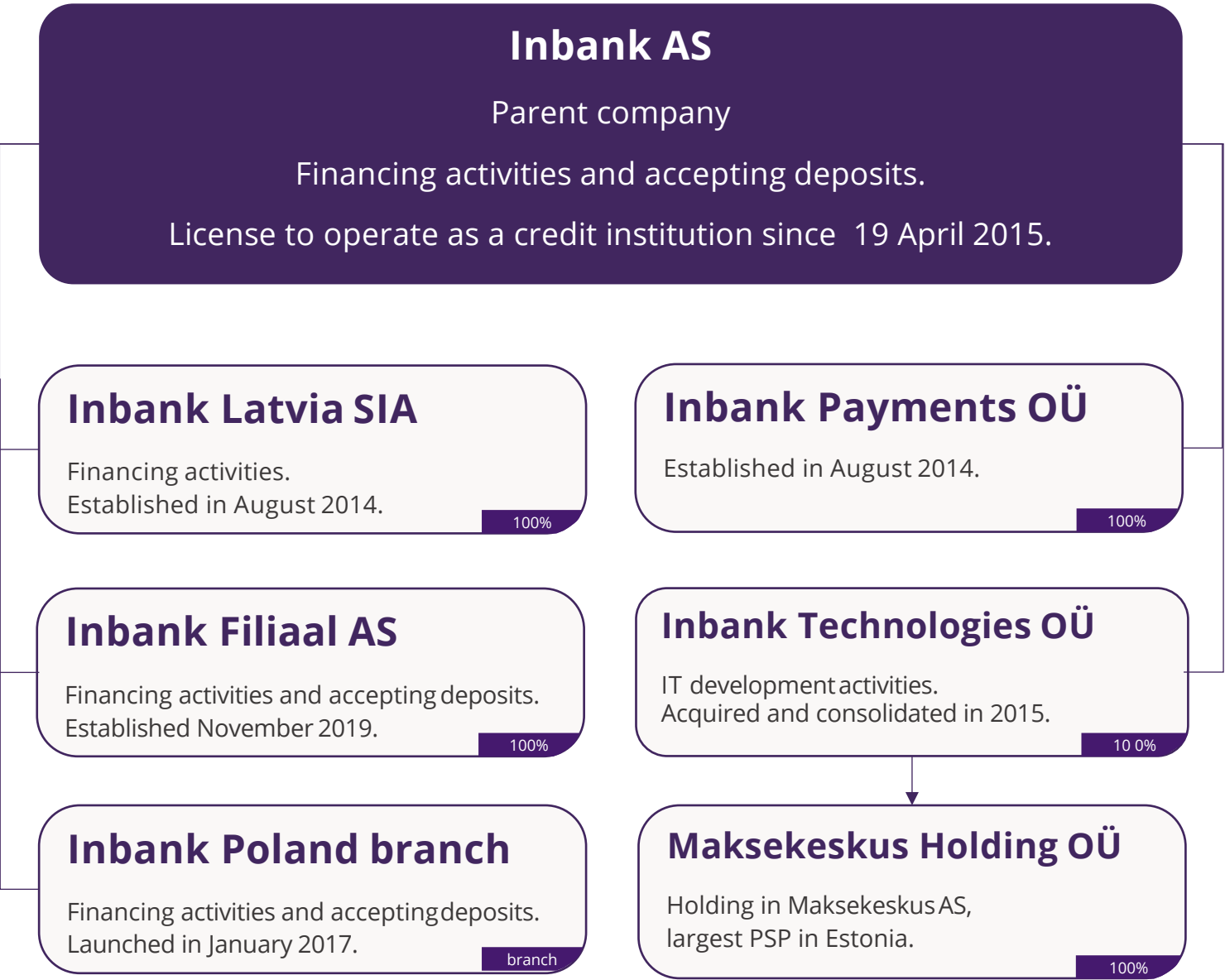
# Our story – celebrating 10 years on the market

Inbank started offering innovative sales finance solutions in Estonia in 2010 under the name of Cofi AS. Today, we have offices in Estonia, Latvia, Lithuania and Poland. Our bonds are listed on Nasdaq Tallinn Stock Exchange.



# Structure

## Group structure



## Shareholder structure



Owner	Shares	%
Cofi investeeringud OÜ	24 675	27,3%
Pershing Hall Holding Limited	23 858	26,4%
Other (61 shareholders)	41 811	46,3%

# Management

## Founders

Priit and Jan are former executives of the largest bank in the Baltics with more than 20+ years of experience in banking and related fields. They have led the scale-up of several successful fintech companies and developed next generation banking business models



**Priit Põldoja**  
Founder, Chairman



**Jan Andresoo**  
Founder, CEO



**Jaanus Kõusaar**  
Finance



**Marko Varik**  
Risk



**Piret Paulus**  
Consumer Loans & Cards



**Benas Paviauskas**  
Sales Finance



**Maciej Pieczkowski**  
Poland



**Margus Kastein**  
Car Finance

## Executive Management

Executive management focuses on strategy, innovation and growth as well as meeting the capital return and risk appetite targets.

**4**  
COUNTRIES

**7**  
OFFICES

**232**  
PEOPLE



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