

Capital Adequacy Report 31 March 2024

AS Inbank

Capital Adequacy

This information is presented on a quarterly basis in conjunction with the publication of Inbank's Interim Report on Inbank's website (www.inbank.eu). Inbank's regulatory capital requirements and capital buffers are set out in European Parliament and Council Regulation (EU) No 575/2013 (CRR) and European Parliament and Council Directive 2013/36/EU (CRD IV). The capital requirement consists of minimum capital requirements for credit, market and operational risk, internally assessed capital requirement and regulatory capital buffers. The information is presented for the AS Inbank consolidated situation as of 31 March 2024, including the comparative periods.

The following tables illustrate the composition of Inbank's own funds, capital adequacy ratios and minimum requirements for bank-specific capital buffers, followed by the details of the composition of risk exposure amount, minimum capital requirement and leverage ratio.

Capital base for own funds calculation

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
Common Equity Tier 1: instruments and reserves			
Capital instruments and the related share premium accounts	44,650	44,650	32,881
<i>of which: share capital</i>	1,086	1,086	1,026
Retained earnings	81,759	77,795	69,447
Accumulated other comprehensive income (and other reserves)	1,799	1,645	1,629
Common Equity Tier 1 (CET1) capital before regulatory adjustments	128,208	124,090	103,957
Common Equity Tier 1: regulatory adjustments			
Intangible assets	-20,155	-19,561	-18,360
Adjustments due to IFRS 9 transitional arrangements	1,249	2,573	2,429
Total regulatory adjustments to Common Equity Tier 1 capital	-18,906	-16,988	-15,931
Common Equity Tier 1 (CET1) capital	109,302	107,102	88,026
Tier 1 capital			
Additional Tier 1 (AT1) capital	18,750	18,750	7,650
Tier 1 capital (T1 = CET1 + AT1)	128,052	125,852	95,676
Total capital			
Tier 2 (T2) capital	31,000	31,000	23,000
Total capital (TC = T1 + T2)	159,052	156,852	118,676
Total risk exposure amount	951,649	956,058	801,197
Capital ratios and buffers			
Common Equity Tier 1 (as a percentage of total risk exposure amount)	11.49%	11.20%	10.99%
Tier 1 (as a percentage of total risk exposure amount)	13.46%	13.16%	11.94%
Total capital (as a percentage of total risk exposure amount)	16.71%	16.41%	14.81%
Institution-specific buffer requirement (as a percentage of total risk exposure amount)	3.17%	3.19%	2.85%
<i>of which: capital conservation buffer requirement</i>	2.50%	2.50%	2.50%
<i>of which: countercyclical buffer requirement</i>	0.67%	0.69%	0.35%
<i>of which: systemic risk buffer</i>	0.00%	0.00%	0.00%
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	6.99%	6.70%	6.49%

According to EU regulations, audited profit for the reporting period may be included in retained earnings upon prior approval of the competent authorities. The above calculations for 31 March 2024 include yet unaudited net profit earned in the first quarter of 2024 in the amount of 3,964 thousand euros. Should the unaudited profit be excluded from Inbank's total capital, it would reduce the total capital to 155,088 thousand euros.

Risk exposure amount and capital requirement

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
Risk exposure amount			
Credit risk according to standardised method	869,297	857,733	718,260
Market risk according to standardised method	0	0	0
Operational risk according to standardised method	82,352	98,325	82,937
Total risk exposure amount	951,649	956,058	801,197
Exposure amount for credit risk according to standardised method			
Institutional exposure	2,774	2,975	1,427
Corporate exposure	5,814	8,070	15,300
Retail exposure	713,458	700,000	591,969
Exposures in default	9,026	9,030	3,821
Equity exposure	509	352	1,519
Other items	137,716	137,306	104,224
Total credit risk according to standardised method	869,297	857,733	718,260
Market risk exposure amounts according to standardised method			
Foreign exchange risk	0	0	0
Total market risk according to standardised method	0	0	0
Minimum capital requirement			
Credit risk according to standardised method	69,544	68,619	57,461
Market risk according to standardised method	0	0	0
Operational risk according to standardised method	6,588	7,866	6,635
Total minimum capital requirement	76,132	76,485	64,096
Leverage ratio			
Tier 1 capital	128,052	125,852	95,676
Total leverage ratio exposure	1,322,731	1,299,628	1,026,147
Leverage ratio	9.68%	9.68%	9.32%