

Inbank AS

Annual General Meeting of Shareholders



28 March, 2019

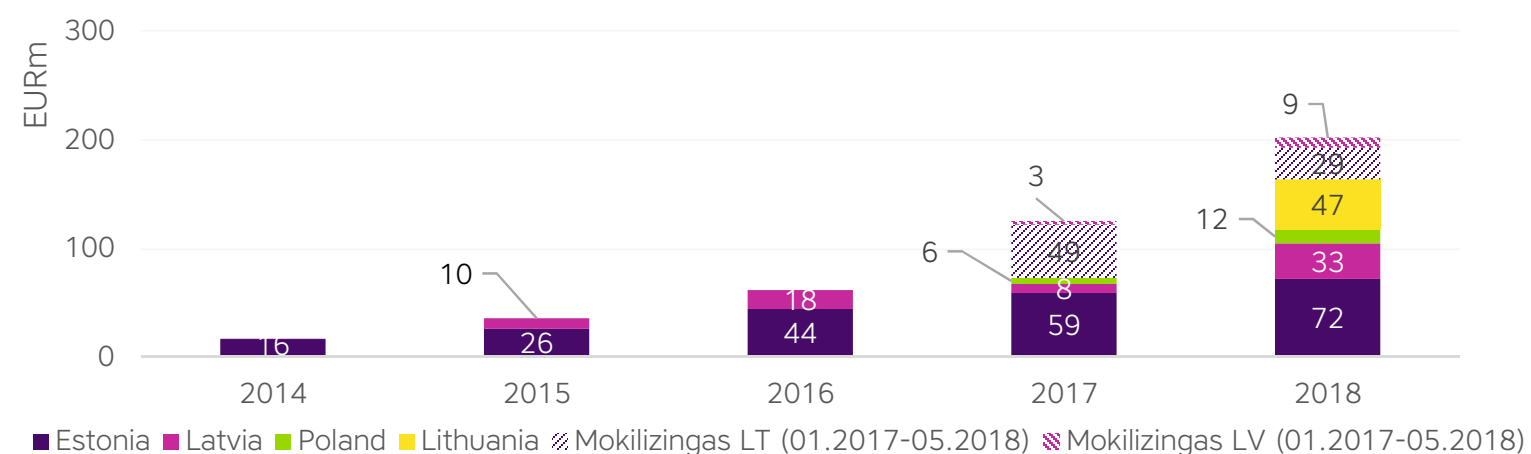


Item 1: Overview of the Company's business results for 2018 and future plans

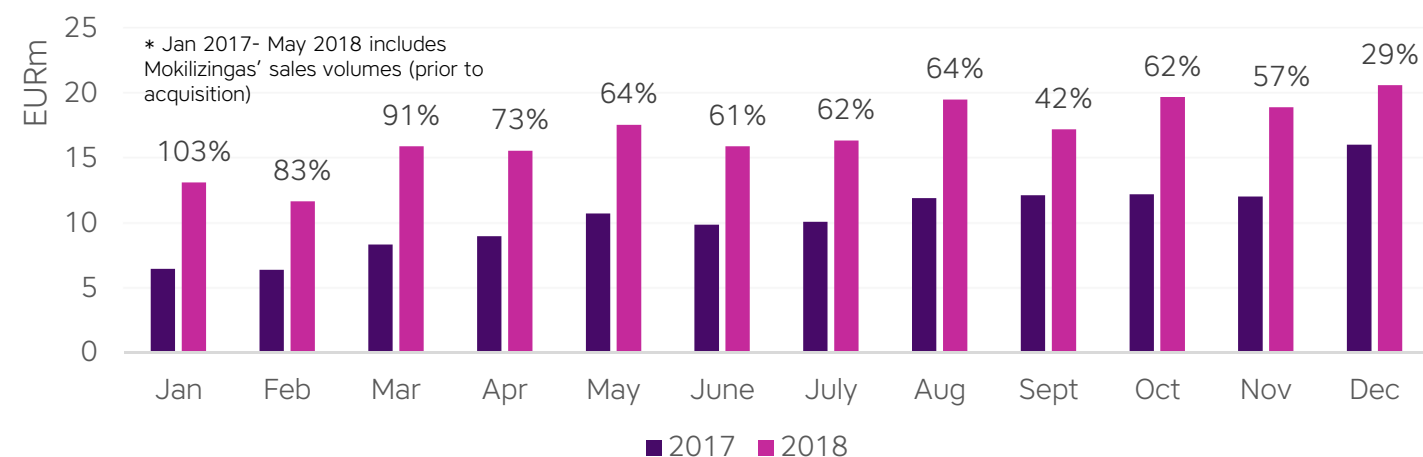
Inbank 2014-2018

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
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
Total comprehensive income	1,3	0,9	2,6	7,5	9,3
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%

Annual sales volumes 2014-2018



Monthly sales development 2017-2018



Inbank AS Consolidated Income Report

EURt	2018	2017	% change
Net interest income	19 873	11 014	80%
Net fee and commission income	-388	-56	593%
Net gains from financial assets measured at fair value	1 204	0	n.a.
Other income related to operations	666	705	-6%
Total net income	21 355	11 663	83%
Personnel expenses	-5 795	-3 997	45%
Marketing expenses	-1 592	-929	71%
Other operating expenses	-3 259	-1 817	79%
Total operating expenses	-10 646	-6 743	58%
Operating profit	10 709	4 920	118%
Other income from affiliates	1 986	6 203	-68%
Profit before loan losses	12 695	11 123	14%
Impairment losses on loans	-2 686	-3 532	-24%
Profit before income tax	10 009	7 591	32%
Income tax	-733	-92	697%
Profit for the reporting period	9 276	7 499	24%
Unrealized currency exchange income / -loss	73	-38	-292%
Comprehensive income	9 349	7 461	25%
Comprehensive income attributable to the parent company	9 335	7 458	25%
Comprehensive income attributable to non-controlling interest	14	3	367%
Total comprehensive income for the period	9 349	7 461	25%
Parent company's comprehensive income per share (EUR)	106,8	95,4	12%

Inbank AS Consolidated Balance Sheet

EURt	31.12.2018	31.12.2017	% change
Assets			
Cash and cash equivalents	78 324	23 301	236%
Loan portfolio (net)	225 639	92 895	143%
Financial assets at fair value through profit and loss	4 600	0	n.a.
Investment in affiliates	97	7 806	-99%
Intangible assets	7 697	816	843%
Other assets	1 123	799	41%
Income tax asset	564	364	55%
Total assets	318 044	125 981	152%
Liabilities			
Loan from credit institutions	10 429	0	n.a.
Customer deposits	240 175	95 056	153%
Other liabilities	11 430	2 399	376%
Senior debt	10 017	0	n.a.
Subordinated debt	9 528	6 480	47%
Total liabilities	281 579	103 935	171%
Equity			
Paid-in capital	15 927	9 850	62%
Reserves	1 480	1 431	3%
Retained earnings of previous periods	19 018	10 739	77%
Total equity attributable to the shareholders of parent company	36 425	22 020	65%
Minority interest	40	26	54%
Total equity	36 465	22 046	65%
Total liabilities and equity	318 044	125 981	152%
Parent company's book value per share (EUR)	416,8	281,5	48%

KPI's in 2018

Key Financial KPI-s for management

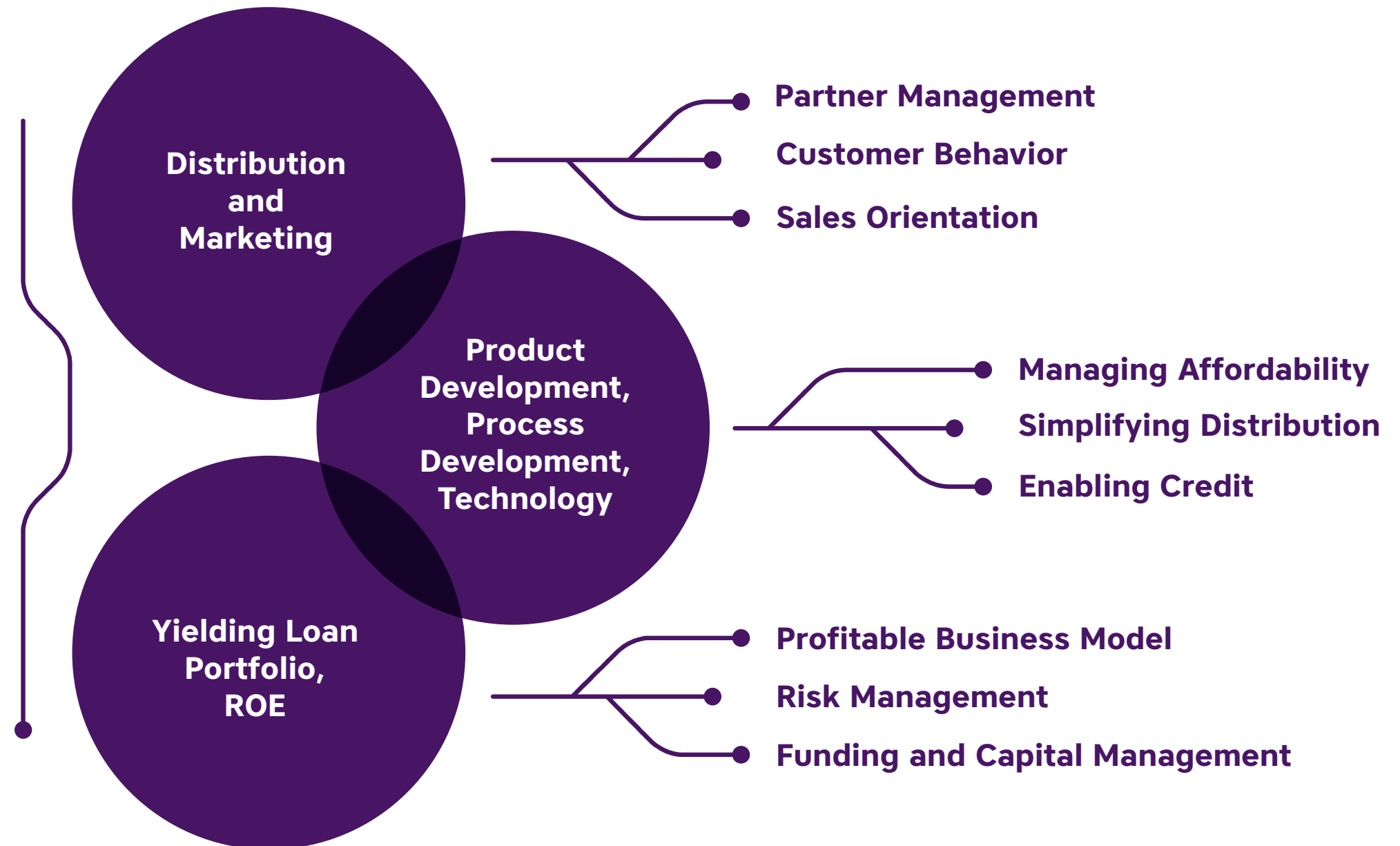
KPI	2018 Target	2018 Actual
Consolidated Return on Equity	Profit to average shareholder equity 25% (+/- 2%)	31,9%
Cost Income Ratio	Total expenses to total income 53% (+/- 3%) improvment of 5% points compared to 2017	49,9%
Annual Profit	7,5 EURm (+/- 0,5 EURm) (including extraordinary profit of 3,2 EURm)	9,3 EURm

Secondary KPI-s for organization

KPI	2018 Target	2018 Actual
Consolidated retail portfolio target	225 EURm (+/- 10 EURm)	217,9 EURm
Estonian portfolio target	95 EURm	99,0 EURm
Latvian portfolio target	20 EURm	19,7 EURm
Polish portfolio target	20 EURm	10,2 EURm
Lithuanian portfolio target	90 EURm	89,0 EURm
Risk	Total Loan loss to average interest earning assets 3,5% (+/- 0,5%)	1,69%

Strategy & core competencies

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



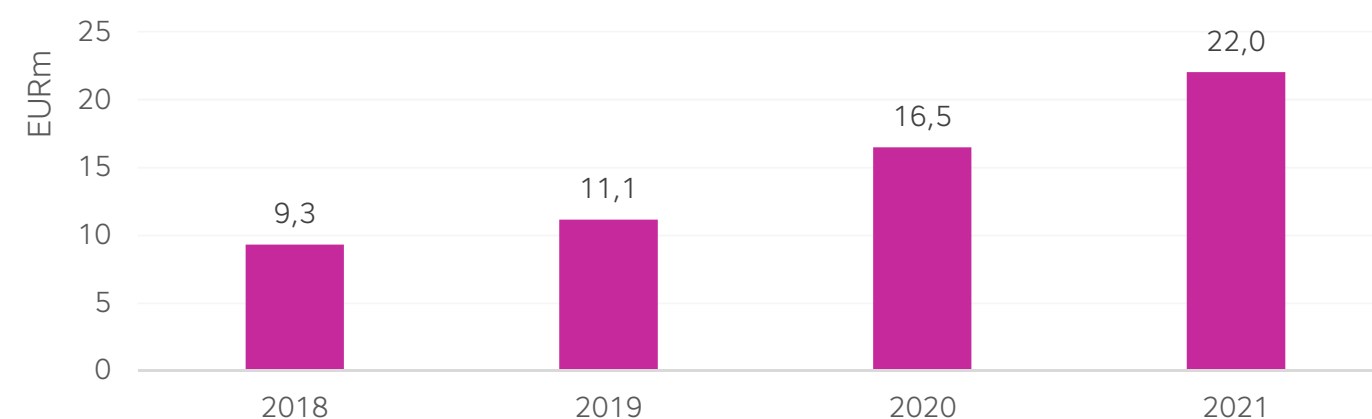
Key performance levers

Grow the core	<ul style="list-style-type: none">• Increase hire-purchase penetration in existing channels• Design new omni-channel product offering for partners• Find new strategic partner(s)
Engage customers to cross-sell	<ul style="list-style-type: none">• Develop and launch new credit products• Build systematic and measurable cross-sales process• Increase efficiency of customer conversion
Adapt to market and technology changes	<ul style="list-style-type: none">• Build close co-operation with PSP-s• Launch new internet and mobile bank channel• Leverage PSD2 provided opportunities
Develop risk/reward culture	<ul style="list-style-type: none">• Implement product-based EIR and ROE monitoring system• Improve pricing management in all countries• Further develop dynamic credit underwriting
Build a solid organization	<ul style="list-style-type: none">• Build solid governance processes and management routines• Develop talent management program• Build strong in-house IT team• Improve cross-border co-operation in group functions
Develop in-house M&A competencies	<ul style="list-style-type: none">• Define international investor base where to introduce Inbank story• Map and monitor investment opportunities, benchmark global competitors• Investigate market-based funding opportunities

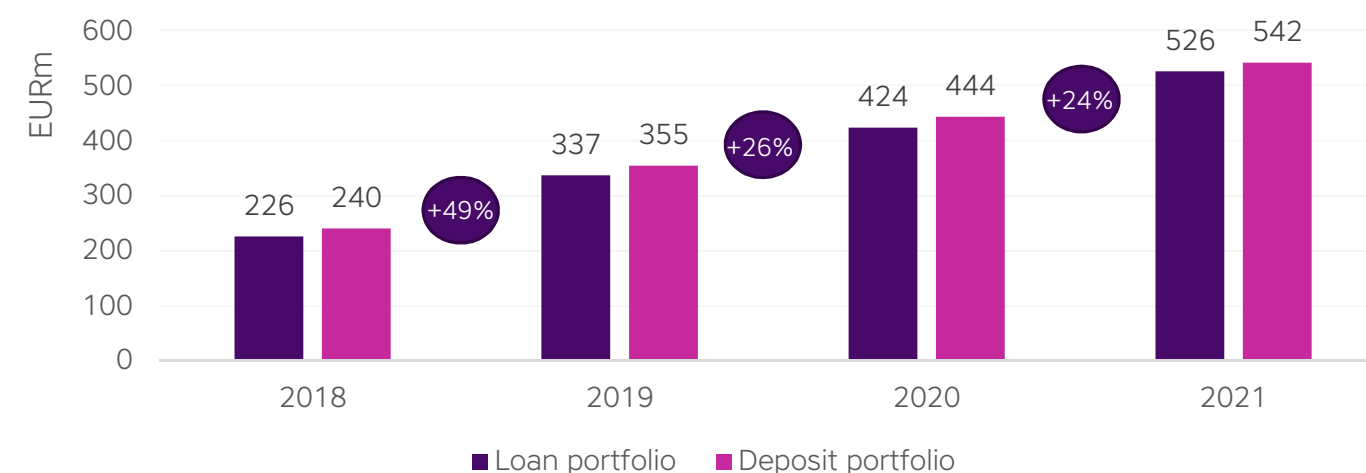
Inbank 2018-2021

EURm	2018	2019	2020	2021	CAGR
Loan portfolio	226	337	424	526	33%
Deposit portfolio	240	355	444	542	31%
Total assets	318	434	542	668	28%
Owner's equity	36	47	64	87	33%
Total net income	21,4	33,0	43,5	53,5	36%
Operating expenses	10,6	14,6	16,6	18,7	21%
Operating profit	10,7	18,4	26,9	34,9	48%
Impairment losses on loans	2,7	6,9	7,7	9,2	50%
Total comprehensive income	9,3	11,1	16,5	22,0	33%
Return on equity	31,9%	27,0%	29,7%	29,3%	
Net interest margin	9,5%	9,3%	9,2%	9,0%	
Impairment losses to loan portfolio	1,7%	2,5%	2,0%	1,9%	
Cost/income ratio	49,9%	44,4%	38,2%	34,9%	

Comprehensive income



Loan and deposit portfolio development



KPI's in 2019

Key Financial KPI-s for management

KPI	2019 Target	2018 Actual
Consolidated Return on Equity	Profit to average shareholder equity 25% (+/- 2%)	31,9%
Cost Income Ratio	Total expenses to total income 45% (+/- 2%)	49,9%
Annual Profit	10,0 EURm (+/- 0,5 EURm) (including sales of Coop Pank shares)	9,3 EURm

Secondary KPI-s for organization

KPI	2019 Target	2018 Actual
Consolidated retail portfolio target	330 EURm (+/- 10 EURm)	217,9 EURm
Estonian portfolio target	130 EURm	99,0 EURm
Latvian portfolio target	32 EURm	19,7 EURm
Polish portfolio target	40 EURm	10,2 EURm
Lithuanian portfolio target	125 EURm	89,0 EURm

Priorities for 2019

Develop new financing solutions to support our partners in various sales channels (multi-channel solution)

Increase the business volumes of the Polish branch and reach monthly breakeven

Opening of a bank branch in Lithuania and introducing banking products in the market

Keep growing of IT development capacity for the purpose of accelerating the product development process



Inbank AS

Niine 11, 10414 Tallinn

info@inbank.ee

+372 640 8080

www.inbank.ee

28 March, 2019