

# Inbank AS

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Pillar 3 disclosure

## 1. Disclosure of own funds requirements

Disclosure according to Regulation (EU) No 1423/2013

As of 31.12.2017

### 1.1. Full reconciliation of own funds items to audited financial statements

Disclosure according to regulation (EU) No 1423/2013 Art 2

<b>Risk-weighted assets</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Credit institutions, standardised approach	2 216	391
Non-financial customers, standardised approach	1 595	3 037
Retail claims, standardised approach	67 499	44 818
Claims past due, standardised approach	1 301	1 095
Other assets, standardised approach	1 494	1 562
<b>Total credit risk and counterparty credit risk</b>	<b>74 105</b>	<b>50 903</b>
Operational risk, basic indicator approach	15 584	9 765
<b>Total risk-weighted assets</b>	<b>89 689</b>	<b>60 668</b>
Capital adequacy (%)	22.24%	25.92%
Regulative capital adequacy (%)	19.86%	24.49%
Tier 1 capital ratio (%)	14.99%	15.20%
Regulative Tier 1 capital ratio (%)	12.75%	13.90%

### 1.2. Capital instruments main features

Disclosure according to Regulation (EU) No 1423/2013 Art 3

As of 31.12.2017

1	Issuer	Inbank AS
2	Unique identifier (eg. CUSIP, ISIN or Bloomberg identifier for private placement)	EE3300110964
3	Governing law(s) of the instrument	Estonian
	<b>Regulatory treatment</b>	
4	Transitional CCR rules	Tier 2
5	Post-transitional CRR rules	Tier 2
6	Eligible at solo/(sub-) consolidated/ solo & (sub-)consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2
8	Amount recognised in regulatory capital (as of most recent reporting date)	6 503 000 EUR
9	Nominal amount of instrument	1 000 EUR
9a	Issue price	1 000 EUR
9b	Redemption price	1 000 EUR
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	28.09.2016
12	Perpetual or dated	Dated
13	Original maturity date	28.09.2026
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	a) any time after 28.09.2021 by notifying at least 30 days in advance b) any time if there is a change in the regulative classification of the Bonds being excluded from the classification as own funds of a credit institution or if there is a significant change in the taxation regime applicable in respect of the Bonds ("Tax/Regulatory call")
16	Subsequent call dates, if applicable	Any time after 28.09.2021 by notifying at least 30 days in advance

<b>Coupons / dividends</b>		
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	7% annually
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially or mandatory (in terms of timing)	No
20b	Fully discretionary, partially or mandatory (in terms of amount)	No
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, features, write down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-down mechanism	N/A
35	Positioning subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Unsubordinated recognised claims
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

### 1.3. Transitional own funds

Disclosure according to Regulation (EU) No 1423/2013 Art 5

	<b>Common Equity Tier 1 capital: instruments and reserves</b>	<b>As of 31.12.2017</b>	<b>(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE</b>	<b>(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013</b>
1	Capital instruments and the related share premium accounts	9 850 366	26 (1), 27, 28, 29	N/A
	of which: Instrument type 1		EBA list 26 (3)	N/A
	of which: Instrument type 2		EBA list 26 (3)	N/A
	of which: Instrument type 3		EBA list 26 (3)	N/A
2	Retained earnings	3 243 226	26 (1) (c)	N/A
3	Accumulated other comprehensive income (and any other reserves)	1 431 037	26 (1)	N/A
3a	Funds for general banking risk		26 (1) (f)	N/A
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		486 (2)	N/A
	Public sector capital injections grandfathered until 1 January 2018		483 (2)	N/A
5	Minority interests (amount allowed in consolidated CET1)		84	N/A

5a	Independently reviewed interim profits net of any foreseeable charge or dividend	7 495 681	26 (2)	N/A
6	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	22 020 310		N/A
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>				
7	Additional value adjustments (negative amount)		34, 105	N/A
8	Intangible assets (net of related tax liability) (negative amount)	-815 628	36 (1) (b), 37	N/A
9	Empty set in the EU			N/A
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38	N/A
11	Fair value reserves related to gains or losses on cash flow hedges		33 (1) (a)	N/A
12	Negative amounts resulting from the calculation of expected loss amounts		36 (1) (d), 40, 159	N/A
13	Any increase in equity that results from securitised assets (negative amount)		32 (1)	N/A
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33 (1) (b)	N/A
15	Defined-benefit pension fund assets (negative amount)		36 (1) (e), 41	N/A
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36 (1) (f), 42	N/A
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36 (1) (g), 44	N/A
18	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-7 763 230	36 (1) (h), 43, 45, 46, 49 (2) (3), 79	N/A
19	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79	N/A
20	Empty set in the EU			N/A
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		36 (1) (k)	N/A
20b	of which: qualifying holdings outside the financial sector (negative amount)		36 (1) (k) (i), 89 to 91	N/A
20c	of which: securitisation positions (negative amount)		36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258	N/A
20d	of which: free deliveries (negative amount)		36 (1) (k) (iii), 379 (3)	N/A
21	Deferred tax assets arising from temporary difference (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 48 (1) (a)	N/A
22	Amount exceeding the 15% threshold (negative amount)		48 (1)	N/A
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36 (1) (i), 48 (1) (b)	N/A
24	Empty set in the EU			N/A
25	of which: deferred tax assets arising from temporary difference		36 (1) (c), 38, 48 (1) (a)	N/A
25a	Losses for the current financial year (negative amount)		36 (1) (a)	N/A

25b	Foreseeable tax charges relating to CET1 items (negative amount)		36 (1) (l)	N/A
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment			N/A
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468			N/A
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR		481	N/A
27	Qualifying AT1 deductions that exceeds the AT1 capital of the institution (negative amount)		36 (1) (j)	N/A
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	-8 578 858		N/A
29	<b>Common Equity Tier 1 (CET1) capital</b>	13 441 452		N/A
<b>Additional Tier 1 (AT1) capital: instruments</b>				
30	Capital instruments and the related share premium accounts		51, 52	N/A
31	of which: classified as equity under applicable accounting standards			N/A
32	of which: classified as liabilities under applicable accounting standards			N/A
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		486 (3)	N/A
	Public sector capital injections grandfathered until 1 January 2018		483 (3)	N/A
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties		85, 86	N/A
35	of which: instruments issued by subsidiaries subject to phase-out		486 (3)	N/A
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>			N/A
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52 (1) (b), 56 (a), 57	N/A
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56 (b), 58	N/A
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		56 (c), 59, 60, 79	N/A
40	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		56 (d), 59, 79	N/A
41	Regulatory adjustments applied to Additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 585/2013 (ie. CRR residual amounts)			N/A
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013		472, 473 (3) (a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	N/A

41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013		477, 477 (3), 477 (4) (a)	N/A
41c	Amounts to be deducted from added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481	N/A
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56 (e)	N/A
43	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>			N/A
44	<b>Additional Tier 1 (AT1) capital</b>			N/A
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	13 441 452		N/A
<b>Tier 2 (T2) capital: instruments and provisions</b>				
46	Capital instruments and the related share premium accounts	6 503 000	62, 63	N/A
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		486 (4)	N/A
	Public sector capital injections grandfathered until 1 January 2018		483 (4)	N/A
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third party		87, 88	N/A
49	of which: instruments issued by subsidiaries subject to phase-out		486 (4)	N/A
50	Credit risk adjustments		62 (c) & (d)	N/A
51	<b>Tier 2 (T2) capital before regulatory adjustment</b>	6 503 000		N/A
<b>Tier 2 (T2) capital: regulatory adjustments</b>				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63 (b) (i), 66 (a), 67	N/A
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institutions designed to inflate artificially the own funds of the institution (negative amount)		66 (b), 68	N/A
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		66 (c), 69, 70, 79	N/A
54a	Of which new holdings not subject to transitional arrangements			N/A
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements			N/A
55	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amounts)		66 (d), 69, 79	N/A
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)			N/A
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013		472, 472 (3) (a), 472 (4), 472 (6), 472 (8), 472 (9), 472 (10) (a), 472 (11) (a)	N/A

56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013		475, 475 (2) (a), 475 (3), 475 (4) (a)	N/A
56c	Amounts to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481	N/A
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>			N/A
58	<b>Tier 2 (T2) capital</b>	6 503 000		N/A
59	<b>Total capital (TC = T1 + T2)</b>	19 944 452		N/A
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)			N/A
	Of which: items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)		472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	N/A
	Of which: items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)		475, 475 (2) (b), 475 (2) (c), 475 (4) (b)	N/A
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)		477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	N/A
60	<b>Total risk-weighted assets</b>	89 689 442		N/A
<b>Capital ratios and buffers</b>				
61	<b>Common Equity Tier 1 (as a percentage of total risk exposure amount)</b>	14.99%	92 (2) (a)	N/A
62	<b>Tier 1 (as a percentage of total risk exposure amount)</b>	14.99%	92 (2) (b)	N/A
63	<b>Total capital (as a percentage of total risk exposure amount)</b>	22.24%	92 (2) (c)	N/A
64	<b>Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total risk exposure amount)</b>	8.00%	CRD 128, 129, 130, 131, 133	N/A
65	<b>of which: capital conservation buffer requirement</b>	2.50%		N/A
66	<b>of which: countercyclical buffer requirement</b>	0.00%		N/A
67	<b>of which: systemic risk buffer requirement</b>	0.82%		N/A
67a	<b>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</b>			N/A
68	<b>Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)</b>	14.99%	CRD 128	N/A
69	[non-relevant in EU regulation]			N/A
70	[non-relevant in EU regulation]			N/A
71	[non-relevant in EU regulation]			N/A

Amounts below the thresholds for deduction (before risk-weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	36 (1) (h), 46, 45, 56 (c), 59, 60, 66 (c), 69, 70	N/A
73	Direct and indirect holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	36 (1) (i), 45, 48	N/A
74	Empty set in the EU		N/A
75	Deferred tax assets arising from temporary difference (amount below 10 % threshold, net of related tax liability where the conditions in Article 38 (3) are met)	36 (1) (c), 38, 48	N/A
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	62	N/A
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	62	N/A
78	Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	62	N/A
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	62	N/A
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase-out arrangements	484 (3), 486 (2) & (5)	N/A
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	484 (3), 486 (2) & (5)	N/A
82	Current cap on AT1 instruments subject to phase-out arrangements	484 (4), 486 (3) & (5)	N/A
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	484 (4), 486 (3) & (5)	N/A
84	Current cap on T2 instruments subject to phase-out arrangements	484 (5), 486 (4) & (5)	N/A
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	484 (5), 486 (4) & (5)	N/A



## 2. CRR leverage ratio

Disclosure according to Regulation (EU) No 2016/200  
As of 31.12.2017

Summary reconciliation of accounting assets and leverage ratio exposures	Applicable Amount
Total assets as per published financial statements	125 981 790
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	0
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429 (13) of Regulation (EU) No 575/2013 "CRR")	0
Adjustments for derivative financial instruments	0
Adjustments for securities financing transactions "SFTs"	0
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	0
(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	0
(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	0
Other adjustments	-8 578 858
<b>Total leverage ratio exposure</b>	<b>117 402 932</b>
Leverage ratio common disclosure	CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)	
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	125 981 790
(Asset amounts deducted in determining Tier 1 capital)	-8 578 858
<b>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (lines 1 and 2)</b>	<b>117 402 932</b>
Derivative exposures	
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	0
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	0
Exposure determined under Original Exposure Method	0
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
(Exempted CCP leg of client-cleared trade exposures)	0
Adjusted effective notional amount of written credit derivatives	0
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
<b>Total derivative exposures (lines 4 to 10)</b>	<b>0</b>
Securities financing transaction exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0
(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
Counterparty credit risk exposure for SFT assets	0
Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	0
Agent transaction exposures	0
(Exempted CCP leg of client-cleared SFT exposure)	0
<b>Total securities financing transaction exposures (lines 12 to 15a)</b>	<b>0</b>
Other off-balance sheet exposures	<b>0</b>
Off-balance sheet exposures at gross notional amount	0
(Adjustments for conversion to credit equivalent amounts)	0
<b>Other off-balance sheet exposures (lines 17 to 18)</b>	<b>0</b>

<b>Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)</b>	<b>0</b>
(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	0
(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	0
<b>Capital and total exposures</b>	
<b>Tier 1 capital</b>	<b>11 664 673</b>
<b>Total leverage ratio exposures (lines 3, 11, 16, 19, EU-19a and EU-19b)</b>	<b>117 402 932</b>
<b>Leverage ratio</b>	
Leverage ratio	11.45%
<b>Choice on transitional arrangements and amount of derecognised fiduciary items</b>	
Choice on transitional arrangements for the definition of the capital measure	fully phased
Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	0
<b>Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)</b>	
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	117 402 932
Trading book exposures	0
Banking book exposures, of which:	117 402 932
Covered bonds	0
Exposures treated as sovereigns	14 767 425
Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	0
Institutions	8 530 338
Secured by mortgages of immovable properties	0
Retail exposures	89 999 095
Corporate	1 595 100
Exposures in default	1 300 708
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	1 210 265

### 3. Countercyclical capital buffer

Disclosure according to Regulation (EU) No 2015/1555  
As of 31.12.2017

#### **Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer**

		General credit exposures		Trading book exposures		Securitisation positions		Own funds requirements					
		Exposure value for SA	Exposure value IRB	Sum of long and short positions of trading book	Value of trading book exposures for internal models	Exposure value for SA	Exposure value IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures	Total	Own funds requirements weights	Counter-cyclical capital buffer rate
010	Break-down by country	010	020	030	040	050	060	070	080	090	100	110	120
	Estonia	57 778 538	n/a	n/a	n/a	n/a	n/a	4 622 283	-	-	4 622 283	0	0
	Latvia	11 084 038	n/a	n/a	n/a	n/a	n/a	886 723	-	-	886 723	0	0
	Poland	5 242 553	n/a	n/a	n/a	n/a	n/a	419 404	-	-	419 404	0	0
020	Total	74 105 129	n/a	n/a	n/a	n/a	n/a	5 928 410	-	-	5 928 410	-	-

#### **Amount of institution-specific countercyclical capital buffer**

Row	Column
	010
010	Total risk exposure amount
020	Institution specific countercyclical buffer rate
030	Institution specific countercyclical buffer requirement
	0%

#### 4. Disclosure on asset encumbrance

Disclosure according to Guidelines (EBA) EBA/GL/2014/03

##### Template A-Assets

	<i>Carrying amount of encumbered assets</i>	<i>Fair value of encumbered assets</i>	<i>Carrying amount of unencumbered assets</i>	<i>Fair value of unencumbered assets</i>
	010	040	060	090
<b>010 Assets of the reporting institution</b>	n/a		125 981 790	
030 Equity instruments				
040 Debt securities				
120 Other assets			125 981 790	

##### Template B-Colleateral received

	<i>Fair value of encumbered collateral received or own debt securities issued</i>	<i>Fair value of collateral received or own debt securities issued available for encumbrance</i>
	010	040
<b>130 Collateral received by the reporting institution</b>	n/a	41 994 585
150 Equity instruments		
160 Debt securities		
230 Other collateral received		41 994 585
<b>240 Own debt securities issued other than own covered bonds or ABSs</b>	n/a	n/a

##### Template C-Encumbered assets/collateral received and associated liabilities

	<i>Matching liabilities, contingent liabilities or securities lent</i>	<i>Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered</i>
	010	030
<b>010 Carrying amount of selected financial liabilities</b>	n/a	41 994 585

##### D - Information on importance of encumbrance

n/a

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## 5. Liquidity coverage ratio

Disclosure according to Guidelines (EBA) EBA/GL/2017/01

At 31 December 2017

### 5.1 Quantitative information of LCR liquidity coverage ratio

LIQUIDITY BUFFER	14 069 632
TOTAL NET CASH OUTFLOWS	1 326 583
LIQUIDITY COVERAGE RATIO (%)	1 061%

### 5.2 Table EU LIQA on liquidity risk management

Disclosure according to Guidelines (EBA) EBA/GL/2017/01 annex 1

<b>Purpose:</b>	disclose risk management objectives and policies for liquidity risk
<b>Scope of application:</b>	the table is mandatory for credit institutions referred to in paragraph 7 of these guidelines
<b>Content:</b>	qualitative and quantitative information
<b>Frequency:</b>	at least annual
<b>Format:</b>	flexible

<b>Strategies and processes in the management of the liquidity risk</b>	The purpose of the Risk Appetite Statement (approved by the Supervisory Board) is to establish and communicate maximum level and types of risk (including liquidity risk) the Group is willing to assume, within its risk capacity, to achieve its strategic objectives.
	Risk appetite statement translates the Group strategy into measurable targets and thresholds across material risk categories (including liquidity risk) to ensure that any deviations from the strategic, business and risk objectives are picked up and acted upon.
	The purpose of Liquidity Risk Policy (approved by the Supervisory Board) is to establish liquidity risk management principles, framework and accountability to ensure the capability adequately assess and manage liquidity and funding risk as part of general risk management framework within the Inbank AS and its consolidated entities.
	The purpose of the Liquidity Risk Procedure (approved by the Management Board) is to specify general principles set by the Liquidity Risk Policy, for identification, assessment, management and monitoring of liquidity risk within Inbank AS and its consolidated entities.
<b>Structure and organisation of the liquidity risk management function (authority, statute, other arrangements)</b>	The Group's liquidity and funding management and control has three levels. The first level (CFO, Treasurer) has primary responsibility for liquidity and funding risk identification, management, monitoring and reporting throughout the Group.
	The second level (risk management function) is responsible for upholding principles and framework and ensuring independent monitoring.
	The third level of assurance is provided by the Internal Audit.
	General strategy, risk appetite, general requirements, authorities and limits shall be approved by the Supervisory Board.
	Based on the Liquidity Risk Policy the Management Board shall design appropriate liquidity and funding management framework and procedures. Management Board shall regularly oversee liquidity risk exposure and liquidity risk interdependence with other risk categories.
	Management Board shall perform ALCO functions of the Group.
Management of the Group's liquidity and funding is centralised on the group level. Funding of the subsidiaries and branches shall be provided on the group level.	

**Scope and nature of liquidity risk reporting and measurement systems**

General requirements for liquidity risk reporting and measurement systems are established by Liquidity Risk Policy according to regulatory requirements and the Group needs. Liquidity policy establishes requirements for content and frequency of reporting (ad hoc, daily, weekly, monthly, quarterly). The policy also establishes mandatory addressees of reporting.

General requirements for liquidity risk measurement are set by Liquidity policy and specified by other liquidity risk internal regulations. Measurement systems include requirements and limits for high liquid assets quality and structure, risk indicators and measures for funding risk measurement.

**Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants**

Important components of the Group liquidity risk appetite are:

- conservative and highly liquid liquidity reserves;
- optimising the liquidity structure of the balance sheet to ensure less liquid assets are matched with stable funding;
- to keep survival horizon to ensure the Group has sufficient liquidity to withstand a severely stressed scenario;
- contingency planning, which defines the actions and sources to be taken should the Group encounter a liquidity shortfall in stressed emergency situation.
- regular stress testing to ensure that liquid reserves are sufficient.
- The target risk appetite for any other risk, that may seriously affect the Group liquidity position shall be avoided.

Important components of the Group funding risk appetite are:

- primary source of funding are retail deposits;
- appropriate maturity structure of funding;
- very well diversified funding portfolio;
- concentrations by customers, maturities etc shall be avoided;
- diversification of funding sources by countries and channels;
- flexible and attractive funding strategy, pricing above market average;
- balanced growth of funding and lending portfolios.

The Group funding risk appetite is cautious - safe solutions and rather larger funding reserves are preferred.

**A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy**

Based on assessment made by the Management Board of Inbank liquidity risk management and risk management systems are sufficient and appropriate taking into account the Group risk profile and strategy.

**A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body**

Liquidity risk is inherent in basic banking activities such as accepting deposits and providing loans.

The transformation of deposits into loans exposes bank to maturity mismatches that is part of business and cannot be eliminated.

Liquidity risk is managed by holding sufficient liquidity reserves to meet its obligations, follow its strategies and regulatory obligations even in stressed situations.

Liquidity risk is one of most significant risks for the Group. The Group shall maintain low and conservative risk appetite for liquidity perspective.

The Group shall maintain all the time strong liquidity position and sufficient, rather larger liquidity reserves. The liquidity strength is one of the first priorities of the Group. Liquidity risk appetite must be based on conservative assumptions.

The main objective of the Group's funding risk appetite is to ensure sufficient and stable funding of the Group lending activities. Secondary objective of the funding management is optimisation of the costs, size and composition of external resources involved, but cost effectiveness and cost-competitiveness shall never override sufficient, stable and conservative funding requirements.

Key ratios and figures of liquidity risk are provided on annual report note 3 "Risk management".

Based on assessment made by the Management Board as of 31.12.2017 the Group liquidity risk actual risk profile is in accordance with the risk appetite set by the Supervisory Board.

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