

Capital Adequacy Report

31 March 2020

This information is presented on a quarterly basis in conjunction with the publication of Inbank's Interim Report on Inbank's website (www.inbank.ee). 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 Inbank AS and for the consolidated situation as of March 31, 2020, including the comparative period.

The following tables illustrate the composition of Inbank's regulatory 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

<i>In thousands of euros</i>	31.03.2020	31.12.2019
Common Equity Tier 1: instruments and reserves		
Capital instruments and the related share premium accounts	16 811	16 811
<i>of which: share capital</i>	903	903
Retained earnings	28 955	25 514
Accumulated other comprehensive income (and other reserves)	1 491	1 551
Common Equity Tier 1 (CET1) capital before regulatory adjustments	47 257	43 876
Common Equity Tier 1: regulatory adjustments		
Intangible assets	-12 886	-11 721
Adjustments due to IFRS 9 transitional arrangements	4 737	4 354
Additional value adjustments	0	-60
Total regulatory adjustments to Common Equity Tier 1 capital	-8 149	-7 427
Common Equity Tier 1 (CET1) capital	39 108	36 449
Tier 1 capital		
Additional Tier 1 (AT1) capital	3 150	3 150
Tier 1 capital (T1 = CET1 + AT1)	42 258	39 599
Total capital		
Tier 2 (T2) capital	14 503	14 503
Total capital (TC = T1 + T2)	56 761	54 102
Total risk exposure amount	329 325	318 541
Capital ratios and buffers		
Common Equity Tier 1 (as a percentage of total risk exposure amount)	11,88%	11,44%
Tier 1 (as a percentage of total risk exposure amount)	12,83%	12,43%
Total capital (as a percentage of total risk exposure amount)	17,24%	16,98%
Institution-specific buffer requirement (as a percentage of total risk exposure amount)	3,23%	3,23%
<i>of which: capital conservation buffer requirement</i>	2,50%	2,50%
<i>of which: countercyclical buffer requirement</i>	0,29%	0,29%
<i>of which: systemic risk buffer</i>	0,44%	0,44%
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7,38%	6,94%

Risk exposure amount and capital requirement

<i>In thousands of euros</i>	31.03.2020	31.12.2019
Risk exposure amount		
Credit risk according to standardised method	289 239	278 455
Market risk according to standardised method	0	0
Operational risk according to basic indicator approach	40 086	40 086
Total risk exposure amount	329 325	318 541
Exposure amount for credit risk according to standardised method		
Institutional exposure	4 925	4 471
Corporate exposure	8 459	6 466
Retail exposure	252 116	245 451
Exposures in default	5 385	3 968
Items associated with particular high risk	0	0
Equity exposure	8 292	8 039
Other items	10 062	10 060
Total credit risk according to standardised method	289 239	278 455
Market risk exposure amounts according to standardised method		
Foreign exchange risk	0	0
Total market risk according to standardised method	0	0
Minimum capital requirement		
Credit risk according to standardised method	23 139	22 276
Market risk according to standardised method	0	0
Operational risk according to basic indicator approach	3 207	3 207
Total minimum capital requirement	26 346	25 483
Leverage ratio		
Tier 1 capital	42 258	39 598
Total leverage ratio exposure	436 009	443 107
Leverage ratio	9,69%	8,94%