



Instabank

Investor presentation – 10 February 2017

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Today's agenda

1

Instabank

A digital bank with high ambitions

2

Q4 update

Strong trading

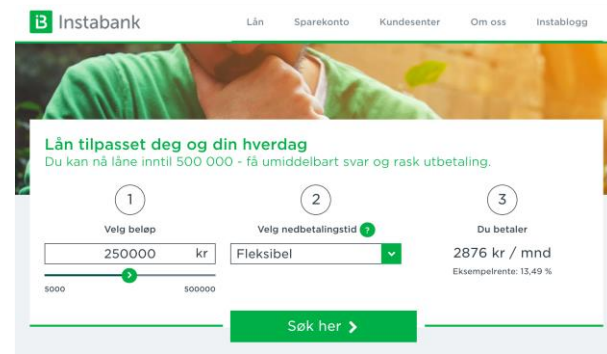
3

Outlook and strategic priorities

Continued focus on high quality growth

Key figures YTD Q4-2016

- 1 Quarterly growth in net loans of **NOK 188 million**
- 2 Outstanding net loans of **NOK 190 million**
- 3 Customer deposits of **NOK 278 million**
- 4 Total income of **NOK 6 million**
- 5 Net loss after tax of **NOK 17 million**
- 6 Total equity of **NOK 237 million**
- 7 Operating expenses & loan losses **developing as planned**



The screenshot shows the Instabank website's loan application interface. At the top, the navigation bar includes the Instabank logo and links for 'Lån', 'Sparekonto', 'Kundesenter', 'Om oss', and 'Instablogg'. The main heading is 'Lån tilpasset deg og din hverdag' (Loans tailored to you and your everyday life), followed by the subtext 'Du kan nå låne inntil 500 000 - få umiddelbart svar og rask utbetaling.' (You can now borrow up to 500,000 - get an immediate answer and fast disbursement). The form is divided into three numbered steps: 1. 'Velg beløp' (Choose amount) with a slider set to 250,000 kr; 2. 'Velg nedbetalingstid' (Choose repayment period) with a dropdown menu set to 'Fleksibel' (Flexible); 3. 'Du betaler' (You pay) showing '2876 kr / mnd' (2876 kr / month) and an example interest rate of 'Eksempelrente: 13,49 %'. A green 'Søk her >' (Search here >) button is at the bottom.



A digital bank with high ambitions

Nyskapende
“Innovative”

Åpen
“Open”

Kompetent
“Competent”

“Vi tenker ikke som en bank. Vi tenker som deg.”

Fin-tech focus:

- *Identify stages of the value chain where Instabank can add value*
- *By removing barriers and simplifying processes*



Key highlights & developments Q4-16



Launch campaign — «*når du er klar, er vi her*»



Distribution further strengthened



Continued high **loan growth**



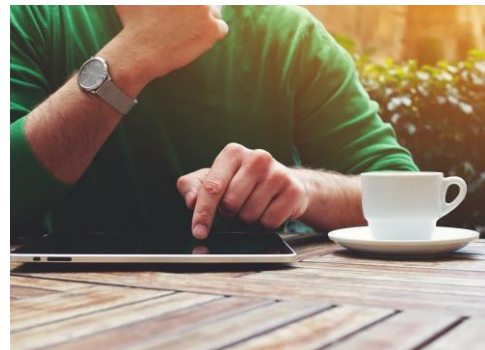
Well **balanced credit risk** management



Disciplined **cost control**



Well on track to **profitability** in 2017



11/11/2016

**VM Skiskyting Hochfilzen: 8-19 February**

V-cup Skiskyting Holmenkollen: 2-19 March

- VO: “Instabank - digitalbank for lån og sparing”
- 76% of the 35-55 year target group saw Holmenkollen V-cup (2016)
- Estimated number of views: 32 million



Distribution further strengthened

Indirect

Lendo



aconto

**COMPARE
KING.no**

online24

**Zmarta
GROUP**



Eminentor
For bedre råd

stk FINANS



Telefinans

Partners

- Joint projects, activities and new projects
- On-going discussions to further expand network

60%

Direct

Instabank.no

07:00-22:00 call center

Targeted campaigns



Potential partners

- “Local” retail partners close to the customer
- Actively considering wider reaching partnerships

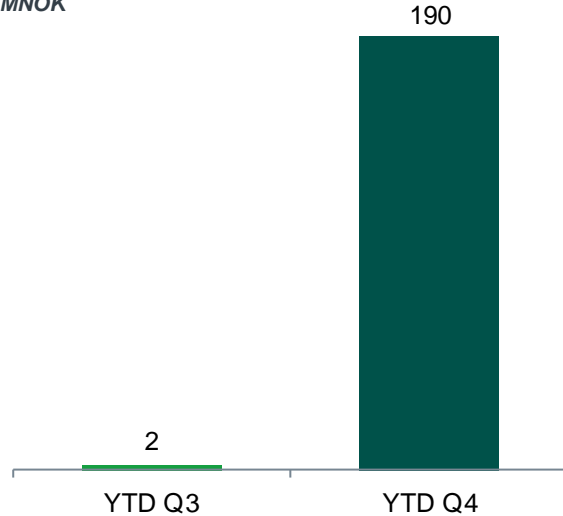
40%

iB Instabank

Continued high loan growth

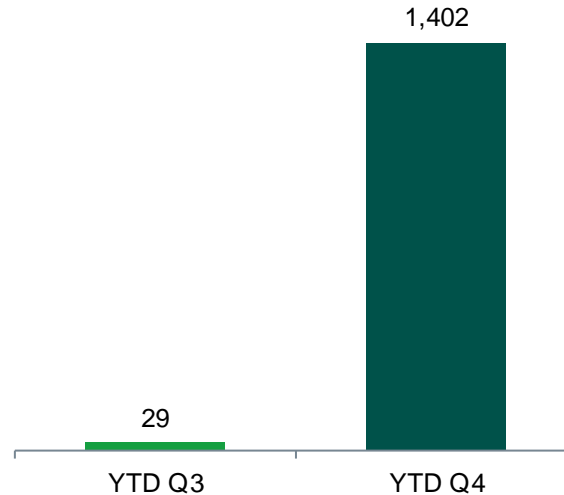
Net loans to customers

MNOK



Number of customers

#

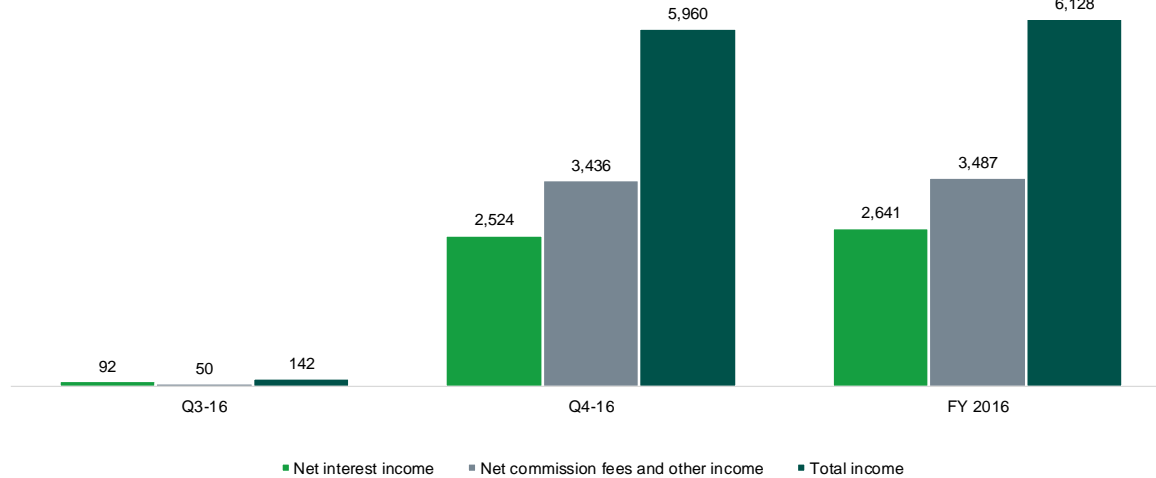


Key comments

- Limited marketing through initial start up phase, in order to ensure satisfactory score results
- Launch campaign initiated on 28 October with successful results
- Current run rate ahead of plan

Income development

NOK '000



Yield net loan
to customers

13.6 %

Interest rate
on deposits

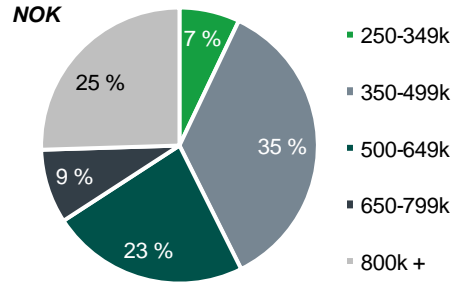
1.9%

Yield on
liquidity balance

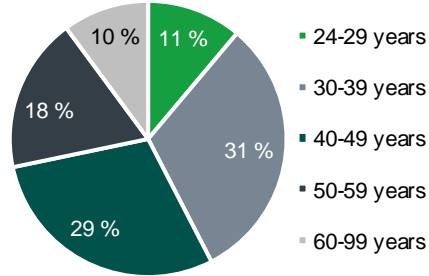
1.1%

Well balanced credit risk management

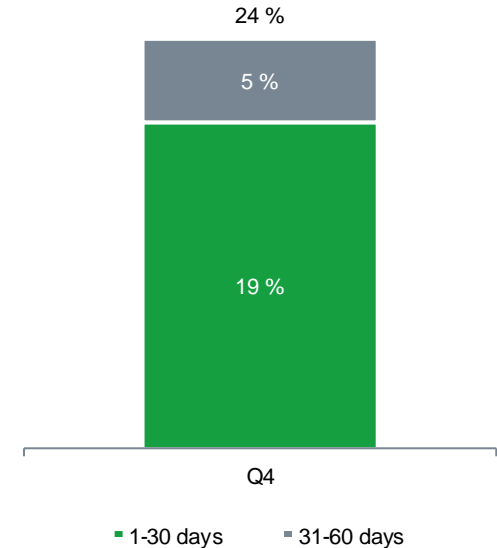
Income



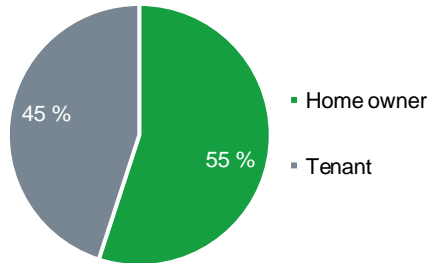
Age



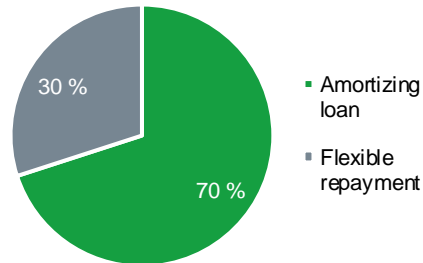
Past due days at end of quarter



Housing



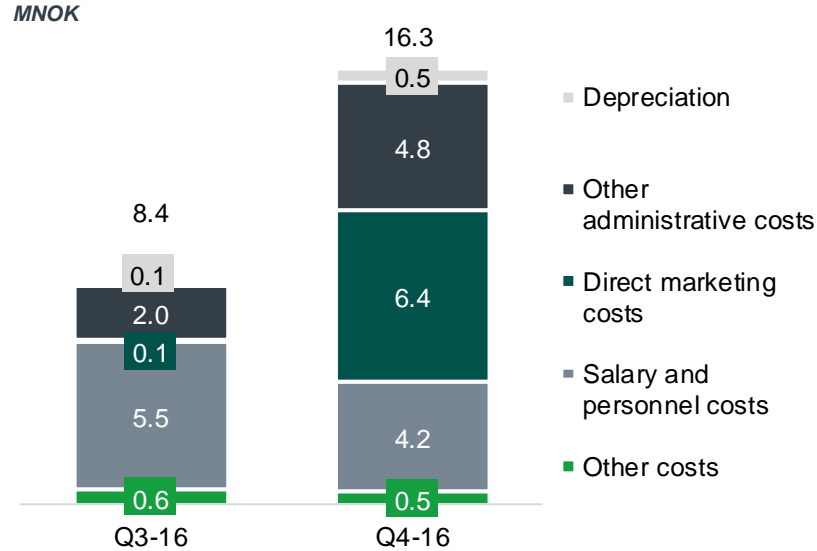
Consumer loans



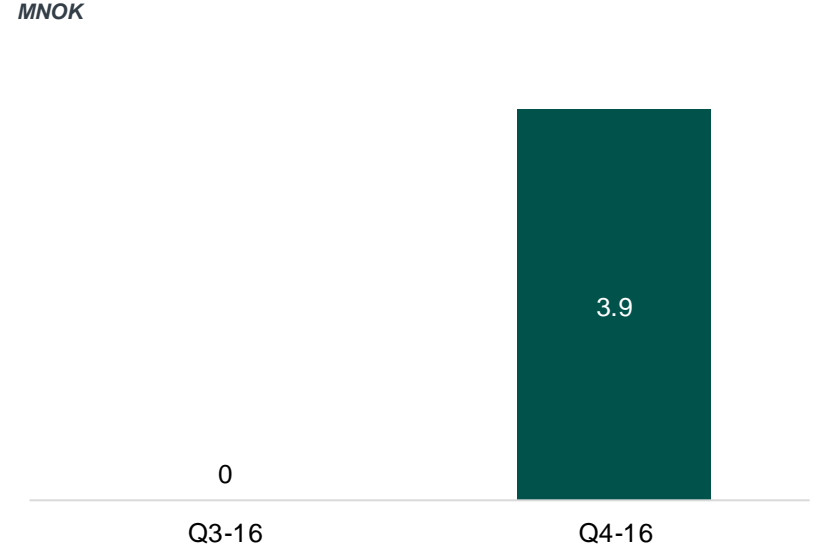
Note: All figures as of 31 December 2016

Disciplined cost control

Operating expenses by category



Impairment losses¹

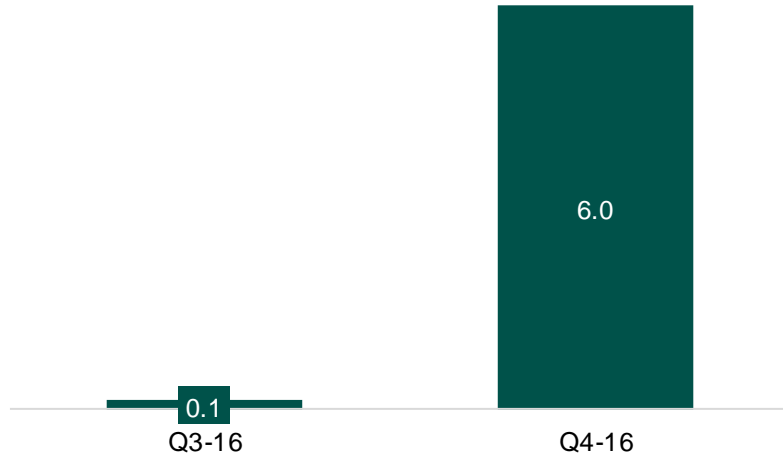


Note 1: Loan losses represents mainly provisions as actual losses are negligible

Well on track to profitability in 2017

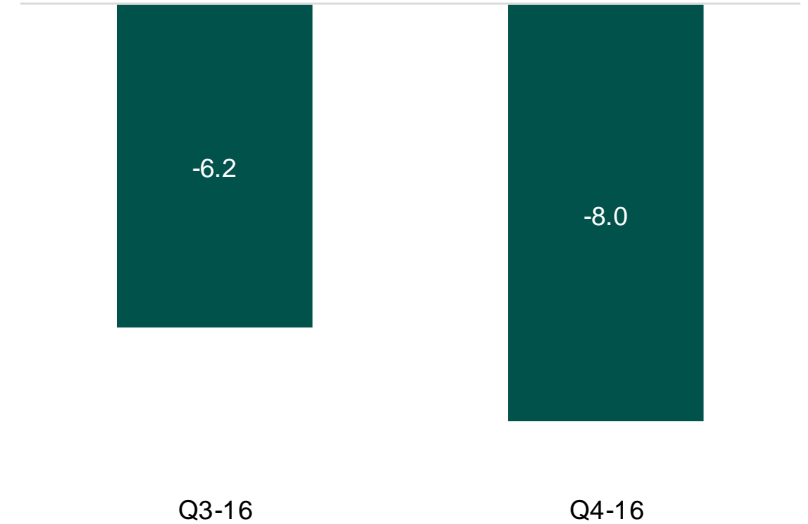
Total income

MNOK



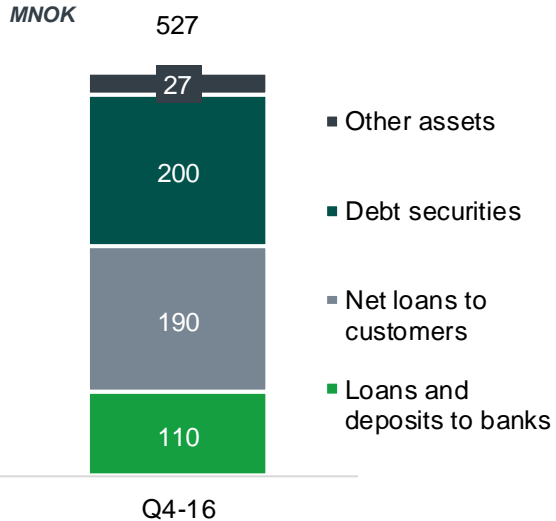
Net loss after tax

MNOK

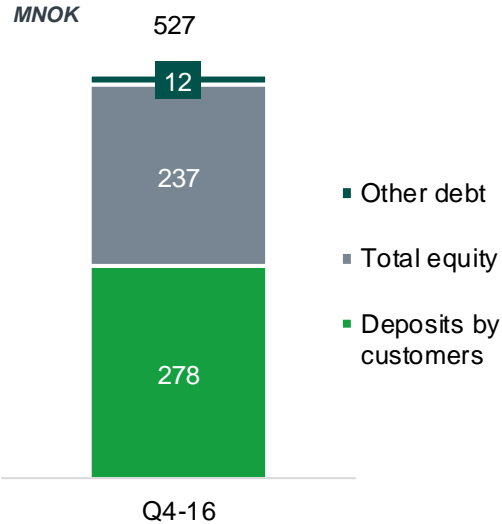


Balance sheet structure

Assets



Liabilities and equity



Deposits to
net loans

143%

LCR

1,365%

CET1

68%

Financial summary since start of operations

P&L (NOK '000)

Items	Q3-16	Q4-16	FY 2016
Operating income			
Interest income	103	3,018	3,147
Interest expenses	11	495	505
Net interest income	92	2,524	2,641
Net commission fees and other income	50	3,436	3,487
Total income	142	5,960	6,128
Operating expenses			
Salary and other personnel costs	5,528	4,157	12,368
Administrative expenses	2,089	11,179	14,831
Depreciation	137	477	624
Other costs	596	477	1,240
Total opex	8,350	16,290	29,062
Loan losses	0	3,852	3,852
Profit before tax	(8,208)	(14,182)	(26,787)
Tax	(2,052)	(6,229)	(9,380)
Profit after tax	(6,156)	(7,953)	(17,407)

Balance sheet (NOK '000)

Items	Q3-16	Q4-16
Assets		
Loans and deposits with Central Bank	0	0
Loans and deposits with Credit Institutions	142,595	109,542
Loans to customers	2,247	190,310
Certificates and Bonds	0	0
Debt securities	100,000	199,817
Deferred tax assets	3,151	9,380
Other intangible assets	6,394	8,791
Fixed assets	1,303	1,309
Prepaid agent commissions	104	5,946
Other prepayments	94	1,810
Total assets	255,888	526,905
Liabilities		
Deposits from and debt to customers	1,215	277,802
Other debt	6,218	7,360
Deferred revenue	0	0
Deposits for accrued expenses and liabilities	3,642	4,884
Taxes payable	0	0
Subordinated debt	0	0
Total liabilities	11,076	290,046
Equity		
Share capital	254,266	254,266
Retained earnings	(9,453)	(17,407)
Total equity	244,813	236,859
Total liabilities and equity	255,888	526,905

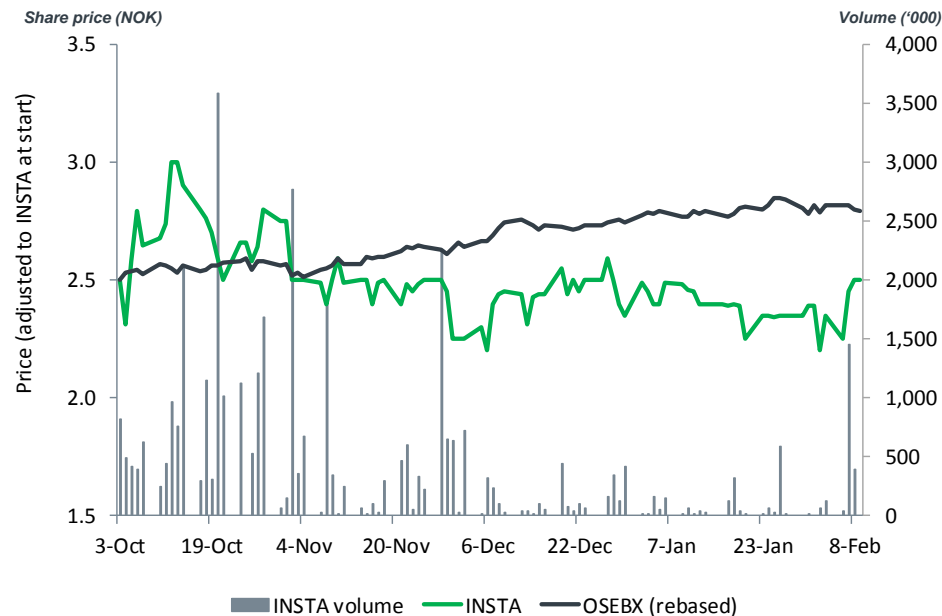
Share price and ownership

Top 20 shareholders as of 06.02.2017

#	Shareholders	# of shares	%
1	Hodne Holding As	13,148,668	7.1%
2	Velde Holding As	11,500,000	6.2%
3	Kjb Holding As	10,362,021	5.6%
4	T Sandvik As	8,640,394	4.7%
5	Leikvollbakken As	8,500,000	4.6%
6	Moroand As	8,500,000	4.6%
7	Apollo Asset Limited	8,000,000	4.3%
8	Kristian Falnes As	8,000,000	4.3%
9	Alto Holding As	6,550,000	3.5%
10	Sonsinvest As	5,000,000	2.7%
11	Leirin Holding As	4,333,333	2.3%
12	Haugen Nichola Helen	3,666,667	2.0%
13	Hava Financials As	3,047,678	1.6%
14	Cahe Finans As	3,000,000	1.6%
15	Enzian As	3,000,000	1.6%
16	Likholmen Invest As	3,000,000	1.6%
17	Venadis As	3,000,000	1.6%
18	Grimstad Lill Anita Skålbones	2,000,000	1.1%
19	Hushovd Thor	2,000,000	1.1%
20	Hanasand Anders	1,893,130	1.0%
Sum Top20		117,141,891	63.3%
Other shareholders		67,858,109	36.7%
Total		185,000,000	100.0%

Position	Name	# of shares	% of total
CEO	Robert Berg (Sonsinvest AS)	5,000,000	2.7 %
CFO	Gard Haugen (Likholmen Invest AS)	4,700,000	2.5 %
CRO	Eivind Sverdrup (Leirin Holding AS)	4,333,333	2.3 %
CMO	Lauren Pedersen	1,200,000	0.6 %
CTO	Farzad Jalili	666,667	0.4 %
COO	Egil Botnen	500,000	0.3 %
Sum mgmt		16,400,000	8.9 %
Other employees		1,303,934	0.7 %
Total		17,703,934	9.6 %

Share price development since OTC listing in October





Current strategic priorities

- I Distribution
- II Insight
- III Process / stability
- IV Customer Communication / CRM
- V Innovation
- VI Focus on results

Near term outlook

- ✓ Continued growth in the market for unsecured lending in Norway
- ✓ Strengthening & building the Instabank brand
- ✓ Loan growth well ahead of plan – likely to exceed NOK 900 million in net loans by end of 2017
- ✓ Well on track to reach profitability in 2017
- ✓ New unsecured lending products to be launched
- ✓ New payment/sales finance products to be launched



Thank You