



Investor Presentation | Issuance of up to NOK [65]m Tier 1 and Tier 2 capital | 19 March 2018

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Important information | Disclaimer (I)



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Important information | Risk factors (I)



INTRODUCTION

Investing in Instabank involves inherent risks. Prospective investors should consider, among other things, the risk factors set out below before making an investment decision. The risks described below are not the only ones facing the Bank. Additional risks not presently known to the Bank or that the Bank currently deems immaterial, may also impair the Bank's business operations and adversely affect the price of the Bank's Bonds.

A prospective investors should consider carefully the factors set forth below, and elsewhere in the Presentation, and should consult his or her own expert advisors as to the suitability of an investment in the bonds. An investment in the Bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

All forward-looking statements included in this document are based on information available to the bank on the date hereof, and the Bank assumes no obligation to update any such forward-looking statements. Forward-looking statements will however be updated if required by applicable law or regulation. Investors are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Factors that could cause or contribute to such differences include, but are not limited to, those described in this Presentation.

The order in which the risks are presented is not intended to provide an indication of the likelihood of their occurrence nor their severity or significance.

MARKET RISK

Risks related to market reception

The Bank intends to take a position in the Norwegian market as a niche bank challenging traditional banking solutions. There can be no assurance that the Bank will be able to fulfill its business ambition as forecasted. Such development may have a material adverse effect on the Bank's business, financial condition, results of operations and/or prospects.

Market cyclicality and economic conditions

The Bank is directly and indirectly subject to the inherent risks arising from general economic conditions in the Nordic region, other economies which impact the Nordic economy and the state of the Nordic and global financial markets both generally and as they specifically affect financial institutions.

If the Norwegian economy weakens, if unemployment increases or if financial markets exhibit uncertainty and/or volatility, this could result in a negative impact on consumers' disposable income, confidence, spending and/or demand for credit, as well as on the Norwegian national and/or regional housing markets, which could in turn have a material adverse impact on the Bank's business, financial condition, results of operations and/or prospects.

Risks related to competitive markets

The Bank faces competition from both domestic and international banks and other suppliers of credit. A number of niche banks have started up in recent years and the competitive landscape may continue to change. Increased competition may lead to competition for customers and/or lower net margins. If the Bank is unable to compete efficiently, its competitive position may be adversely affected, which as a result, may have a material adverse effect on its business, financial condition, results of operations and/or prospects.

OPERATIONAL RISK

Lack of operating history

The Bank has a limited operating history and there is limited historical financial information and operational data available for the Bank's business. Although the Bank's management has considerable relevant experience from the financial sector, there are risks associated with the Bank's ability to implement its business strategy within the projected scope, timeframe and cost level.

Risk of failure or inadequacy in IT systems

The Bank relies heavily on the uninterrupted operation of its IT systems for the efficient running of its business and operations, and, in particular in order to offer customers an online bank with 24 hours availability. The Bank relies on certain financial infrastructure services that are widely used in the Norwegian financial services market to process payments and transactions. In addition, the Bank depends on a few third party providers for the supply of important IT services. The Bank's ability to conduct its business may be adversely affected by a disruption in the infrastructure that supports the business of the Bank.

Risks related to reliance on third party suppliers

The Bank outsources certain key functions to external partners, including, but not limited to, IT infrastructure and provision of scoring models and data. In the event that such outsourcing becomes unsatisfactory, or the Bank's third party suppliers are unable to fulfill their obligations, the Bank may be unable to locate new outsourcing partners on economically attractive terms.

Inability to maintain sufficient insurance to cover all risks related to its operations

Although the Bank seeks to maintain insurance or contractual coverage to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with the Bank's operations, which could have a material and adverse effect on the Bank's business, financial condition, results of operations and/or prospects.

Risks related to reliance on agents and distributors

The Bank relies on certain agents and distributors for the sale of its products. If the Bank is unable to maintain its agreements with such agents and distributors, this may have a material adverse effect on its business, financial condition, results of operations and/or prospects.

Risks related to automated procedures and digitalisation of loan documents

The Bank offers its loan products through its digital platform. The loan applications are mainly determined automatically based on the input from the potential lender and third party verifications and based on predetermined financial/scoring models. There are inherent risks associated with online processing of loan applications and reliance on criteria where the information is provided by the potential lenders and external scoring models without personal contact. The Bank is exposed to risks relating to the accuracy and completeness of its financial/scoring models on which the automated credit decision is based, as well as risks relating to the reliability of the input provided by the customer.



Risks related to cyber-attacks and security breaches that could harm the Bank's business and standing with its customers

The protection of the Bank's customer data, and its customers' trust in the Bank's ability to protect such information, is of key importance to the Bank. The Bank relies in part on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential customer information, such as personal identifiable information, personal financial information, payment card data, account transcripts and loan and security data. Despite the security measures in place, the Bank's facilities and systems, and those of its third party service providers, may be vulnerable to cyber-attacks, security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors or other similar events.

Risks related to money laundering activities and identity fraud

In general, the risk that banks will be subjected to or used for money laundering and identity fraud has increased worldwide. In particular, as a pure digital bank, the Bank relies on third-party providers to perform identity checks of new customers. Any violation of anti-money laundering rules, or even the suggestion of violations, may have severe legal and reputational consequences for the Bank and may, as a result, adversely affect the Bank's business and/or prospects. Similarly, fraudulent use of online-identities may adversely affect the reputation and business of the Bank.

Dependency on management and key employees

The Bank bases much of its business development on challenging traditional banking solutions and is to a significant extent dependent upon key individuals that have obtained necessary and relevant experience. The Bank may be unable to replace such individuals if and when needed on short notice and the loss of the services of management personnel or other key employees could therefore have a material adverse impact on the financial condition and prospects of the Bank. The Bank has established incentive programs designed to motivate employees for a long-term relationship with the bank to reduce the risk of losing personnel.

The Bank is exposed to potential litigation, claims and compliance risks

The Bank may in the future become involved in various disputes and legal, administrative and governmental proceedings in Norway and other jurisdictions that potentially could expose the Bank to losses and liabilities.

FINANCIAL RISK

Credit risk

Credit risk is the risk of loan losses. The Bank will grant unsecured loans, credit cards and sales finance to private individuals and risk selection based on financial/scoring models and input provided by the customer will be one of the most important business processes for the Bank. The risk of losses tends to be correlated with the development in macroeconomic factors. Increased unemployment rates will generally result in increased loan losses. In an environment with increasing interest rates, loan losses will most likely increase.

Liquidity and funding risk

If the Bank should experience difficulties in attracting sufficient customer deposits and funding from the market to match the loan growth, the Bank may have to reduce its loan growth or increase interest rates for deposits, and this may result in a slower business growth and/or weaker earnings.

Deposits from the public can be withdrawn quickly in a stressed situation and in the case of turbulence in the capital markets and/or if the Bank develops significantly weaker than expected in terms of profitability and loan losses, the funding risk can be significant.

Market and interest rate risk

Interest rate risk is the risk of losses due to changes in the general interest rate level. The Bank's lending and deposits will predominantly be with floating interest rate. If the conditions in the capital market should become abnormal and/or if the Bank develops much weaker than expected in terms of profitability and loan losses, the risk of losses can become substantial from the fact that funding costs increases more than is realistic to pass on to the borrowers.

Risk that capital in the future may not be available on attractive terms or at all

It cannot be ruled out that the Bank may need to obtain additional capital in the future. Such capital, whether in the form of subordinated debt, hybrid capital or additional equity, may not be available on attractive terms, or at all. Further, any such development may expose the Bank to additional costs and liabilities and require it to change the manner in which it conducts its business or otherwise have a material adverse effect on the Bank's financial position, results of operations and/or prospects.

Systemic risk

The Bank is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial institutions. Concerns about, or a default by, one institution could lead to significant liquidity constraints, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Systemic risk could have a material adverse effect on the Bank's ability to secure new funding.

REGULATORY RISK

Risks related to changes in banking and financial services regulations and changes in the interpretation and operation of such regulations

The Bank is subject to financial services laws, regulations, administrative actions and policies in Norway. Changes in supervision and regulation in Norway and in the European Union ("EU") the European Economic Area ("EEA"), could materially affect the Bank's business, the products and services offered or the value of its assets. Future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Bank.

Areas where changes or developments in regulation and/or oversight could have a material adverse impact include, but are not limited to (i) changes in monetary, interest rate and other policies, (ii) general changes in government and regulatory policies or regimes which may significantly influence investor decisions or increase the costs of doing business in Norway, (iii) changes in competition and pricing environments, (iv) differentiation among financial enterprises with respect to the extension of guarantees to bank deposits and borrowings from customers and the terms attaching to such guarantees, (v) increased financial reporting requirements and (vi) changes in regulations affecting the Bank's current structure of operations. Financial regulators responding to future crisis or other concerns may adopt new or additional regulations, imposing restrictions or limitations on bank's operations, including, but not limited to, increased capital requirements, disclosure and/or reporting standards or restrictions on certain types of transaction structures.

The bank is also subject to laws and regulations concerning marketing activities directed towards consumers. Any changes in laws and regulations concerning consumer financing and or marketing activities towards consumers could have a negative effect on the Bank's business operations. Future changes in the Norwegian Financial Supervisory Authority's (the Norwegian "FSA") or other governmental agencies' interpretation or operation of existing legislation or regulation can be unpredictable and are beyond the control of the Bank.



Risks related to the future regulation of payment services

In 2015, the EU passed Directive 2015/2366 on payment services ("PSDII") which repeals the previous payment services directive ("PSD"). PSDII may lead to increased competition between banks and other payment services providers as the directive requires banks to reformulate their approach to providing secure data access to third parties, and thus it increases the competition between payment service providers because more payment service providers are given access to customers' account information, including funds available. As of this date, it is unclear when the PSDII will be implemented in Norway.

Risks related to changes in tax or VAT laws or regulations

The Bank is subject to Norwegian laws and regulations regarding tax and VAT. Future actions by the Norwegian government to change the tax laws or regulations, to increase tax rates or to impose additional taxes or duties, might reduce the Bank's profitability. A specific financial tax for companies within the financial sector was introduced in Norway with effect from 1 January 2017 as a substitute for Value Added Tax (VAT) as most financial services are exempt from VAT. The financial tax consists of a separate 5% tax on wage costs and a corporate tax rate of 25% on the excess value from the provision of financial services (instead of the standard corporate tax rate of 23 %).

There can be no assurance that any future change in tax or VAT legislation or the interpretation of tax and VAT legislation will not have a retroactive effect. Any such event might have a material adverse effect on the Bank's business, financial situation, results of operations, liquidity and/or prospects.

The Bank is subject to regulator capital adequacy requirements and an increased level of expected risk or changes in the requirements as such could lead to an increase in its capital adequacy requirements

The capital level and capital adequacy ratios of the Bank are calculated as a percentage of the sum of (i) credit risk based on risk-weighted assets, (ii) market risk and (iii) operational risk, in accordance with applicable regulatory requirements. Negative developments, such as increased volatility, widening spreads and increased interest rates could lead to a reduction in the Bank's capital adequacy. A perceived or actual shortage of capital could have a material adverse effect on the Bank's business. The Bank may also be subject to further increases in regulatory capital and liquidity requirements as well as other regulatory requirements and constraints concerning increased capital adequacy and loan loss provision requirements.

The implementation of BRRD may impact the debt funding for the Bank

It is expected that the implementation of the EU Banking Recovery and Resolutions Directive ("BRRD") will impact the debt funding for banks and lead to added regulatory requirements for banks. BRRD requires banks to draw up recovery and resolution plans to be scrutinized by regulators, and introduces inter alia the bail-in tool where after the regulators can affect a write-off of unsecured debt or conversion into equity in a financial distress scenario. It is expected that BRRD will increase cost of unsecured bank debt, in particular as compared to secured debt exempted from bail-in. Consequently, under BRRD, any perceived uncertainty regarding a bank's financial position may significantly limit its access to debt funding.

The Bank relies on the possibility to initiate effected measures for debt recovery

The Bank is highly dependent on the possibility to initiate effective measures to recover debt from customers, which is subject to the procedures set forth in the Act on debt collection and other recovery of overdue pecuniary claims of 13 May 1988 no. 26. Any future changes in the Act on debt collection its adherent regulations or changes in other laws and regulations which impeded the Bank's ability to recover debt may have an adverse material effect on the Bank's operations and/or overall financial condition.

The Bank is subject to Norwegian provisions on ownership control

Pursuant to the Norwegian Financial Institutions Act, acquisition of qualifying holdings in a financial institution is subject to prior approval by the Norwegian Ministry of Finance or the Norwegian FSA. A qualifying holding is a holding that represents 10% or more of the capital or voting rights in a financial institution or allows for the exercise of significant influence on the management of the institution and its business. Approval may only be granted if the acquirer is considered appropriate according to specific non-discriminatory tests described in the Norwegian Financial Institutions Act (the so-called fit and proper test).

Any person intending to acquire 10% or more of the capital or voting rights of the Bank, must be explicitly approved by Finanstilsynet, as the Norwegian regulator, and/or the Norwegian Ministry of Finance, as applicable before the transaction can be carried through. Such persons run a risk that their application for approval is denied or that Norwegian authorities impose unfavorable conditions related to an approval.

New guidelines on consumer credit

The Norwegian FSA has in Circular no. 5/2017 adopted guidelines for financial institutions' treatment of consumer loans which will apply from fourth quarter of 2017, setting out inter alia that consumer loans should not have a term exceeding five years and that the total amount of loans granted to a consumer should not exceed five times his/her annual salary. The objective of the guidelines is to moderate the growth in consumer lending.

RISK FACTORS RELATING TO THE BONDS

The market price of the Bonds may fluctuate significantly and rapidly as a result of, inter alia, the factors mentioned below:

- Differences between actual financial and operating results and those expected by investors and analysts;
- Perceived prospects for the business and operations and the banking industry;
- Announcements by the Bank or competitors of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments;
- Changes in operating results;
- Changes in securities analysts' estimates of financial performance and recommendations;
- Changes in market valuation of similar companies;
- Involvement in litigation;
- Additions or departures of key personnel; and
- Changes in general economic conditions.

Negative publicity or announcements, including those relating to any of the Bank's substantial shareholders or key personnel may adversely affect the bond price and the, whether or not this is justifiable. Such negative publicity or announcement may include involvement in insolvency proceedings, failed attempts in takeovers or joint ventures etc.

Difficulties for foreign investors to enforce non-Norwegian judgments

The Bank is organized under the laws of Norway. Currently, all of its directors are residents of Norway, and the vast majority of its assets are in Norway. AS a result, it may not be possible for non-Norwegian investors to affect service of process on the Bank or the Bank's directors in the investor's own jurisdiction, or to enforce against the judgments obtained in non-Norwegian courts. Norway is party to the Lugano Convention and a judgment obtained in another Lugano Convention state will in general be enforceable in Norway. However, there is no regulation providing for general recognition or enforceability in Norway of judgments of non-Lugano Convention state courts, such as the courts of the United States.

01

Investment considerations

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About the bank

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Key financial figures

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Outlook & Strategy

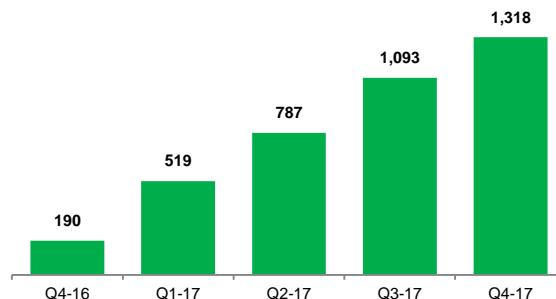




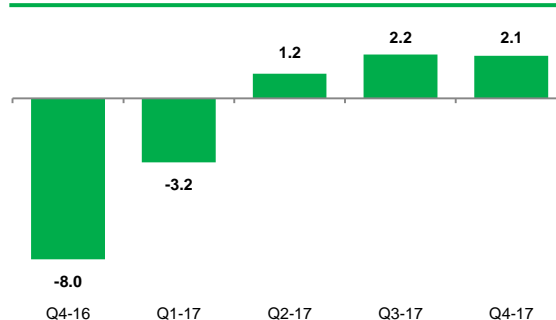
Key comments

- 100% digital bank currently offering competitive savings, insurance, and unsecured loan products to private consumers in Norway and Finland
- Products and services are distributed through three main channels: 1) direct brand distribution, 2) indirect agent distribution, and 3) indirect partner distribution
- The demand for consumer finance products in the Nordic markets has proven to be strong which has facilitated solid consecutive growth quarter by quarter
- The business model is characterized by attractive interest margins, cost efficient operations and moderate loan losses which combined results in an attractive underlying profitability
- The operational model and IT infrastructure are both lean and flexible which again ensures efficient scalability – as of Q4 2017 the bank has only 24 full-time and 4 part-time in-house employees
- Officially granted a banking license from The Financial Supervisory Authority of Norway on 19 September 2016 which can be freely passported throughout the entirety of the European Economic Area (EEA)
- Listed on the Norwegian OTC market under the ticker INSTA with a current MCAP of approx. NOK 450m

Net loans (NOKm)



Profit after tax (NOKm)



Key milestones since inception

- Q1 2016**
 - Project Ace established 7 Mar. 2016
 - Equity issue towards founders of NOK 25m
- Q2 2016**
 - Application for banking license sent to NFSA
 - Core organization, IT infrastructure, scoring methodology and brand platform established
- Q3 2016**
 - Official banking license received 4 Jul. 2016
 - First broad equity issue of NOK 240m
 - Successful preliminary launch 21 Sept. 2016
- Q4 2016**
 - Registered on NOTC («INSTA») 3 Oct. 2016
 - Successful full launch 28 Oct. 2016
- Q1 2017**
 - Full focus on consecutive profitable growth
 - Positioning Instabank as a fintech company
- Q2 2017**
 - Launches casualty insurance partnership with Troll Forsikring (no risk on own balance sheet)
 - Profitable after only three operational quarters
- Q3 2017**
 - Equity issue towards Skeidar of NOK 40m
 - Net loans > NOK 1bn for the first time
- Q4 2017**
 - Launches operations in Finland
 - Launches exclusive distribution partnership with Skeidar within point of sale financing

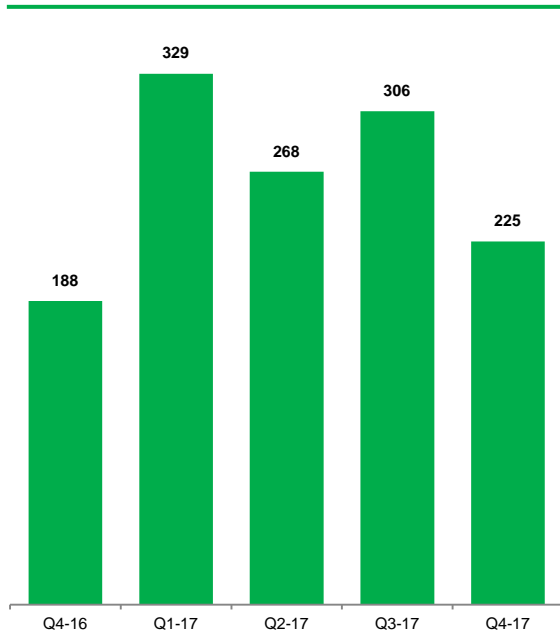


- 01 Established platform in Norway and Finland with scalable setup and prudent credit risk management ✓
- 02 Strong and experienced management team with significant track record within consumer finance ✓
- 03 Lean platform and organisation with significant scalability – profitable after three quarters of operation ✓
- 04 Retail financing agreement with SkeidarLiving Group – strong sourcing of new customers ✓
- 05 Scalable platform – further geographical and product expansion planned to improve diversification ✓
- 06 Continued focus on data insight, operational efficiency and optimal credit decision processes ✓
- 07 Net loan portfolio to reach NOK 2.4bn – NOK 2.6bn by the end of 2018 ✓

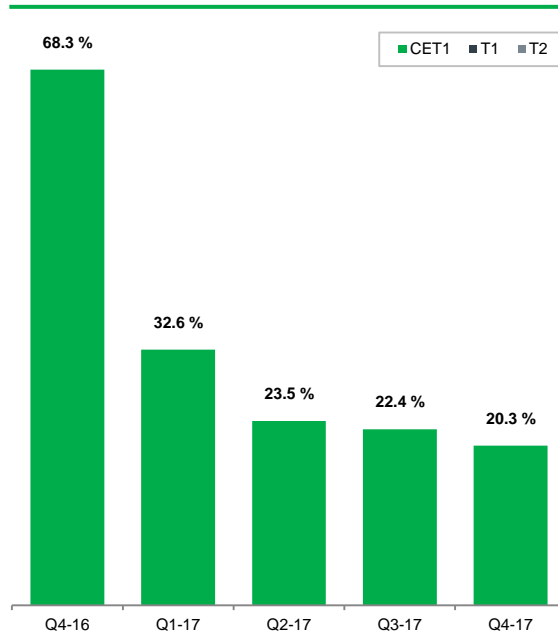
Transaction rationale | Optimization of capital structure



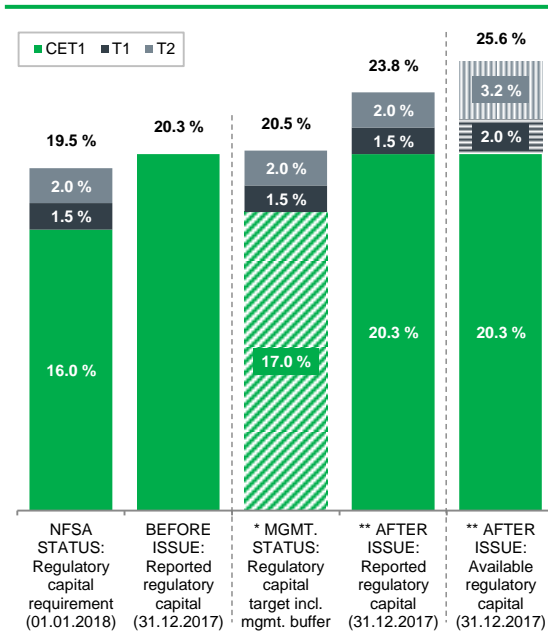
Growth in net loans (NOKm)



Capital adequacy ratios (%)



Status regulatory capital structure (%)



Following the issuance of up to NOK [25]m Tier 1 capital and up to NOK [40]m Tier 2 capital Instabank will be well positioned to maintain its highly profitable growth story



Hybrid Tier 1 capital *

Issuer	Instabank ASA
Type	Perpetual Tier 1 capital with floating rate and redemption rights for Issuer
Issue amount	Up to NOK [25] million
Coupon	3m NIBOR + [7.00] % p.a. (NIBOR floor of 0%)
Nominal value	NOK 100,000
Issue date	28 March 2018
Maturity date	Perpetual
First call date	First time 5 years after issue date – then quarterly at each coupon date Call price: 100% of nominal value
Regulatory call	In the event of regulatory changes leading to the Tier 1 capital not being regarded as core capital, or in the event of any significant changes in the tax treatment of such instruments, the Issuer has the right to redeem the outstanding bonds
Use of proceeds	The bonds are issued to be regarded as core capital when calculating the issuer's core capital ratio
Minimum subscription	NOK 1,000,000
Listing	The loan will be applied for listing on Nordic ABM
Trustee	Nordic Trustee ASA
Approvals	Issuer's Extraordinary General Meeting 4 October 2017 Norwegian FSA 25 January 2018
Managers	Pareto Securities AS and SpareBank 1 Markets AS

Subordinated Tier 2 capital *

Issuer	Instabank ASA
Type	Tier 2 capital with fixed maturity, floating rate and redemption rights for Issuer
Issue amount	Up to NOK [40] million
Coupon	3m NIBOR + [5.00] % p.a. (NIBOR floor of 0%)
Nominal value	NOK 100,000
Issue date	28 March 2018
Maturity date	28 March 2028
First call date	First time 5 years after issue date – then quarterly at each coupon date Call price: 100% of nominal value
Regulatory call	In the event of regulatory changes leading to the Tier 2 capital not being regarded as total capital, or in the event of any significant changes in the tax treatment of such instruments, the Issuer has the right to redeem the outstanding bonds
Use of proceeds	The bonds are issued to be regarded as total capital when calculating the issuer's total capital ratio
Minimum subscription	NOK 1,000,000
Listing	The loan will be applied for listing on Nordic ABM
Trustee	Nordic Trustee ASA
Approvals	Issuer's Extraordinary General Meeting 4 October 2017 Norwegian FSA 25 January 2018
Managers	Pareto Securities AS and SpareBank 1 Markets AS

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Outlook & Strategy



Unsecured consumer loans

- Offered to private consumers older than 23 years in Norway and Finland
- Structured as either a revolving credit facility or an amortizing loan with upper credit limit of NOK 500,000 in Norway and EUR 50,000 in Finland
- No collateral obligation or specific use of proceeds are required by the bank
- The interest rate offered range from 7.99% to 19.99% per year based on an individual risk assessment



Lån

Søk helt uforpliktet om beløpet du ønsker – få tilbud basert på din økonomi.

Søk om lån >

KEY METRICS *

NOK 1,318m
in net loans

8,475 loan
customers

NOK 155k in
avg. loan size

12.8 % in
avg. loan yield

Deposit accounts

- Offered to private individuals in Norway
- No restrictions regarding deposit amount, no fixed fees, no minimum holding period and no maximum number of transactions
- Deposits up to NOK 2m are 100% guaranteed by the Norwegian Banks' Guarantee Fund
- Competitive interest rate in three separate tranches: NOK 0 – 2m, NOK 2m – 5m and > NOK 5m



Sparekonto

Start din sparing hos oss i dag – og få en av markedets beste renter.

Start sparing >

KEY METRICS *

NOK 1,805m
in deposits

3,150 deposit
customers

NOK 573k in
avg. deposit size

2.0 % in
deposit rate

Insurance products

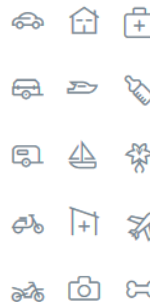
- Offered to private individuals in Norway
- No insurance risk on own balance – clean agent setup with Troll Forsikring & AmTrust – fee based business model
- PPI offered to all new loan customers
- Broad insurance portfolio: car, caravan, MC, boat, house, cabin, property, accident, child, fatality, travel, pet, etc.
- Incentivized through discount structure: 3 insurances 20%, 4 insurances 22%, 5 insurances 25%, 6 insurances 30%



Forsikring

Opptil 30% totalrabatt – hos oss lønner det seg å samle flere forsikringer.

Sjekk rabatt >



Point of sales financing

- Complete offering already in place:
 - Web payment solutions
 - In-shop payment solutions
 - Closed loop solutions
- Business model based on partnerships with established retail companies, irrespective of underlying industry, with existing customer base
- JV profit split agreement negotiated on a partner-to-partner basis

POTENTIAL FUTURE PRODUCTS **

- Hybrid leasing models
- Factoring
- Loyalty programs
- Payment solutions

Cross-boarder expansion strategy

- Operational platform capable of fast, agile and cost-efficient cross-boarder expansion already in place
- Strong internal focus on further cross-boarder expansion in order to unlock operational synergies, strengthen growth prospects and diversify underlying portfolio risk
- Continuous exploration of new markets – Northern Europe currently most interesting – probably Sweden in 2019

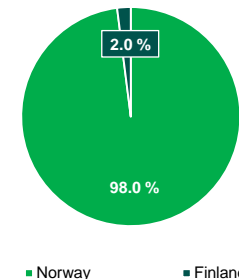
Launch of operations in Finland

- Instabank introduced its unsecured consumer loan product in the Finnish market 22 November 2017
- Controlled initial launch in order to acquire data, modify credit scorecard as well as tweak the general setup before scaling up in 2018
- The Finnish operations will be run from the bank's headquarters in Oslo which underlines scalability

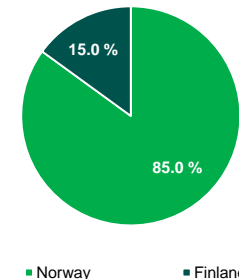
Illustration of geographical presence



Net loans distribution (%) *



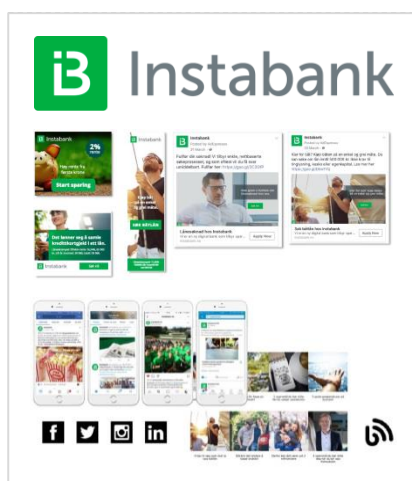
Net loan growth distribution (%) *



Distribution channels | Several customer in-roads



Brand distribution



Brand distribution volume as of Q4-17

40 %

Agent distribution



Agent distribution volume as of Q4-17

59 %

Partner distribution



Partner distribution volume as of Q4-17

1 %

DETAILS REGARDING THE IMPORTANT COOPERATION AGREEMENT (JV) WITH SKEIDAR-LIVING GROUP AS

- Instabank has been granted exclusive rights to the distribution of financing products within Skeidar
- Key figures 2016:
 - 52 retail stores all over Norway
 - > NOK 2bn turnover
- Skeidar has also acquired 10% of Instabank through a private placement – 20 million shares at NOK 2 per share (NOK 40m in new equity capital)
- Skeidar is obliged to participate with its relative share in the next capital increase at market price
- Skeidar and Instabank will continuously work together to develop new consumer friendly and tailored financing products
- The agreement will provide a flow of new customers with relatively small avg. loan sizes, solid credit quality and attractive avg. lending rates

Instabank as a brand | Building awareness is key



Customer acquisition strategy



1 AWARENESS
 Sponsorater og reklame på ulike TV-kanaler (NRK, Discovery Networks Norway) – fokus på live sport.
 Egen kampanje for **refinansiering** på P4 og Discovery sommer/nøst.
 Aktive på **SoMe** med nyheter, blogginnlegg og konkurranser.



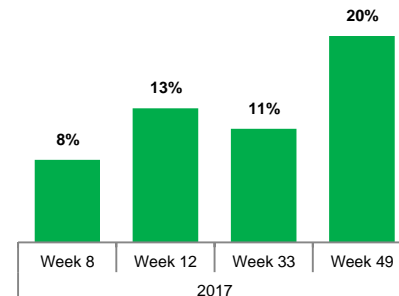
2 ACQUISITION
 Hovedfokus på "native ads", og retargeting i 2017. Søk og automatisert oppfølging/purring på e-post er også sentralt.



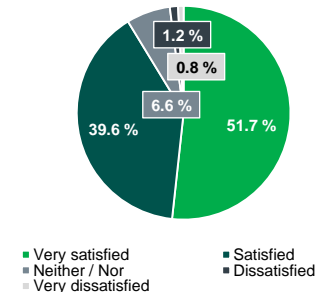
3 RETENTION
 Vi følger opp kundene med nyhetsbrev, tilbud om top-up og andre kundeaktiviteter.



Brand awareness – Men 35-55y *



Customer satisfaction – Aug '17 **

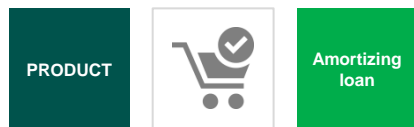
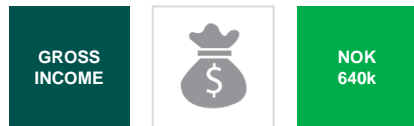


Loan customer segmentation *

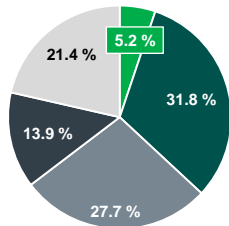
In-line with ambition



Average loan customer

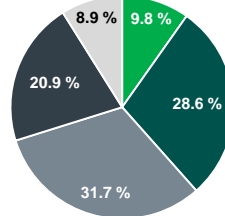


Annual gross income in NOK (%)



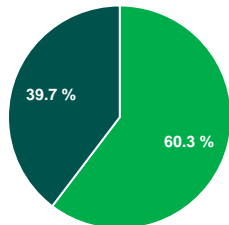
■ 250-349 ■ 350-499 ■ 500-649 ■ 650-799 ■ 800 +

Age (%)



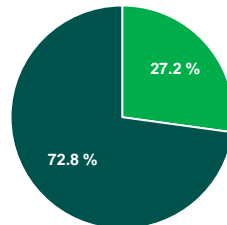
■ 23-29 ■ 30-39 ■ 40-49 ■ 50-59 ■ 60 +

Housing (%)

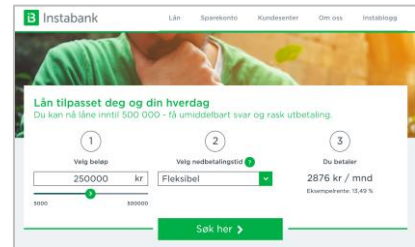


■ Owns ■ Rents

Product (%)



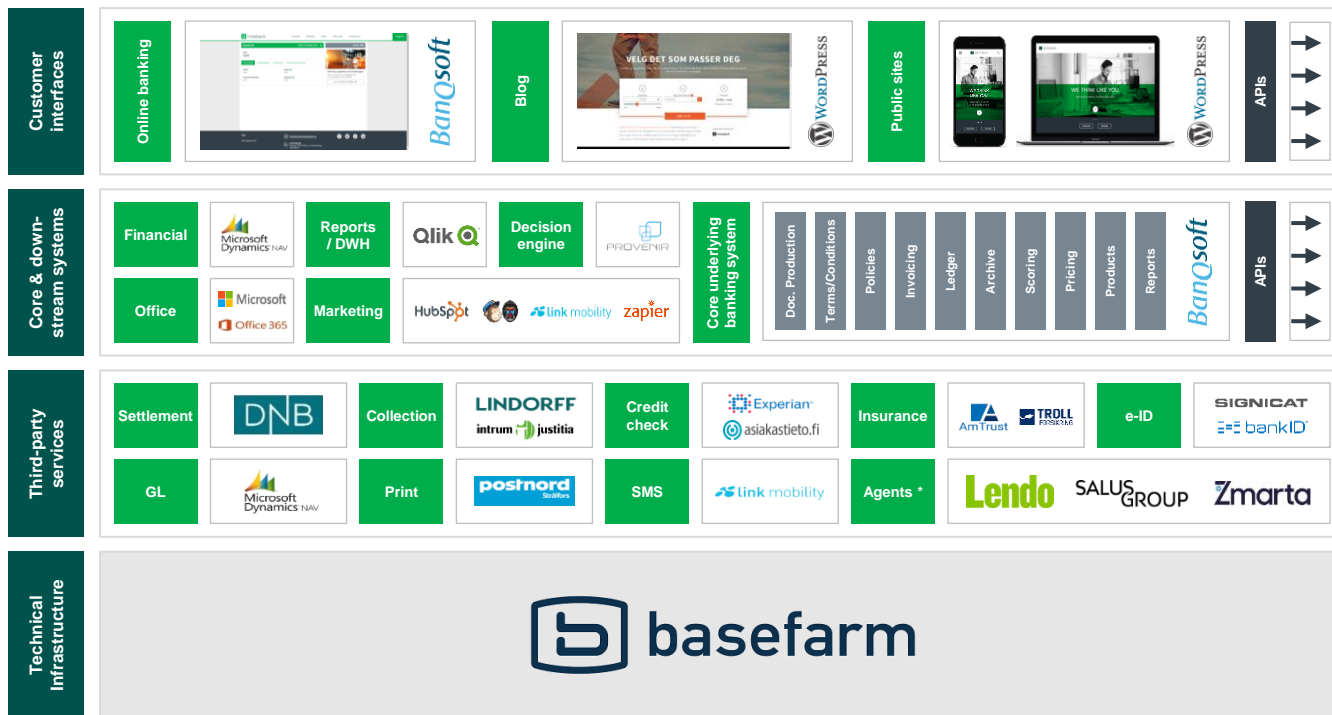
■ Revolving credit ■ Amortizing loan



Operational model & IT infrastructure | Scalable setup



Illustration of operational model & IT infrastructure



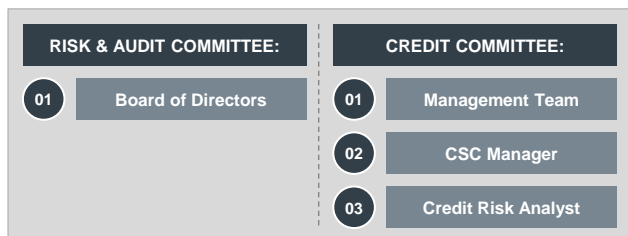
Key comments

- Proven operational model and modern underlying IT infrastructure
- Transparent setup with light footprint ensures scalability & add-on flexibility
- Close and established relationships with key third-party service providers
- Key business critical functions and commercial interfaces are kept in-house to facilitate stability and control

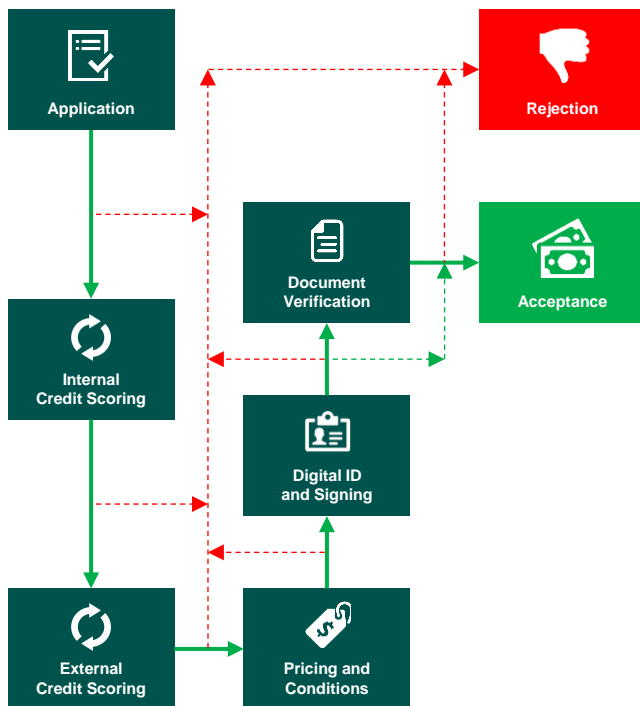




Credit risk management bodies



Credit risk scoring methodology



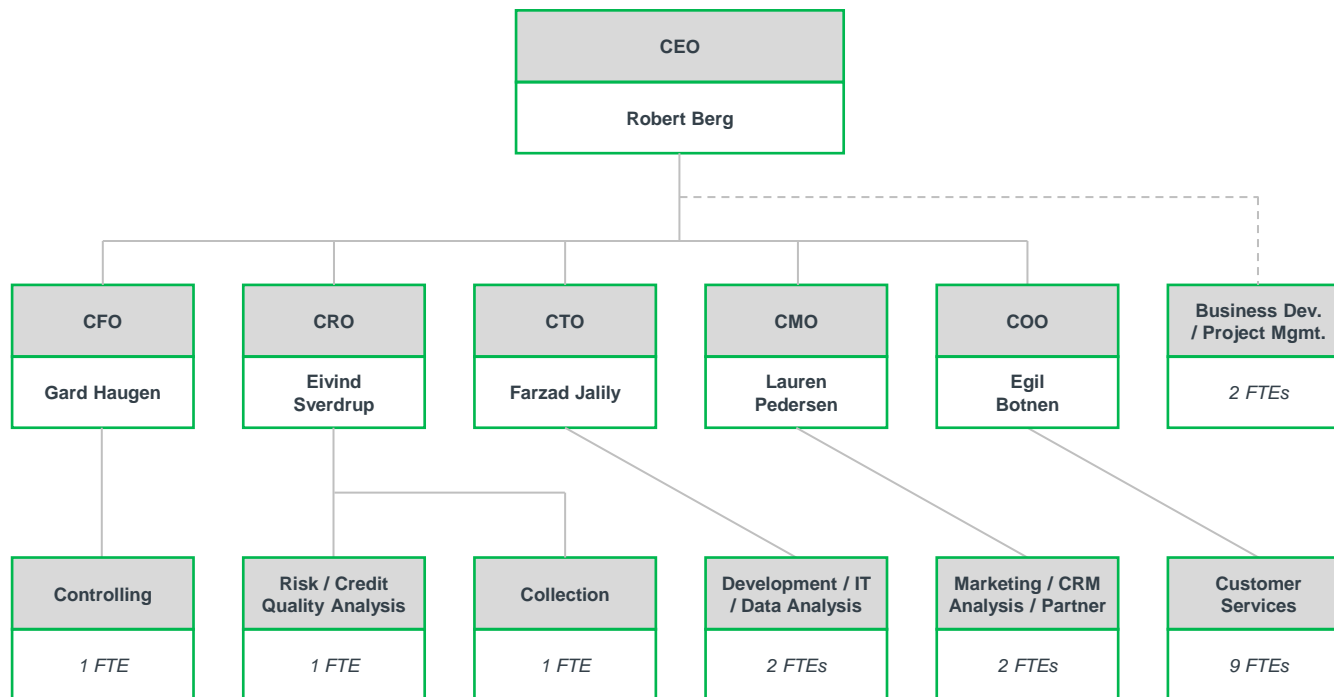
Key comments

- Relevant credit risk management bodies in place collectively ensuring appropriate risk appetite and handling
- Well-functioning credit risk scoring methodology with high degree of automation facilitates a competitive customer response time without sacrificing solid credit risk selection
- Continuously improving credit risk scoring methodology based on new internal and external data
- Extensive analysis and monitoring of existing customer base in order to detect poor performers early and correspondingly implement effective and appropriate countermeasures
- Comprehensive internal precollection routine with several customer contact points across various channels (mail, email, sms, phone, etc.)
- At PD65 50% of the non-performing loans are sold through a forward-flow agreement to Axactor and the other 50% are outsourced to Lindorff for third-party collection and surveillance

Organization | Lean structure



Organizational chart



Key comments

As of Q4-17 the bank has only 24 full-time and 4 part-time employees – all situated in one central office in Oslo, Norway

ORGANIZATIONAL CHARACTERISTICS:

01 EFFICIENT

02 SCALABLE

03 COMPETENT

04 DILIGENT

Management | Experienced and competent



Robert Berg | CEO

- 15 years of relevant experience
- CEO in yA Bank 2011 - 2014
- Commercial Director in Ikano Bank 2011 - 2014
- Director Corporate Business in Santander Consumer Bank 2005 - 2010
- BSc in Marketing from the Norwegian Business School



Gard Haugen | CFO

- 20 years of relevant experience
- CFO in yA Bank 2013 - 2016
- Partner within Finance in ABG Sundal Collier 2004 - 2013
- Manager within Regional Finance in EY 2000 - 2003
- MSc in Business Administration from the Norwegian School of Economics



Eivind Sverdrup | CRO

- 10 years of relevant experience
- CLO in yA Bank 2011 - 2016
- Commercial Director in Ikano Bank 2011 - 2014
- Lawyer in Vierdal Advokatfirma 2006 - 2010
- Lawyer from the University of Oslo



Egil Botnen | COO

- 20 years of relevant experience
- Head of Business Development / Core Solutions in SEB Kort 2006 - 2016
- Manager in Europay Norge 2005 - 2006
- Manager in Diners Club Norway 1995 - 2005
- MSc in Business & Marketing from the Norwegian Business School



Lauren Pedersen | CMO

- 15 years of relevant experience
- General Manager (EMEA) / SVP Global Marketing in Cxense 2013 - 2016
- Brand / Consumer Marketing Director in Opera Software 2009 - 2013
- Director of Brand and Communication in LUUP 2006 - 2009
- MSc in Communications, Marketing & Graphic Design from American University



Farzad Jalily | CTO

- 18 years of relevant experience
- Enterprise Architect in SpareBank 1 2015 - 2016
- Enterprise Architect in Nets 2010 - 2016
- Senior System Architect in Teller 2008 - 2010
- MSc in Computer Science from the Norwegian School of IT





Hans Petter Aanby | Chairman

- CEO / Partner OptimiseIT
- Former CIO (management for hire) in SAS Scandinavian Airlines, CIO in Norwegian Air Shuttle, Board member in Bank Norwegian and Member of the Control Committee in Bank Norwegian
- BSc in IT from the University of Oslo



Filip Elverhøy | Board Member

- Digital Director Northern Europe in Elkjøp Nordic AS (Dixons Retail plc)
- Former Country Manager in NetonNet, Senior Digital Director Media (Nordic) in SEB Kort, Nordic Strategist Internet & New Media in SEB Kort (Eurocard & Diners Club) and E-commerce Manager in Spaceworld
- MBA in International Business from the University of East London



Anne Thjømøe | Board Member

- CEO in Calpro
- Former Nordic HR Business Partner in Storebrand, CEO in Virke Forsikring, Director in several departments within the Enterprise Federation of Norway and Administration Manager in the Norwegian Bar Association
- MSc in Business Administration from the Norwegian Business School



Odd Harald Hauge | Board Member

- Investor and Consultant
- Former Founder and Chief Editor in Nettavisen, Business Editor in Aftenposten, Director Corporate Finance in ABG Sundal Collier and Chief Editor in Kapital
- MSc in Business Administration from the Norwegian School of Economics



Cathrin Nylander | Board Member

- CFO in Kitron
- Former CFO in Diplom-Is, CFO in SEB Kort (Norway), CFO in Ementor Norway (Atea), CFO in Draka Norsk Kabel and Group Controller in ABB
- BSc in Business Administration from Lunds University



Lauren Pedersen | Employee Representative

- CMO in Instabank
- Former General Manager (EMEA) / SVP Global Marketing in Cxense, Brand / Consumer Marketing Director in Opera Software and Director of Brand and Communication in LUUP
- MSc in Communications, Marketing & Graphic Design from American University

The share | Strong shareholder base and aligned incentives



TOP 30 shareholders *

#	Investors	Shares	
		#	%
1	SKEIDARLIVING GROUP AS	20,000,000	9.8%
2	HODNE HOLDING AS	14,385,419	7.0%
3	VELDE HOLDING AS	13,605,856	6.6%
4	KAKB 2 AS	10,362,021	5.1%
5	LEIKVOLLBAKKEN AS	8,500,000	4.1%
6	MOROAND AS	8,500,000	4.1%
7	KRISTIAN FALNES AS	8,000,000	3.9%
8	T SANDVIK AS	7,105,656	3.5%
9	APOLLO ASSET LIMITED	7,000,000	3.4%
10	ALTO HOLDING AS	6,550,000	3.2%
11	SONSINVEST AS	5,077,195	2.5%
12	LEIRIN HOLDING AS	4,333,333	2.1%
13	HAUGEN NICHOLA HELEN	3,503,667	1.7%
14	GRUNNFJELLET AS	3,010,000	1.5%
15	CAHE FINANS AS	3,000,000	1.5%
16	ENZIAN AS	3,000,000	1.5%
17	LIKHOLMEN INVEST AS	3,000,000	1.5%
18	VENADIS FORVALTNING AS	3,000,000	1.5%
19	GRIMSTAD LILL ANITA SKÅLBONES	2,070,000	1.0%
20	VELDE EIENDOM INVEST AS	2,000,000	1.0%
21	HANASAND ANDERS	1,893,130	0.9%
22	HANASAND MORTEN	1,893,130	0.9%
23	HANASAND ROAR	1,893,130	0.9%
24	VENDETTA	1,871,302	0.9%
25	HAUGEN GARD	1,700,000	0.8%
26	HUSHOVD THOR	1,600,000	0.8%
27	SLETHEI HOLDING AS	1,550,000	0.8%
28	HANASAND LIV INGER	1,400,000	0.7%
29	AUSTBØ HARRY SVERRRE	1,299,316	0.6%
30	TYSDAL SVEIN MAGNAR	1,294,316	0.6%
Sum TOP 30 shareholders		152,397,471	74.3%
Other shareholders		52,602,529	25.7%
Total		205,000,000	100.0%

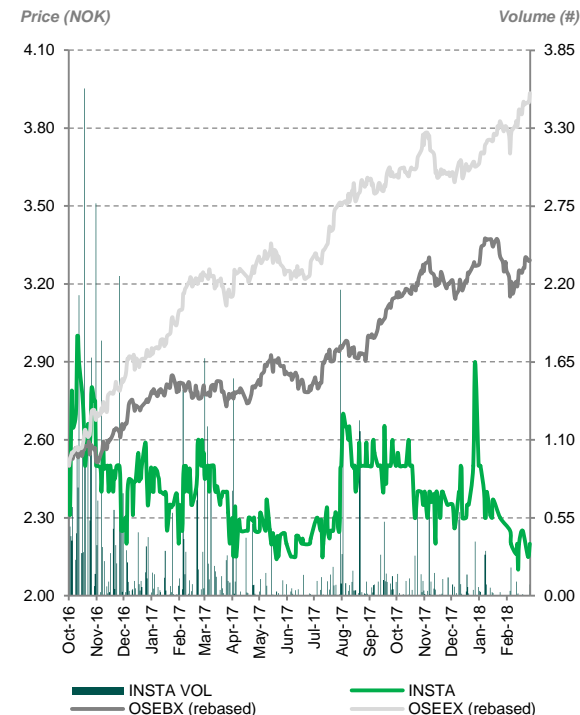
Internally owned shares and warrants **

#	Investors	Position	Type	
			Shares	Warrants
1	Robert Berg	CEO	5,077,195	7,220,000
2	Gard Haugen	CFO	4,700,000	4,680,000
3	Eivind Sverdrup	CRO	4,333,333	4,100,000
4	Farzad Jalily	CTO	666,667	1,000,000
5	Lauren Pedersen	CMO	600,000	1,000,000
6	Egil Botnen	COO	500,000	1,000,000
7	Hans Petter Aanby	Chairman	100,000	0
8	Odd Harald Hauge	Board Member	1,000,000	0
9	Mona Cathrin Nylander	Board Member	50,000	0
10	Petter Ek Jacobsen	Board Member	742,000	0
11	Filip Elverhøy	Board Member	4,200	0
12	Other employees	n.a.	1,437,636	1,000,000
Sum MGMT, BoD and employees			19,211,031	20,000,000
% of current outstanding # of shares			9.4%	9.8%

Key warrant details

- 20 million outstanding warrants
- Issued September 2016
- Received by management and other key employees
- Exercisable within 3 to 5 years
- Strike of NOK 1.50 – adjusted upwards 5% annually
- The right to exercise the warrants is conditioned upon continued employment and will lapse if the conditions of employment are annulled (resignation / dismissal)

Share performance on NOTC ***



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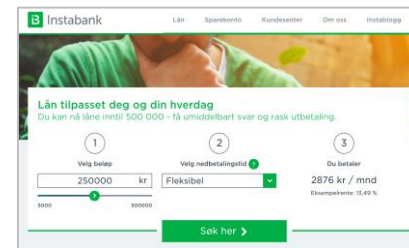
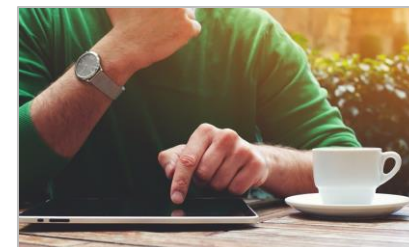
Outlook & Strategy



Summary of Q4 2017 / YE 2017 | Key highlights *



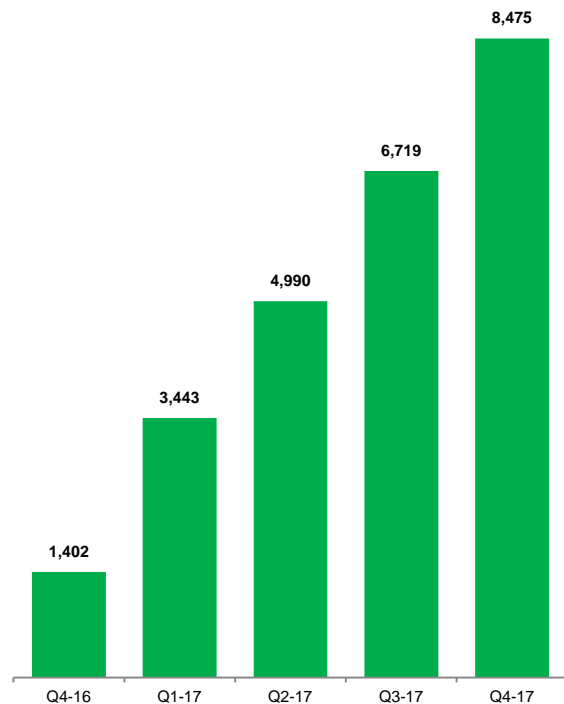
01	Net loans	Growth in net loans of NOK 225 million – total outstanding net loans of NOK 1,318 million
02	Margins and yields	Net loan yield of 12.8 % in Norway vs. deposit interest rate of 2.0 %
03	Operational expenses	Total cost / income ratio of 63.7 % (38.9 % if direct marketing costs are excluded)
04	Loan losses	Annualized loan loss ratio of 2.6 % – stable credit quality in line with credit risk strategy
05	Return on equity	Annualized Return on Equity of 3.2 % – gradually increasing with scale
06	Capital adequacy	CET1 & total capital ratio of 20.3 % – well within current capital requirements from NFSAs
07	Deposits	Deposit ratio of 136.9 % – NOK deposits represent the Bank's main source of funding
08	Funding & Liquidity	NFSR of 169 % – LCR of 389 % – satisfactory liquidity and funding
09	Non-performing loans	Non-performing loans of NOK 73.3 million – 5.2 % of outstanding gross loans
10	Provisions	Provisions of 25.8 million – 35.1 % of non-performing loans are covered by provisions



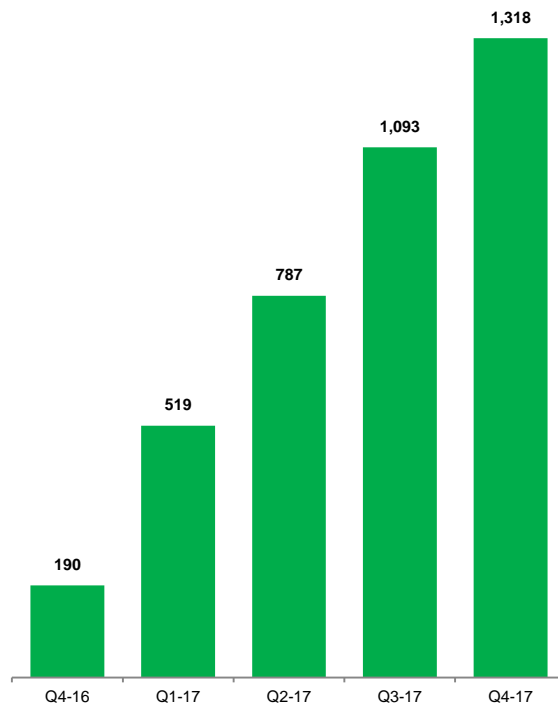
Profitable growth | Proven business model



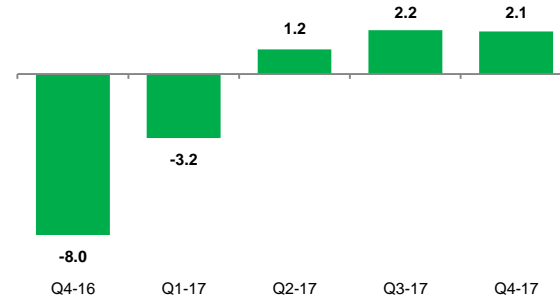
Loan customers (#)



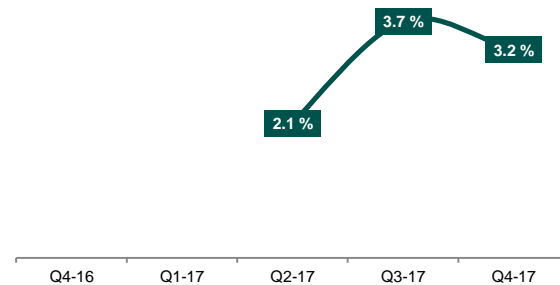
Net loans (NOKm)



Profit after tax (NOKm)



Annualized Return on Equity (%) *

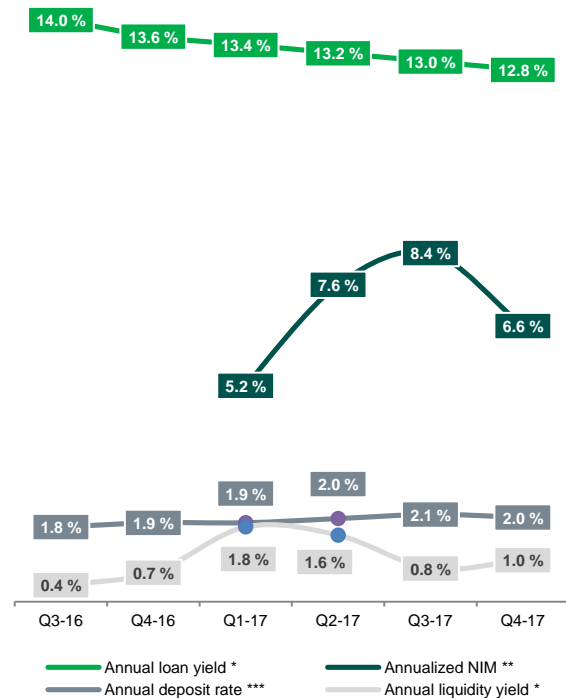


Note(*): = (4 * quarterly profit after tax) / average quarterly total equity

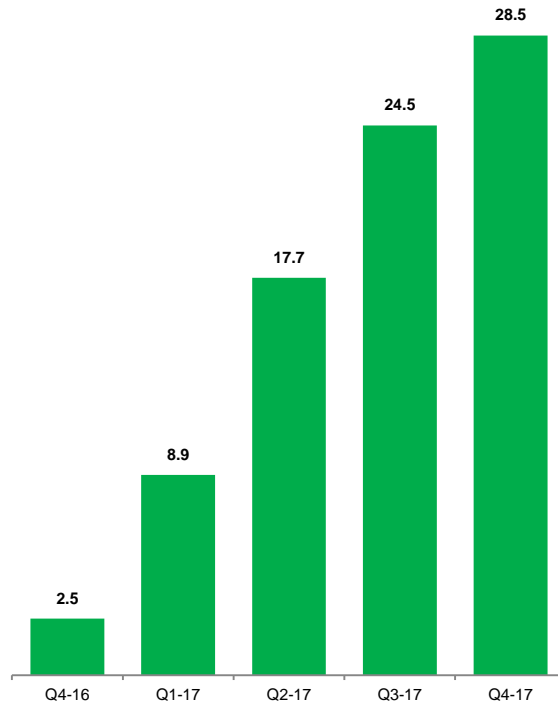
Income generation | Stable yields and margins



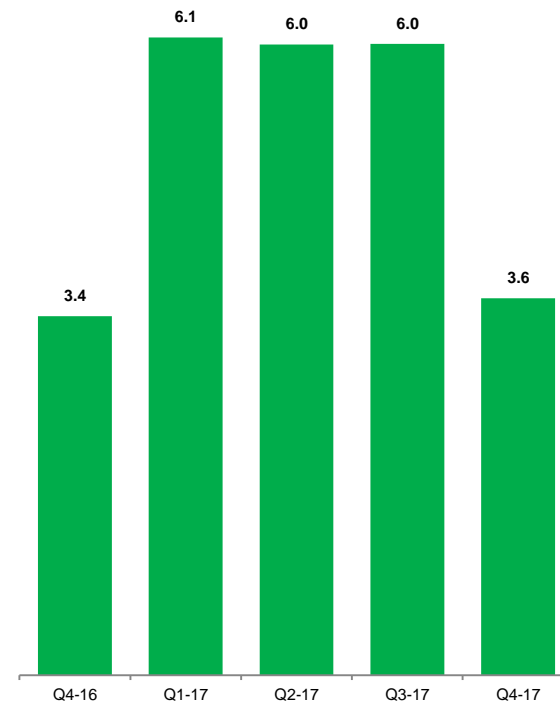
Key yields (%) & Margins (%)



Net interest income (NOKm)



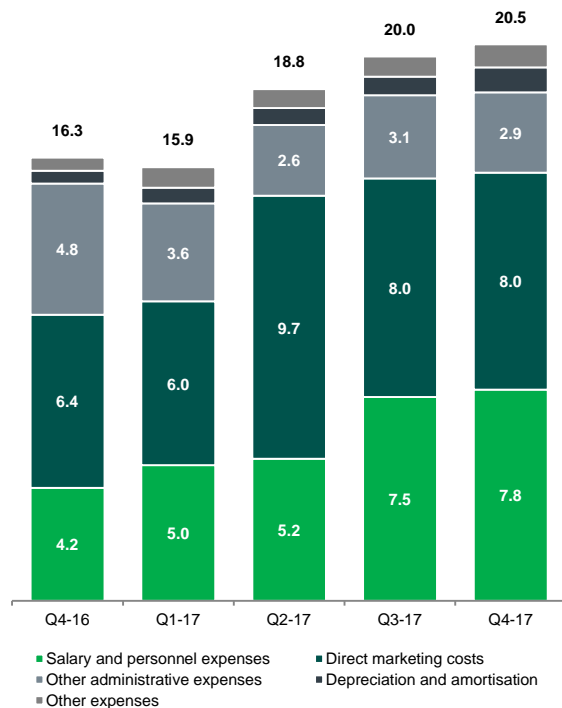
Other income (NOKm)



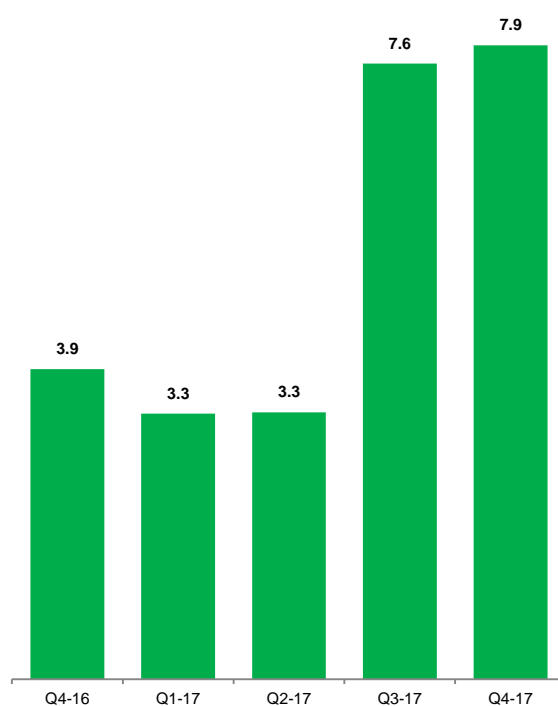
Note(*): weighted average effective annual yield || Note(**): = (4 * quarterly NII) / average quarterly total assets || Note(***): actual end of quarter annual rate



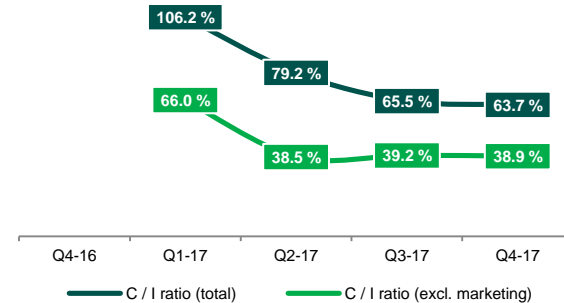
Operational expenses (NOKm)



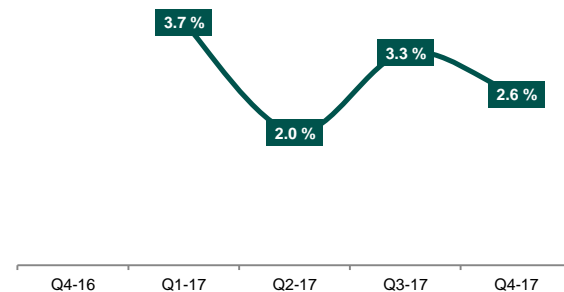
Loan losses (NOKm)



Cost / Income ratio (%) *

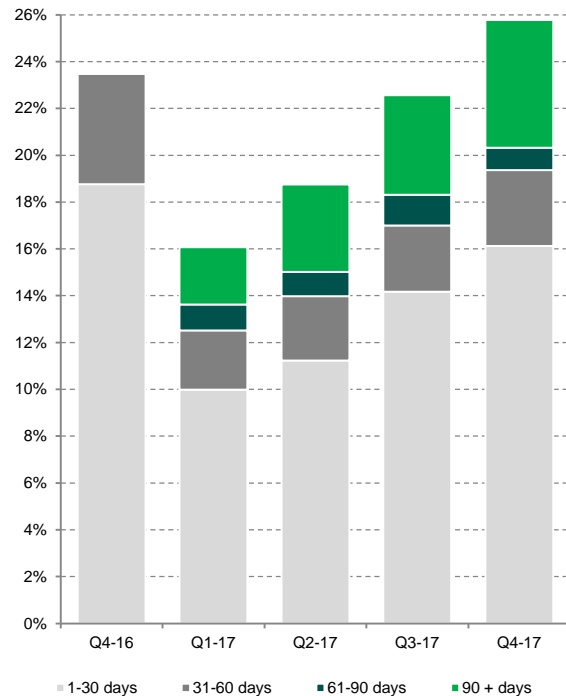


Annualized loan loss ratio (%) **

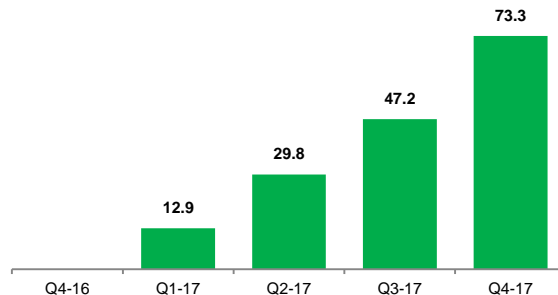




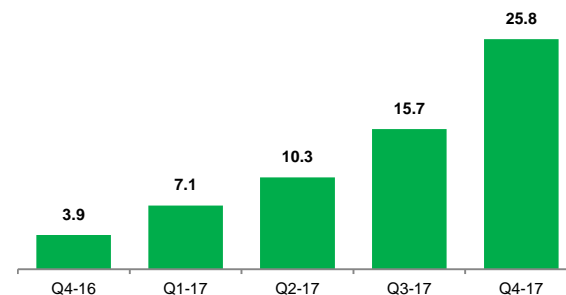
Past due days (%)



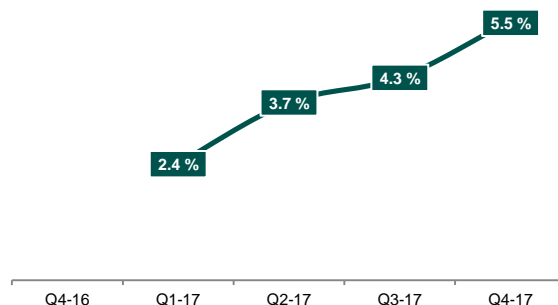
Non-performing loans (NOKm) *



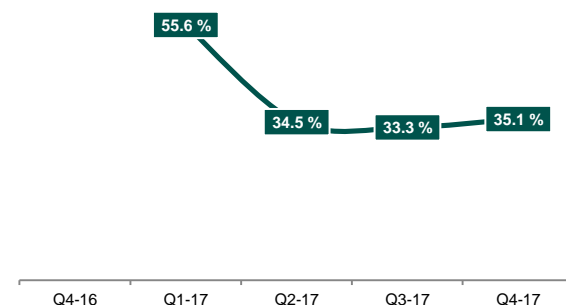
Provisions (NOKm)



NPL ratio (%) **



Coverage ratio (%) ***

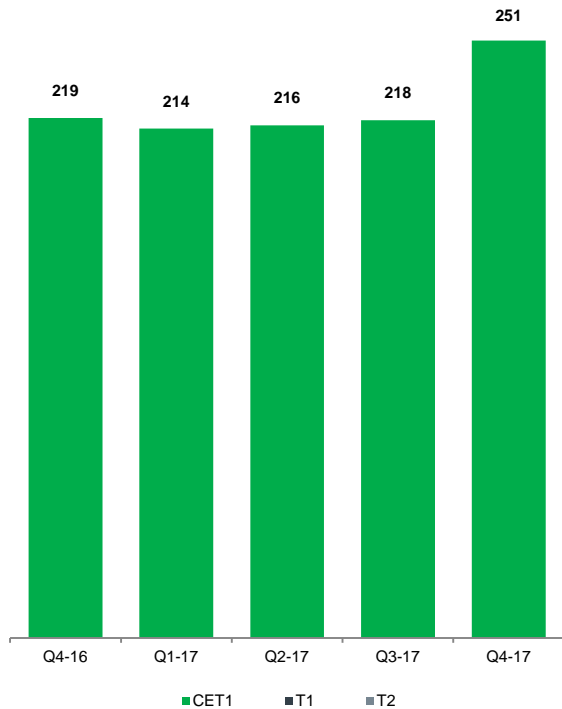


Note(*) = gross loans past due 90+ days || Note(**) = NPLs / gross loans || Note(***) = provisions / NPLs

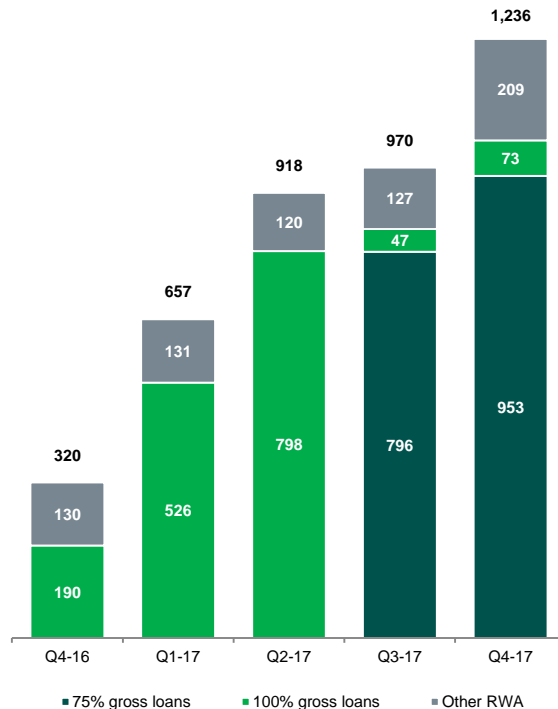
Regulatory capital | Satisfactory adequacy



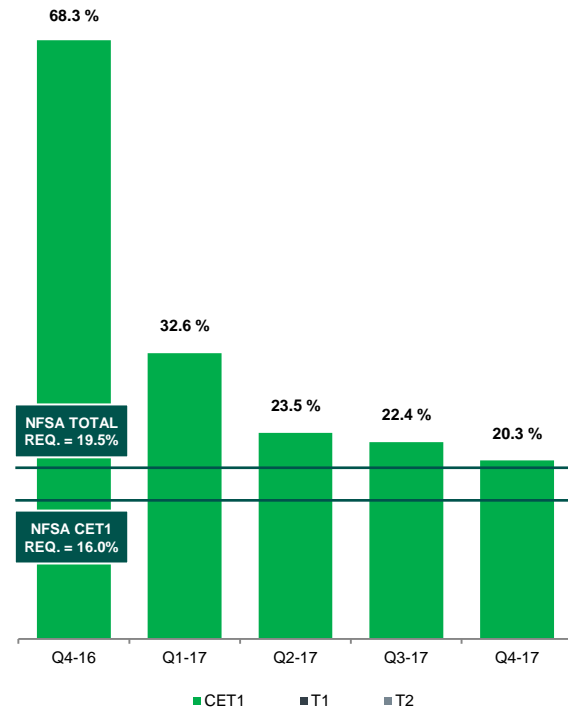
Regulatory capital (NOKm)



Risk-weighted assets (NOKm)

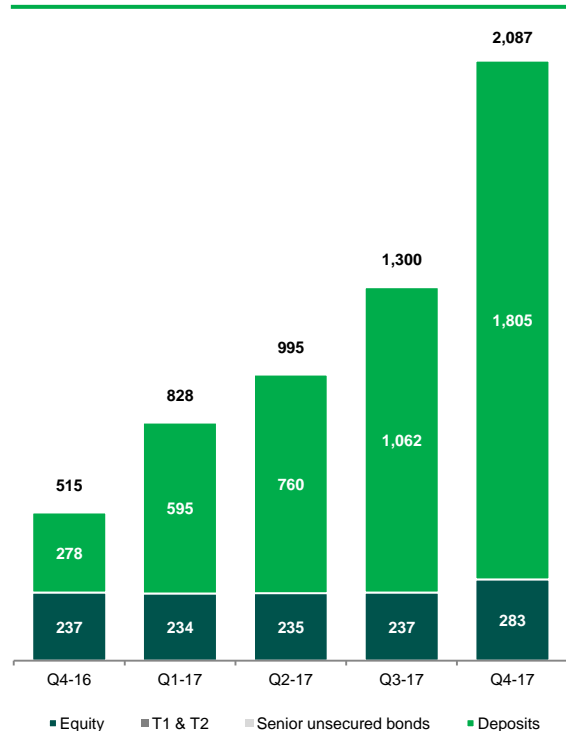


Capital ratios (%) & Capital adequacy (%)

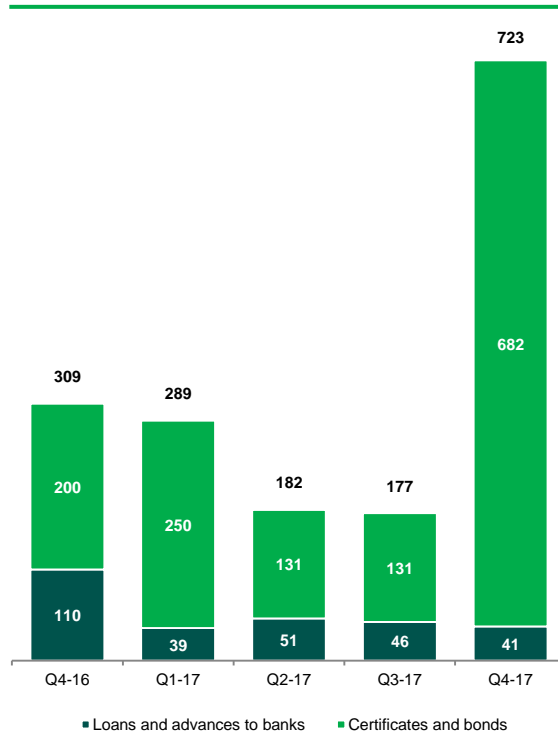




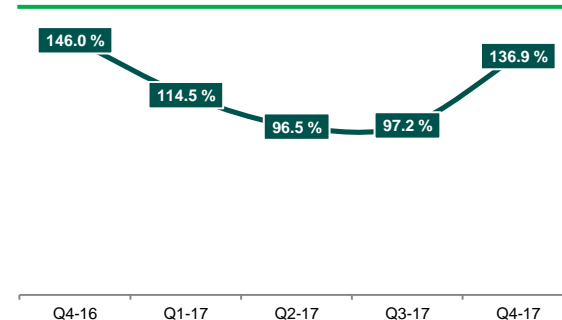
Funding (NOKm)



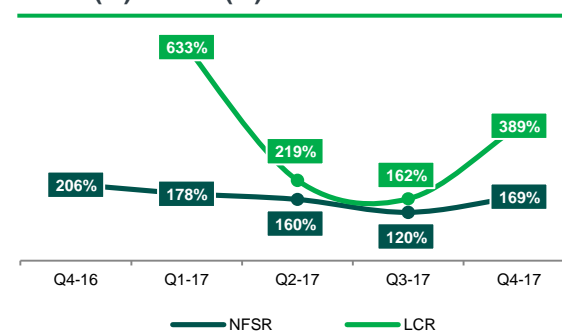
Liquidity (NOKm)



Deposit ratio (%) *



NFSR (%) & LCR (%) **



Income statement & Balance sheet | Overview



Income statement (NOK thousand)

	2017				2016
	Q4	Q3	Q2	Q1	Q4
Interest income	36,416	29,074	20,939	11,107	3,018
Interest expenses	7,930	4,592	3,235	2,190	495
Net interest income	28,486	24,482	17,703	8,917	2,524
Net commission fees and other income	3,608	6,043	6,038	6,104	3,436
Total income	32,094	30,525	23,741	15,020	5,960
Salary and other personnel expenses	7,767	7,493	5,217	4,982	4,157
Other administrative expenses, of which	10,919	11,097	12,278	9,622	11,179
- of which direct marketing cost	7,977	8,033	9,671	6,024	6,360
Depreciation and amortization	919	672	617	577	477
Other expenses	845	743	693	763	477
Total operating expenses	20,450	20,006	18,804	15,943	16,290
Losses on loans	7,873	7,644	3,312	3,296	3,852
Profit / (loss) before tax	3,770	2,875	1,624	-4,219	-14,182
Tax	1,680	719	406	- 1,055	- 6,229
Profit / (loss) after tax	2,090	2,156	1,218	-3,165	-7,953

Balance sheet (NOK thousand)

	2017				2016
	Q4	Q3	Q2	Q1	Q4
Assets					
Loans and deposits with credit institutions	40,929	46,456	50,887	39,133	109,542
Loans to customers	1,317,942	1,092,977	787,401	519,198	190,310
Certificates and bonds	682,091	130,896	130,626	249,758	199,817
Deferred tax assets	7,629	9,310	10,029	10,435	9,380
Other intangible assets	17,175	9,810	9,282	9,007	8,791
Fixed assets	1,228	1,228	1,124	1,217	1,309
Other receivables	44,007	31,960	21,571	16,623	7,756
- of which prepaid agent commissions	36,706	29,798	21,058	14,703	5,946
Total assets	2,111,002	1,322,636	1,010,918	845,371	526,905
Liabilities					
Deposits from and debt to customers	1,804,600	1,062,458	760,053	594,736	277,802
Other debts	12,313	12,328	8,290	10,257	7,360
Accrued expenses and liabilities	11,420	10,780	7,663	6,684	4,884
Total liabilities	1,828,332	1,085,567	776,006	611,677	290,046
Equity					
Share capital	294,228	254,266	254,266	254,266	254,266
Retained earnings	- 11,557	- 17,196	- 19,353	- 20,571	- 17,407
Total equity	282,670	237,070	234,913	233,695	236,859
Total liabilities and equity	2,111,002	1,322,636	1,010,918	845,371	526,905

01

Investment considerations

02

About the bank

03

Key financial figures

04

Outlook & Strategy





01

Continue growth story

- Continued strong growth will be given priority over dividend payouts and short term profitability
- Growth is essential because solid long term profitability will be achieved through economies of scale
- Key initiatives are product & geographical expansion as well as continued growth in existing markets

02

Operational efficiency

- Maintain efficient and scalable operations through innovative and flexible IT infrastructure
- Fully automated decision engine based on machine learning will ensure diligent credit risk selection
- Continued focus on data insight, analytical capabilities and 100% digital internal / external processes

03

Geographical expansion

- Further expansion across geographies to facilitate continued growth and risk diversification
- Current focus on Northern Europe – Sweden most likely candidate with possible entry in 2019
- Full scale up of the Finnish operations after gaining key business relations, experience and data

04

Product expansion

- Further expansion of product portfolio to facilitate continued growth and risk diversification
- New potential products: Hybrid leasing models, Factoring, Loyalty programs and Payment solutions
- Distribution of related products as an aggregator for subcontractors

05

Strengthened distribution

- Continue efforts to establish Instabank as a well-known and trusted brand in all active markets
- Identify and secure additional partners for the already developed point of sales financing platform
- Continuous optimization of the agent distribution network – develop new relationships in new markets

KEY LONG-TERM FINANCIAL RATIOS

Net loan growth

Outstanding net loan balance YE 2018 of between NOK 2.4bn and NOK 2.6bn

Return on Equity

Investments in growth will impact ROE short / medium term – long term target 25%-35%

Regulatory capital adequacy

12.0% CET1 base + 5.0% CET1 Pillar II and mgmt. buffer + 1.5% T1 + 2.0% T2

Dividend payout policy

Profitable growth will be given priority over dividend payouts in short / medium term

= CONTINUED PROFITABLE GROWTH



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