



INTERIM REPORT

Instabank ASA

Key highlights



Net profit after tax increased 34 % to 23.8 MNOK from the same quarter last year

- Strong growth in Total income, cost to income ratio decreased to 38 % from 46 % in Q2-22.



Growth in net loans of 109 MNOK in the quarter, YTD 547 MNOK

- Capital constraints hampered growth in the quarter.



Mortgages volume growth of 120 MNOK to 2,075 MNOK

- Mortgages represents 40 % of total net loans and 63 % of net loans in Norway.



Instabank ready to offer lending to small and medium sized businesses

- Further strengthening the position as a Nordic challenger bank.
- 



We value **progress**

About Instabank ASA

Instabank - the Nordic challenger bank – was established as a fully digital bank in the autumn of 2016. We are dedicated to improving the banking experience for both business and private customers. We believe in challenging established norms and finding agile solutions where others create complexity. Our goal is to make everyday life easier for our customers through better products, technology, and personal contact. In a short time, we have achieved a strong position in the Nordic market and are proud to have over 80,000 customers who have chosen us for their lending and deposit needs.

Instabank operates in Norway, Finland and Sweden, offering competitive savings, insurance, point of sales (POS) financing, credit cards, mortgages and unsecured loan products to consumers and small and medium-sized businesses who qualify after a credit evaluation. Instabank also offers deposits in Germany through a partnership with Raisin Bank.

The bank's products and services are distributed primarily through 26 agents, various retail partners and directly on the bank's website and mobile app.

At the end of Q2-23, Instabank had 45 full-time and 11 part-time employees.

Instabank is listed on Euronext Growth at Oslo Børs, ticker INSTA.

Operational Developments

In Q2-23, Instabank successfully executed the Small & Medium Sized Enterprise (SME) lending offering project. At the end of the quarter, we were ready to enter a pilot phase followed by a full launch in mid-Q3-23. Instabank considers lending to SMEs an underserved market with attractive margins and volumes. When applying for a loan, SMEs often struggle to get attention in traditional banks and face a cumbersome onboarding and credit process that takes time and resources.

+ 547 MNOK

Growth in net loans YTD-23

After the high growth in net loans in the first quarter, we had to temporarily pause the lending growth in the first half of Q2-23 because of capital constraints. Following the successful share issue in May, we ended the quarter with solid growth in net loans, and Q2-23 came in at an increase of 109 MNOK in net loans. After the first half of 2023, Instabank has reached a growth of 547 MNOK and is well underway to achieve the updated growth target of 1.2 billion NOK for 2023. The growth comes from solid organisational performance, successfully delivering on the strategy, effective operations, distribution, and product offerings meeting customer demands and changes in foreign exchange.



There is still a strong demand for the mortgage product representing an attractive yield, low risk and require less capital than for unsecured loans. The growth in mortgage lending was 120 MNOK in the quarter, down from 207 MNOK in the previous quarter. While new sales were almost as high as in the first quarter, we experienced increased churn resulting in decreased growth. At the end of Q2-23, mortgage lending amounted to 2,075 MNOK, representing 40 % of total lending.

Instabank has, as in the previous quarters, continued to increase the interest rates for existing lending customers and new loans resulting in increased loan yields. For mortgages, the loan yield increased to 8.3 % by the end of Q2-23 from 7.6 % by the end of the previous quarter, and for consumer loans yield increased to 12.0 % from 11.6 %

The increase in market rates also triggered increased funding costs, and the average deposit rate was 2.9 % in Q2.23, up from 2.5 % in the previous quarter.

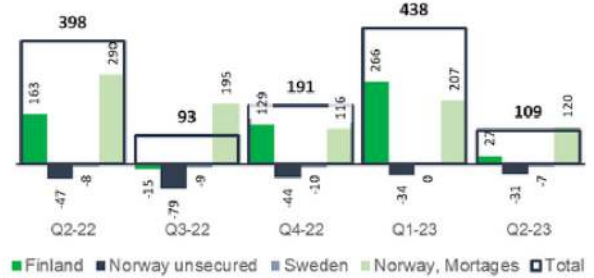
The credit risk remains at a satisfactory level, and we even observed an improvement in the share of loans past due 1-30 days, hitting 9.2 % at the end of Q2-23, down from 10.6 % the previous quarter and 9.9 % the same quarter last year.

At the end of Q2-23, the bank had 81,859 customers, of which 54,287 were loan customers and 27,572 were deposit customers.

Balance Sheet

Net loans to customers increased by 109 MNOK in Q2-23 to 5,165 MNOK at the end of the quarter. Mortgages increased by 120 MNOK, and unsecured loans decreased by 11 MNOK.

Growth in net loans (MNOK):



Deposits from customers increased by 63,792 MNOK to 5,298 MNOK at the end of the quarter.

Instabank successfully completed a private placement in Q2-23 of new shares, raising 70 MNOK in gross proceeds. The private placement improved capital ratios, and the CET1 ratio was 20.5 % at the end of the quarter, 3.0 % above the regulatory capital requirement.

Total assets at the end of Q2-23 were 6,339 MNOK.



Profit and Loss

Instabank reports a profit before tax of 30.1 MNOK and after-tax of 23.8 MNOK, up 6.1 MNOK/ 34 % from the same quarter last year.

+ 34 %

Growth in net profit

Total interest income increased by 38.2 MNOK from the same quarter last year to 132.7 MNOK in Q2-23. The increase was driven by a 12-month net loan growth of 830 MNOK and increased loan yield to 10.4 % from 9.2 % in the same quarter last year despite an increased share of mortgages to total net loans from 33 % to 40 %.

Interest expenses came in at 45.0 MNOK, up from 37.1 MNOK in the previous quarter, following an increase in deposit volume and rates.

Net other income increased by 5.2 MNOK from the same quarter last year to 13.6 MNOK in Q2-23 following increased yield on securities.

Total income came in at 102.8 MNOK, up 14.8 MNOK / 17 % from the same quarter last year.

+ 17 %

Growth in Total Income

Despite high growth in net loans over the last year, the operating expenses were 0.5 MNOK below the same quarter the previous year and came in at 39.7 MNOK in Q2-23. The cost-to-income ratio was 38 % versus 46 % in the same quarter last year, demonstrating economy of scale.

Losses on loans came in at 32.9 MNOK or 2.5 % of average gross loans to customers, up from 30.8 MNOK/ 2.4 % in the previous quarter.

Outlook

A flexible and scalable business model and a very competent group of employees who have demonstrated the ability to act fast on market conditions and pursue opportunities are the basis for Instabank's success story. The Instabank team is committed to continuing to develop Instabank as a leading Nordic challenger bank.

In Q3-23, Instabank is entering the business lending market with a credit line product for Small & Medium Sized Businesses (SMEs) to help them achieve their growth targets and scale their businesses. This initiative will significantly contribute to volume growth and profits for Instabank.

We expect continued high demand for Instabank's existing lending products and update the target for growth in total net loans to 1.2 billion NOK for 2023.

The bank's liquidity and capital situation are expected to remain satisfactory. It should be noted that there is typically uncertainty related to assessments of future conditions

Other information

Regarding capital requirement, there has been a limited review of the accounts in accordance with ISRE 2410 as of June 30th, 2023 by the bank's auditors and the result after tax is added to retained earnings in full.

Oslo, August 9th, 2023

Board of Directors, Instabank ASA



Condensed statements of profit or loss and other comprehensive income:

| NOK 1000 | Note | Q2-2023 | Q2-2022 | YTD 2023 | YTD 2022 | Year 2022 |
|--|------|----------------|---------------|----------------|----------------|----------------|
| Interest Income effective interest method | | 132,754 | 94,558 | 252,418 | 184,855 | 391,234 |
| Other interest income | | 1,501 | 260 | 2,763 | 456 | 2,350 |
| Interest expenses | | 45,088 | 15,234 | 82,218 | 27,482 | 73,890 |
| Net interest income | | 89,167 | 79,584 | 172,963 | 157,828 | 319,694 |
| Income commissions and fees | | 12,320 | 10,974 | 24,542 | 22,447 | 46,017 |
| Expenses commissions and fees | | 2,914 | 2,286 | 5,023 | 4,076 | 9,213 |
| Net gains/loss on foreign exchange and securities classified as current assets | | 4,207 | -292 | 11,061 | -2,838 | 1,086 |
| Net other income | | 13,613 | 8,395 | 30,581 | 15,533 | 37,889 |
| Total income | | 102,780 | 87,979 | 203,544 | 173,361 | 357,584 |
| Salary and other personnel expenses | | 16,015 | 12,567 | 31,214 | 29,858 | 55,498 |
| Other administrative expenses, of which: | | 18,258 | 21,965 | 36,664 | 39,740 | 77,690 |
| - <i>direct marketing cost</i> | | 2,836 | 8,057 | 5,552 | 11,285 | 7,275 |
| Other expenses | | 2,328 | 2,347 | 4,125 | 3,909 | 7,789 |
| Depreciation and amortisation | | 3,146 | 3,366 | 6,094 | 6,448 | 13,045 |
| Total operating expenses | | 39,747 | 40,244 | 78,098 | 79,955 | 154,023 |
| Losses on loans | 2 | 32,936 | 24,043 | 63,785 | 44,520 | 100,230 |
| Operating profit before tax | | 30,097 | 23,692 | 61,661 | 48,887 | 103,331 |
| Tax expenses | | 6,250 | 5,923 | 14,141 | 10,471 | 21,091 |
| Profit and other comprehensive income for the period | | 23,847 | 17,769 | 47,520 | 38,416 | 82,240 |
| Earnings per share (NOK) | | 0.05 | 0.05 | 0.13 | 0.12 | 0.25 |
| Diluted earnings per share (NOK) | | 0.05 | 0.05 | 0.12 | 0.12 | 0.23 |





Condensed statement of financial position:

| NOK 1000 | Note | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|---|------|------------------|------------------|------------------|
| Loans and deposits with credit institutions | 3, 4 | 187,278 | 288,835 | 191,254 |
| Loans to customers | 3, 4 | 5,221,209 | 4,389,273 | 4,674,030 |
| Certificates and bonds | 3, 4 | 868,090 | 842,237 | 867,806 |
| Other intangible assets | 3, 5 | 23,865 | 22,904 | 21,197 |
| Fixed assets | | 3,083 | 4,791 | 3,645 |
| Derivatives | | 2,197 | 1,644 | 1,773 |
| Other receivables | 3, 4 | 32,849 | 16,030 | 39,527 |
| Total assets | | 6,338,571 | 5,565,713 | 5,799,233 |
| Deposit from and debt to customers | 4 | 5,298,457 | 4,741,687 | 4,852,281 |
| Other debts | 4 | 23,810 | 1,706 | 20,491 |
| Accrued expenses and liabilities | | 11,686 | 16,154 | 17,844 |
| Derivatives | | -0 | 2,643 | 543 |
| Deferred tax | | 413 | 2,957 | 734 |
| Tax payable | | 11,037 | 40,712 | 25,065 |
| Subordinated loan capital | 3, 4 | 96,000 | 56,000 | 96,000 |
| Total liabilities | | 5,441,403 | 4,861,859 | 5,012,958 |
| Share capital | 3 | 377,228 | 332,642 | 332,642 |
| Share premium reserve | 3 | 200,081 | 178,192 | 178,192 |
| Retained earnings | 3 | 238,959 | 152,120 | 194,541 |
| Additional Tier 1 capital | 3 | 80,900 | 40,900 | 80,900 |
| Total equity | | 897,168 | 703,854 | 786,275 |
| Total liabilities and equity | | 6,338,571 | 5,565,713 | 5,799,233 |



Statement of changes in equity:

| NOK 1000 | Share capital | Share premium | Tier 1 capital | Retained earnings and other reserves | Total equity |
|----------------------------------|----------------------|----------------------|-----------------------|---|---------------------|
| Equity per 01.01.2022 | 332,642 | 178,192 | 40,900 | 114,373 | 666,107 |
| Profit for the period | | | | 82,240 | 82,240 |
| Changes in warrants | | | | 2,352 | 2,352 |
| Paid interest on Tier 1 Capital | | | | -4,424 | -4,424 |
| Additional Tier 1 capital issued | | | 40,000 | | 40,000 |
| Equity per 31.12.2022 | 332,642 | 178,192 | 80,900 | 194,540 | 786,275 |
| Equity per 01.01.2023 | 332,642 | 178,192 | 80,900 | 194,540 | 786,275 |
| Capital issuance | 44,586 | 21,889 | | | 66,475 |
| Profit for the period | | | | 47,520 | 47,520 |
| Changes in warrants | | | | 1,673 | 1,673 |
| Paid interest on Tier 1 Capital | | | | -4,775 | -4,775 |
| Equity per 30.06.2023 | 377,228 | 200,081 | 80,900 | 238,959 | 897,168 |

Notes

Note 1: General accounting principles

The interim report is prepared in accordance with chapter 8 in regulations for annual accounts of banks, credit companies and financial institutions, which means interim financial statement in accordance with IAS 34 and those exceptions included in the regulations for annual accounts of banks, credit companies and financial institutions, as presentation of statement of cashflows. For further information see note 1 accounting principles in the annual report of 2022. The interim report was approved by the board of directors on August 9th, 2023.

Note 2: Loans to customers

GROSS AND NET LENDING;

| NOK 1000 | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|-------------------------------|------------------|------------------|------------------|
| Unsecured consumer loans | 3,348,483 | 3,117,954 | 3,060,236 |
| Mortgages | 2,087,778 | 1,443,986 | 1,758,131 |
| Prepaid agent commission | 134,912 | 121,858 | 129,360 |
| Establishment fees | -78,399 | -67,055 | -73,118 |
| Gross lending | 5,492,774 | 4,616,744 | 4,874,609 |
| Impairment of loans | -271,565 | -227,471 | -200,579 |
| Net loans to customers | 5,221,209 | 4,389,273 | 4,674,030 |

CREDIT IMPAIRED AND LOSSES:

| NOK 1000 | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|--|----------------|----------------|----------------|
| Gross credit impaired loans (stage 3) | 522,094 | 404,808 | 366,475 |
| Individual impairment of credit impaired loans (stage 3) | -214,083 | -173,814 | -146,922 |
| Net credit impaired loans | 308,011 | 230,994 | 219,553 |

Gross credit impaired loans are loans which are more than 90 days in arrear in relation to the agreed payment schedule.





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AGEING OF LOANS:

| NOK 1000 | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|---------------------|-------------------|-------------------|-------------------|
| Loans not past due | 4,189,934 | 3,563,774 | 3,597,043 |
| Past due 1-30 days | 501,120 | 453,449 | 663,461 |
| Past due 31-60 days | 182,873 | 107,740 | 156,549 |
| Past due 61-90 days | 40,240 | 32,170 | 34,838 |
| Past due 91+ days | 522,094 | 404,808 | 366,475 |
| Total | 5,436,261 | 4,561,940 | 4,818,367 |

| | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|---------------------|-------------------|-------------------|-------------------|
| Loans not past due | 77.1 % | 78.1 % | 74.7 % |
| Past due 1-30 days | 9.2 % | 9.9 % | 13.8 % |
| Past due 31-60 days | 3.4 % | 2.4 % | 3.2 % |
| Past due 61-90 days | 0.7 % | 0.7 % | 0.7 % |
| Past due 91+ days | 9.6 % | 8.9 % | 7.6 % |
| Total | 100.0 % | 100.0 % | 100.0 % |

GEOGRAPHIC DISTRIBUTION:

| NOK 1000 | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|--|-------------------|-------------------|-------------------|
| Norway | 3,409,965 | 2,965,368 | 3,126,499 |
| Finland | 1,938,330 | 1,490,376 | 1,600,798 |
| Sweden | 87,967 | 106,196 | 91,070 |
| Gross lending excl. prepaid agent provisions and establishment fees | 5,436,262 | 4,561,940 | 4,818,367 |



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RECONCILIATION OF GROSS LENDING TO CUSTOMERS, TOTAL LOANS

Q2 2023:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 01.04.23 | 4,296,435 | 555,042 | 443,387 | 5,294,864 |
| <i>Transfers in Q2 2023:</i> | - | - | - | - |
| Transfer from stage 1 to stage 2 | -280,707 | 280,410 | - | -297 |
| Transfer from stage 1 to stage 3 | -15,747 | - | 15,925 | 179 |
| Transfer from stage 2 to stage 1 | 92,397 | -103,231 | - | -10,834 |
| Transfer from stage 2 to stage 3 | - | -86,325 | 85,793 | -532 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 367 | -976 | -609 |
| New assets | 624,717 | 9,883 | 432 | 635,033 |
| Assets derecognised | -463,223 | -42,379 | -30,783 | -536,385 |
| Changes in foreign exchange and other changes | 41,633 | 4,895 | 8,315 | 54,843 |
| Gross carrying amount as at 30.06.23 | 4,295,505 | 618,662 | 522,094 | 5,436,262 |

Q2 2022:

| | | | | |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 31.03.2022 | 3,332,874 | 463,898 | 339,051 | 4,135,824 |
| <i>Transfers in Q2 2022:</i> | - | - | - | - |
| Transfer from stage 1 to stage 2 | -148,337 | 147,882 | - | -454 |
| Transfer from stage 1 to stage 3 | -7,560 | - | 7,815 | 255 |
| Transfer from stage 2 to stage 1 | 173,988 | -186,938 | - | -12,950 |
| Transfer from stage 2 to stage 3 | - | -60,504 | 60,222 | -282 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 1,124 | -1,425 | -301 |
| New assets | 803,104 | 16,870 | 66 | 820,040 |
| Assets derecognised | -427,706 | -32,597 | -18,997 | -479,300 |
| Changes in foreign exchange and other changes | 68,400 | 12,633 | 18,076 | 99,108 |
| Gross carrying amount as at 30.06.2022 | 3,794,763 | 362,369 | 404,808 | 4,561,940 |

2022:

| | | | | |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 01.01.22 | 3,184,648 | 474,041 | 307,111 | 3,965,800 |
| <i>Transfers in 2022:</i> | - | - | - | - |
| Transfer from stage 1 to stage 2 | -194,696 | 188,693 | - | -6,003 |
| Transfer from stage 1 to stage 3 | -104,981 | - | 105,189 | 208 |
| Transfer from stage 2 to stage 1 | 132,341 | -148,621 | - | -16,280 |
| Transfer from stage 2 to stage 3 | - | -89,363 | 83,856 | -5,507 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 851 | -857 | -6 |
| New assets | 2,186,428 | 197,689 | 45,752 | 2,429,869 |
| Assets derecognised | -1,275,748 | -144,039 | -180,875 | -1,600,662 |
| Changes in foreign exchange and other changes | 34,902 | 9,746 | 6,300 | 50,948 |
| Gross carrying amount as at 31.12.22 | 3,962,894 | 488,997 | 366,475 | 4,818,367 |



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RECONCILIATION OF LOAN LOSS ALLOWANCES, TOTAL LOANS

Q2 2023:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------------|---------------|----------------|----------------|
| Expected credit losses as at 01.04.23 | 28,125 | 29,256 | 181,500 | 238,881 |
| <i>Transfers in Q2 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -3,021 | 12,352 | - | 9,330 |
| Transfer from stage 1 to stage 3 | -309 | - | 2,850 | 2,541 |
| Transfer from stage 2 to stage 1 | 1,446 | -4,730 | - | -3,285 |
| Transfer from stage 2 to stage 3 | - | -6,286 | 16,978 | 10,692 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 74 | -344 | -270 |
| New assets originated or change in provisions | 2,308 | 513 | 194 | 3,016 |
| Assets derecognised or change in provisions | -1,446 | -1,739 | 7,177 | 3,991 |
| Changes in foreign exchange and other changes | 494 | 447 | 5,728 | 6,669 |
| Expected credit losses as at 30.06.23 | 27,596 | 29,886 | 214,083 | 271,565 |

Q2 2022:

| | | | | |
|--|---------------|---------------|----------------|----------------|
| Expected credit losses as at 31.03.2022 | 25,943 | 28,004 | 145,687 | 199,633 |
| <i>Transfers in Q2 2022:</i> | | | | |
| Transfer from stage 1 to stage 2 | -2,068 | 8,969 | - | 6,901 |
| Transfer from stage 1 to stage 3 | -190 | - | 1,607 | 1,417 |
| Transfer from stage 2 to stage 1 | 2,711 | -8,154 | - | -5,443 |
| Transfer from stage 2 to stage 3 | - | -5,680 | 13,542 | 7,862 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 41 | -385 | -344 |
| New assets originated or change in provisions | 4,541 | 1,005 | 15 | 5,561 |
| Assets derecognised or change in provisions | -2,565 | -1,062 | 5,324 | 1,697 |
| Changes in foreign exchange and other changes | 1,096 | 1,066 | 8,024 | 10,187 |
| Expected credit losses as at 30.06.2022 | 29,467 | 24,190 | 173,814 | 227,471 |

2022:

| | | | | |
|---|---------------|---------------|----------------|----------------|
| Expected credit losses as at 01.01.22 | 27,324 | 30,055 | 125,436 | 182,815 |
| <i>Transfers in 2022:</i> | | | | |
| Transfer from stage 1 to stage 2 | -2,447 | 10,660 | - | 8,213 |
| Transfer from stage 1 to stage 3 | -1,779 | - | 30,894 | 29,116 |
| Transfer from stage 2 to stage 1 | 1,789 | -7,978 | - | -6,189 |
| Transfer from stage 2 to stage 3 | - | -8,517 | 30,830 | 22,314 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 25 | -651 | -625 |
| New assets originated or change in provisions | 13,342 | 9,033 | 11,185 | 33,560 |
| Assets derecognised or change in provisions | -12,356 | -7,258 | -53,976 | -73,589 |
| Changes in foreign exchange and other changes | 881 | 883 | 3,203 | 4,966 |
| Expected credit losses as at 31.12.22 | 26,754 | 26,903 | 146,922 | 200,579 |



RECONCILIATION OF GROSS LENDING TO CUSTOMERS, UNSECURED CONSUMER LOANS

Q2 2023:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 01.04.23 | 2,622,135 | 310,763 | 396,914 | 3,329,812 |
| <i>Transfers in Q2 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -131,728 | 131,614 | - | -114 |
| Transfer from stage 1 to stage 3 | -10,687 | - | 10,869 | 181 |
| Transfer from stage 2 to stage 1 | 55,599 | -61,612 | - | -6,013 |
| Transfer from stage 2 to stage 3 | - | -61,671 | 61,161 | -510 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 367 | -976 | -609 |
| New assets | 275,465 | 6,642 | 432 | 282,538 |
| Assets derecognised | -269,287 | -21,276 | -19,698 | -310,262 |
| Changes in foreign exchange and other changes | 40,756 | 4,895 | 7,808 | 53,459 |
| Gross carrying amount as at 30.06.23 | 2,582,252 | 309,723 | 456,508 | 3,348,483 |

Q2 2022:

| | | | | |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 01.04.22 | 2,276,067 | 378,950 | 327,045 | 2,982,062 |
| <i>Transfers in Q2 2022:</i> | | | | |
| Transfer from stage 1 to stage 2 | -91,898 | 91,635 | - | -264 |
| Transfer from stage 1 to stage 3 | -6,962 | - | 7,217 | 255 |
| Transfer from stage 2 to stage 1 | 154,492 | -166,776 | - | -12,284 |
| Transfer from stage 2 to stage 3 | - | -53,508 | 53,229 | -279 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 1,124 | -1,425 | -301 |
| New assets | 386,262 | 8,293 | 66 | 394,621 |
| Assets derecognised | -306,978 | -26,861 | -13,878 | -347,717 |
| Changes in foreign exchange and other changes | 70,710 | 12,633 | 18,503 | 101,846 |
| Gross carrying amount as at 30.06.22 | 2,481,693 | 245,489 | 390,757 | 3,117,939 |

2022:

| | | | | |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 01.01.22 | 2,271,084 | 394,404 | 298,057 | 2,963,544 |
| <i>Transfers in 2022:</i> | | | | |
| Transfer from stage 1 to stage 2 | -124,095 | 119,036 | - | -5,059 |
| Transfer from stage 1 to stage 3 | -89,664 | - | 90,129 | 465 |
| Transfer from stage 2 to stage 1 | 119,814 | -135,005 | - | -15,191 |
| Transfer from stage 2 to stage 3 | - | -83,370 | 79,312 | -4,058 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 851 | -857 | -6 |
| New assets | 1,142,914 | 85,598 | 39,207 | 1,267,719 |
| Assets derecognised | -912,701 | -108,647 | -176,270 | -1,197,618 |
| Changes in foreign exchange and other changes | 35,600 | 9,746 | 5,091 | 50,438 |
| Gross carrying amount as at 31.12.22 | 2,442,953 | 282,614 | 334,670 | 3,060,236 |



RECONCILIATION OF LOAN LOSS ALLOWANCES, UNSECURED CONSUMER LOANS

Q2 2023:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------------|---------------|----------------|----------------|
| Expected credit losses as at 01.04.23 | 26,839 | 26,595 | 175,083 | 228,517 |
| <i>Transfers in Q2 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -2,765 | 10,899 | - | 8,134 |
| Transfer from stage 1 to stage 3 | -306 | - | 2,800 | 2,495 |
| Transfer from stage 2 to stage 1 | 1,386 | -4,383 | - | -2,997 |
| Transfer from stage 2 to stage 3 | - | -6,019 | 15,859 | 9,839 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 74 | -344 | -270 |
| New assets originated or change in provisions | 2,237 | 500 | 194 | 2,931 |
| Assets derecognised or change in provisions | -1,398 | -1,642 | 6,838 | 3,797 |
| Changes in foreign exchange and other changes | 494 | 447 | 5,221 | 6,162 |
| Expected credit losses as at 30.06.23 | 26,487 | 26,470 | 205,651 | 258,608 |

Q2 2022:

| | | | | |
|---|---------------|---------------|----------------|----------------|
| Expected credit losses as at 01.04.22 | 24,181 | 26,468 | 143,688 | 194,337 |
| <i>Transfers in Q2 2022:</i> | | | | |
| Transfer from stage 1 to stage 2 | -1,874 | 7,954 | - | 6,080 |
| Transfer from stage 1 to stage 3 | -189 | - | 1,541 | 1,353 |
| Transfer from stage 2 to stage 1 | 2,658 | -7,854 | - | -5,196 |
| Transfer from stage 2 to stage 3 | - | -5,527 | 12,874 | 7,348 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 41 | -385 | -344 |
| New assets originated or change in provisions | 4,025 | 883 | 15 | 4,923 |
| Assets derecognised or change in provisions | -2,600 | -982 | 5,728 | 2,146 |
| Changes in foreign exchange and other changes | 1,096 | 1,066 | 7,779 | 9,941 |
| Expected credit losses as at 30.06.22 | 27,297 | 22,049 | 171,240 | 220,587 |

2022:

| | | | | |
|---|---------------|---------------|----------------|----------------|
| Expected credit losses as at 01.01.22 | 25,600 | 28,637 | 124,166 | 178,402 |
| <i>Transfers in 2022:</i> | | | | |
| Transfer from stage 1 to stage 2 | -2,259 | 9,569 | - | 7,309 |
| Transfer from stage 1 to stage 3 | -1,714 | - | 29,410 | 27,696 |
| Transfer from stage 2 to stage 1 | 1,778 | -7,764 | - | -5,986 |
| Transfer from stage 2 to stage 3 | - | -8,380 | 30,425 | 22,045 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 25 | -651 | -625 |
| New assets originated or change in provisions | 11,819 | 7,434 | 10,724 | 29,976 |
| Assets derecognised or change in provisions | -11,500 | -6,712 | -53,906 | -72,118 |
| Changes in foreign exchange and other changes | 881 | 883 | 1,994 | 3,758 |
| Expected credit losses as at 31.12.22 | 24,605 | 23,692 | 142,162 | 190,459 |



RECONCILIATION OF GROSS LENDING TO CUSTOMERS, MORTGAGES

Q2 2023:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|----------------|---------------|------------------|
| Gross carrying amount as at 01.04.23 | 1,674,300 | 244,278 | 46,473 | 1,965,052 |
| <i>Transfers in Q2 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -148,979 | 148,796 | - | -183 |
| Transfer from stage 1 to stage 3 | -5,059 | - | 5,057 | -2 |
| Transfer from stage 2 to stage 1 | 36,798 | -41,620 | - | -4,822 |
| Transfer from stage 2 to stage 3 | - | -24,654 | 24,633 | -22 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | - | - | - |
| New assets | 349,253 | 3,242 | - | 352,495 |
| Assets derecognised | -193,936 | -21,103 | -11,085 | -226,124 |
| Changes in foreign exchange and other changes | 877 | - | 507 | 1,384 |
| Gross carrying amount as at 30.06.23 | 1,713,253 | 308,939 | 65,586 | 2,087,778 |

Q2 2022:

| | | | | |
|---|------------------|----------------|---------------|------------------|
| Gross carrying amount as at 01.04.22 | 1,056,806 | 84,948 | 12,007 | 1,153,761 |
| <i>Transfers in Q2 2022:</i> | | | | |
| Transfer from stage 1 to stage 2 | -56,438 | 56,248 | - | -191 |
| Transfer from stage 1 to stage 3 | -597 | - | 597 | - |
| Transfer from stage 2 to stage 1 | 19,496 | -20,162 | - | -666 |
| Transfer from stage 2 to stage 3 | - | -6,996 | 6,993 | -3 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | - | - | - |
| New assets | 416,842 | 8,577 | - | 425,419 |
| Assets derecognised | -120,728 | -5,735 | -5,119 | -131,582 |
| Changes in foreign exchange and other changes | -2,311 | - | -427 | -2,738 |
| Gross carrying amount as at 30.06.22 | 1,313,070 | 116,880 | 14,051 | 1,444,001 |

2022:

| | | | | |
|---|------------------|----------------|---------------|------------------|
| Gross carrying amount as at 01.01.22 | 913,564 | 79,637 | 9,054 | 1,002,255 |
| <i>Transfers in 2022:</i> | | | | |
| Transfer from stage 1 to stage 2 | -70,601 | 69,656 | - | -944 |
| Transfer from stage 1 to stage 3 | -15,317 | - | 15,060 | -257 |
| Transfer from stage 2 to stage 1 | 12,527 | -13,616 | - | -1,089 |
| Transfer from stage 2 to stage 3 | - | -5,993 | 4,544 | -1,449 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | - | - | - |
| New assets | 1,043,514 | 112,091 | 6,545 | 1,162,149 |
| Assets derecognised | -363,047 | -35,392 | -4,605 | -403,044 |
| Changes in foreign exchange and other changes | -698 | - | 1,208 | 510 |
| Gross carrying amount as at 31.12.22 | 1,519,941 | 206,383 | 31,806 | 1,758,131 |



INTERIM REPORT Q2 2023

RECONCILIATION OF LOAN LOSS ALLOWANCES, MORTGAGES

Q2 2023:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|--------------|--------------|--------------|---------------|
| Expected credit losses as at 01.04.23 | 1,286 | 2,661 | 6,417 | 10,364 |
| <i>Transfers in Q2 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -256 | 1,452 | - | 1,196 |
| Transfer from stage 1 to stage 3 | -3 | - | 49 | 47 |
| Transfer from stage 2 to stage 1 | 59 | -347 | - | -288 |
| Transfer from stage 2 to stage 3 | - | -266 | 1,119 | 852 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | - | - | - |
| New assets originated or change in provisions | 72 | 13 | - | 85 |
| Assets derecognised or change in provisions | -48 | -97 | 339 | 194 |
| Changes in foreign exchange and other changes | - | - | 507 | 507 |
| Expected credit losses as at 30.06.23 | 1,109 | 3,415 | 8,432 | 12,956 |

Q2 2022:

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Expected credit losses as at 01.04.22 | 1,762 | 1,536 | 1,999 | 5,297 |
| <i>Transfers in Q2 2022:</i> | | | | |
| Transfer from stage 1 to stage 2 | -194 | 1,015 | - | 821 |
| Transfer from stage 1 to stage 3 | -1 | - | 66 | 64 |
| Transfer from stage 2 to stage 1 | 52 | -299 | - | -247 |
| Transfer from stage 2 to stage 3 | - | -153 | 667 | 514 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | - | - | - |
| New assets originated or change in provisions | 516 | 122 | - | 638 |
| Assets derecognised or change in provisions | 35 | -80 | -404 | -449 |
| Changes in foreign exchange and other changes | 0 | - | 245 | 245 |
| Expected credit losses as at 30.06.22 | 2,170 | 2,141 | 2,573 | 6,884 |

2022:

| | | | | |
|---|--------------|--------------|--------------|---------------|
| Expected credit losses as at 01.01.22 | 1,724 | 1,418 | 1,270 | 4,412 |
| <i>Transfers in 2022:</i> | | | | |
| Transfer from stage 1 to stage 2 | -187 | 1,091 | - | 904 |
| Transfer from stage 1 to stage 3 | -65 | - | 1,484 | 1,419 |
| Transfer from stage 2 to stage 1 | 11 | -214 | - | -203 |
| Transfer from stage 2 to stage 3 | - | -137 | 405 | 268 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | - | - | - |
| New assets originated or change in provisions | 1,523 | 1,599 | 461 | 3,583 |
| Assets derecognised or change in provisions | -856 | -546 | -70 | -1,472 |
| Changes in foreign exchange and other changes | - | - | 1,208 | 1,208 |
| Expected credit losses as at 31.12.22 | 2,149 | 3,211 | 4,760 | 10,120 |



EXPECTED CREDIT LOSS

Instabank apply the IFRS9 framework and methodology consisting of three stages of impairment when calculating Expected Credit Loss (ECL). The three stages include Stage 1 which consist of non-impaired exposure, Stage 2 which consist of exposure where credit risk has significantly increased since origination and Stage 3 which consist of observed impairment exposure following a 90 days past due definition. The overall staging criteria is based on a combination of observed events, past due observations and submodels predicting the probability of default (PD), exposure at default (EAD) and loss given default (LGD). Predictions follow a 12-month accumulation in Stage 1, while Stage 2 and 3 follow a lifetime approach.

SIGNIFICANT INCREASE IN CREDIT RISK

Stage 2 consist of exposure where credit risk has significantly increased since origination following several different criteria, including early past due observations (30 - 90 days), current forbearance history and increase in probability of default (PD) between origination and the reporting date. The latter predictive model employs historical behavior data in order to predict the probability of default in the next 12 months, where default is defined as 90 days past due. Loans that are more than 90 days past due transfer from Stage 2 to Stage 3. The below table show the trigger thresholds that define a significant increase in PD origination and the reporting date. The thresholds for high and low risk at origination are 10 %, 11 % and 5 % for Norway, Finland and Sweden respectively.

| | Secured | Unsecured | | |
|--------------------------|---------|-----------|---------|--------|
| | Norway | Norway | Finland | Sweden |
| Low Risk at origination | 200 % | 300 % | 300 % | 300 % |
| High Risk at origination | 150 % | 150 % | 110 % | 110 % |

MACROECONOMIC INPUT TO ECL MODEL

Instabank employ macroeconomic models for each mass market product portfolio in measuring ECL which include a pessimistic, a baseline and an optimistic macroeconomic scenario. The macroeconomic projections in the scenarios are based on data from Moody's Analytics' Global Macroeconomic Model (GMM), which is a structural model that produce more than 16.000 interrelated macroeconomic time series spanning 73 countries and reflecting specific economic conditions and relationships. The output from GMM is a baseline scenario and 10 standard alternative scenario forecasts over a 30-year time horizon which are produced at a quarterly basis and updated at a monthly basis. Macroeconomic indicators that are expected to correlate with probability of default in terms of economic logic are the basis for setting factors used to adjust ECL by the scenarios. The indicators included are "Gross Domestic Product" (market exchange rate in bil. 2012 USD), "Unemployment Rate" (labor force survey, in %), "Consumer Price Index" (total index, 2010=100, 2015=100 and 1980=100 respectively for Finland, Norway and Sweden), "Interest Rate" (three month interbank offered rate, in %) and "House Price Index" (nominal index, 2010=100).

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| NORWAY | Pessimistic scenario | | | Baseline scenario | | | Optimistic scenario | | |
|------------------------|----------------------|----------|----------|-------------------|----------|----------|---------------------|----------|----------|
| | 31.12.23 | 31.12.24 | 31.12.28 | 31.12.23 | 31.12.24 | 31.12.28 | 31.12.23 | 31.12.24 | 31.12.28 |
| Gross Domestic Product | 592.2 | 597.3 | 652.1 | 619.2 | 628.8 | 676.7 | 626.7 | 637.3 | 684.0 |
| Unemployment Rate | 5.3 | 5.3 | 3.5 | 4.0 | 4.0 | 3.3 | 3.9 | 3.9 | 3.2 |
| Consumer Price Index | 124.3 | 123.7 | 135.0 | 128.3 | 130.1 | 142.6 | 127.7 | 129.5 | 142.2 |
| Interest Rate | 2.5 | 2.1 | 1.6 | 3.3 | 3.4 | 3.2 | 3.2 | 3.4 | 3.5 |
| House Price Index | 166.4 | 161.4 | 205.6 | 173.4 | 173.5 | 213.2 | 174.5 | 175.0 | 217.3 |

| FINLAND | Pessimistic scenario | | | Baseline scenario | | | Optimistic scenario | | |
|------------------------|----------------------|----------|----------|-------------------|----------|----------|---------------------|----------|----------|
| | 31.12.23 | 31.12.24 | 31.12.28 | 31.12.23 | 31.12.24 | 31.12.28 | 31.12.23 | 31.12.24 | 31.12.28 |
| Gross Domestic Product | 271.6 | 272.1 | 290.6 | 289.1 | 292.4 | 305.9 | 295.3 | 297.9 | 310.0 |
| Unemployment Rate | 8.2 | 8.7 | 7.1 | 7.3 | 7.0 | 6.5 | 7.0 | 6.8 | 6.5 |
| Consumer Price Index | 130.0 | 130.5 | 140.3 | 131.4 | 132.9 | 142.8 | 131.1 | 132.7 | 142.8 |
| Interest Rate | 1.6 | 0.2 | 1.1 | 3.2 | 2.5 | 1.9 | 3.3 | 2.6 | 2.0 |
| House Price Index | 106.3 | 104.3 | 116.5 | 109.4 | 107.0 | 120.4 | 110.5 | 109.2 | 122.2 |

| SWEDEN | Pessimistic scenario | | | Baseline scenario | | | Optimistic scenario | | |
|------------------------|----------------------|----------|----------|-------------------|----------|----------|---------------------|----------|----------|
| | 31.12.23 | 31.12.24 | 31.12.28 | 31.12.23 | 31.12.24 | 31.12.28 | 31.12.23 | 31.12.24 | 31.12.28 |
| Gross Domestic Product | 664.2 | 669.8 | 733.9 | 687.2 | 698.0 | 757.3 | 702.8 | 711.7 | 765.6 |
| Unemployment Rate | 5.3 | 5.3 | 3.5 | 4.0 | 4.0 | 3.3 | 3.9 | 3.9 | 3.2 |
| Consumer Price Index | 390.8 | 391.8 | 426.9 | 404.1 | 413.0 | 452.7 | 402.3 | 410.2 | 448.9 |
| Interest Rate | 3.1 | 1.5 | 1.8 | 4.2 | 2.8 | 2.5 | 4.3 | 3.6 | 2.5 |
| House Price Index | 170.0 | 174.0 | 211.8 | 178.5 | 187.8 | 237.1 | 179.5 | 190.1 | 239.3 |

| Factors pr. 30.06.2023 | Mortgages | Unsecured consumer loans | | |
|------------------------|-----------|--------------------------|---------|--------|
| | Norway | Norway | Finland | Sweden |
| Pessimistic Scenario | 1.15 | 1.15 | 1.22 | 1.24 |
| Baseline Scenario | 1.03 | 1.03 | 1.06 | 1.09 |
| Optimistic Scenario | 1.00 | 1.00 | 1.02 | 1.08 |

ECL SENSITIVITY BETWEEN MACRO SCENARIOS

The weighting of the scenarios is set at [30 % pessimistic - 40 % baseline - 30 % optimistic] for all portfolios. The indicators from the scenarios reflect the probability of the economy performing worse or better than the projection. For the baseline scenario, the probability that the economy performing better or worse than the projection is both equal at 50 % and is thereby the most likely outcome. For the optimistic scenario, there is a 10 % probability that the economy will perform better than projections and 90 % probability that it will perform worse and vice versa for the pessimistic scenario.

| NOK 1000 | Mortgages | Unsecured consumer loans | | | Total |
|----------------------|---------------|--------------------------|----------------|---------------|----------------|
| | Norway | Norway | Finland | Sweden | |
| Pessimistic scenario | 13,884 | 120,491 | 141,999 | 19,560 | 295,935 |
| Baseline scenario | 12,687 | 110,209 | 123,753 | 17,478 | 264,126 |
| Optimistic scenario | 12,387 | 107,639 | 119,762 | 17,325 | 257,113 |
| Final ECL | 12,956 | 112,523 | 128,029 | 18,057 | 271,565 |

**Note 3: Regulatory capital and LCR**

| NOK 1000 | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|--|-------------------|-------------------|-------------------|
| Share capital | 377,228 | 332,642 | 332,642 |
| Share premium | 200,081 | 178,192 | 178,192 |
| Other equity | 238,959 | 152,120 | 194,541 |
| Phase in effects of IFRS 9 | 0 | 16,023 | 16,023 |
| Deferred tax asset/intangible assets/other deductions | -24,731 | -23,745 | -22,065 |
| Common equity tier 1 capital | 791,537 | 655,232 | 699,333 |
| Additional tier 1 capital | 80,900 | 40,900 | 80,900 |
| Core capital | 872,437 | 696,132 | 780,233 |
| Subordinated loan | 96,000 | 56,000 | 96,000 |
| Total capital | 968,437 | 752,132 | 876,233 |
| Calculation basis - NOK 1000 | | | |
| Credit risk: | | | |
| Loans and deposits with credit institutions | 37,744 | 58,039 | 38,302 |
| Exposures secured by mortgages | 732,013 | 528,250 | 629,980 |
| Retail exposures | 2,178,615 | 2,075,376 | 2,040,938 |
| Certificates and bonds | 98,087 | 70,439 | 78,654 |
| Other assets | 38,129 | 22,464 | 44,945 |
| Exposures in default | 298,563 | 201,246 | 219,553 |
| Calculation basis credit risk | 3,383,151 | 2,955,815 | 3,052,373 |
| Calculation basis operational risk | 470,911 | 516,502 | 470,911 |
| Total calculation basis | 3,854,062 | 3,472,317 | 3,523,284 |
| Capital ratios including phase in impact of IFRS 9: | | | |
| Common equity Tier 1 Capital ratio | 20.5 % | 18.9 % | 19.8 % |
| Tier 1 capital ratio | 22.6 % | 20.0 % | 22.1 % |
| Total capital ratio | 25.1 % | 21.7 % | 24.9 % |
| Capital ratios excluding phase in impact of IFRS 9: | | | |
| Common equity Tier 1 Capital ratio | 20.5 % | 18.5 % | 19.5 % |
| Tier 1 capital ratio | 22.6 % | 19.7 % | 21.8 % |
| Total capital ratio | 25.1 % | 21.3 % | 24.5 % |
| Regulatory capital requirements: | | | |
| Common equity Tier 1 Capital ratio | 17.6 % | 16.8 % | 17.4 % |
| Tier 1 capital ratio | 19.1 % | 18.3 % | 18.9 % |
| Total capital ratio | 21.1 % | 20.3 % | 20.9 % |
| Leverage ratio | 13.8 % | 12.5 % | 13.4 % |
| LCR Total | 287 % | 385 % | 307 % |
| LCR NOK | 238 % | 397 % | 383 % |
| LCR EUR | 141 % | 252 % | 124 % |

Note 4: Financial instruments

FINANCIAL INSTRUMENTS AT FAIR VALUE

Level 1: Valuation based on quoted prices in an active market.

Level 2: Valuation is based on observable market data, other than quoted prices. For derivatives, the fair value is determined by using valuation models where the price of underlying factors, such as currencies. For certificates and bonds, valuation is based on market value reported from the fund and asset managers.

Level 3: Valuation based on unobservable market data when valuation cannot be determined in level 1 or 2.

Assets

| NOK 1000 | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|----------------------------------|------------|------------|------------|
| Certificates and bonds - level 1 | 868,090 | 842,237 | 867,806 |
| Derivatives- level 2 | 2,197 | 1,644 | 1,773 |

Liabilities

| NOK 1000 | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|-----------------------|------------|------------|------------|
| Derivatives - level 2 | 0 | 2,643 | 543 |

Financial instruments at amortized cost

Financial instruments at amortized cost are valued at originally determined cash flows, adjusted for any impairment losses.

| NOK 1000 | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|--|------------------|------------------|------------------|
| Loans and deposits with credit institutions | 187,278 | 288,835 | 191,254 |
| Net loans to customers | 5,221,209 | 4,389,273 | 4,674,030 |
| Other receivables | 32,849 | 16,030 | 39,527 |
| Total financial assets at amortised cost | 5,441,336 | 4,694,137 | 4,904,811 |
| Deposits from and debt to customers | 5,298,457 | 4,741,687 | 4,852,281 |
| Other debt | 34,847 | 45,062 | 46,098 |
| Subordinated loans | 96,000 | 56,000 | 96,000 |
| Total financial liabilities at amortised cost | 5,429,304 | 4,842,748 | 4,994,379 |

Note 5: Leasing obligation

The bank has a right to use asset for lease of offices in Drammensveien 175 in Oslo. The leases liability is 2,4 MNOK and expires 30.06.2024. The right of use asset is 2,3 MNOK and is measured at amortised cost using the effective interest method and is depreciated using the straight-line method. Instabank has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated.



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To the Board of Directors of Instabank ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Instabank ASA as of 30 June 2023, the condensed statements of profit or loss and other comprehensive income and the statement of changes in equity for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of this interim financial information that gives a true and fair view in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the entity as at 30 June 2023, and its financial performance for the three-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 09.08.2023
KPMG AS

Anders Sjöström
State Authorised Public Accountant

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated

Statsautoriserte revisorer - medlemmer av Den norske Rev

Offices in:

| | | | |
|---------|----------|--------------|--------|
| Alta | Finnsnes | Mo i Rana | Stord |
| Bergen | Hamar | Skien | Tromsø |
| Drammen | Knarvik | Sandnessjøen | Tynset |

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Statsautorisert revisor

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