



Interim presentation **Q4-2023**

February 8th, 2024





Key highlights



Profit before tax: 32.8 MNOK, +10 % vs Q4-22

Profit before tax 2023: 131 MNOK, + 28 MNOK from 2022



Growth in gross loans: 345 MNOK to 6,274 MNOK

Growth 2023: +1,415 MNOK vs +852 MNOK in 2022



Mortgage gross lending: 2,524 MNOK, +766 MNOK in 2023

Mortgages represents 40 % of gross loans



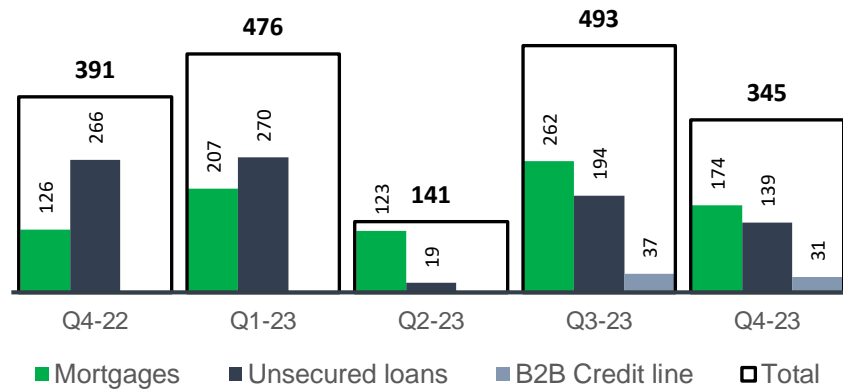
Net loans and margin developments



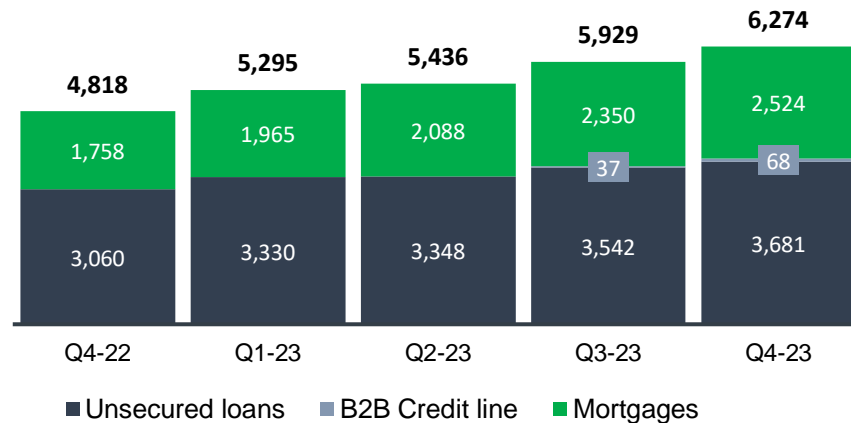


Gross loans development | Well diversified loan book

GROSS LOANS BALANCE GROWTH (MNOK)



GROSS LOANS VOLUME (MNOK)



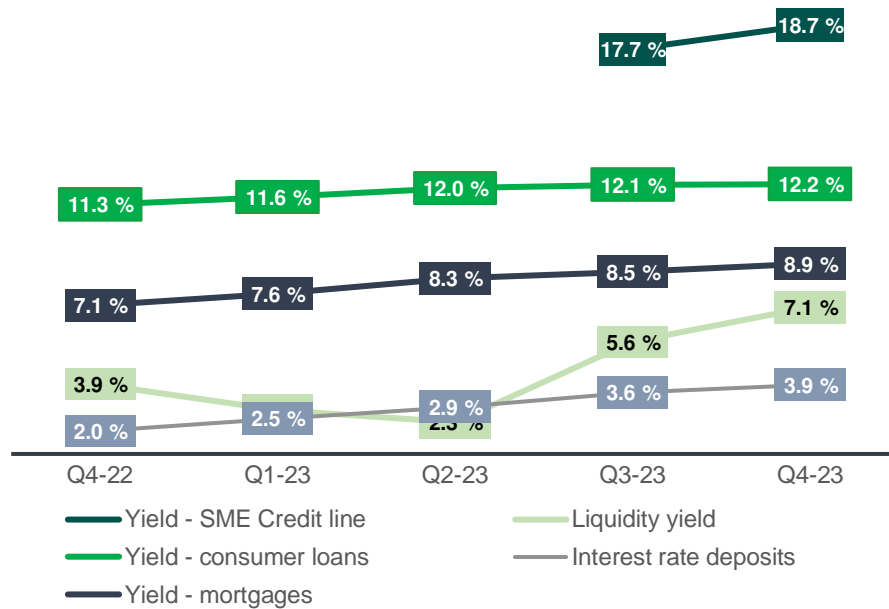
KEY COMMENTS:

- Solid growth in gross loans of 345 MNOK in the quarter
- Record high yearly growth of 1,455 MNOK in 2023
- Mortgages lending has increased 766 MNOK in 2023 to 2,524 MNOK, representing 40 % of total gross loans
- The new credit line product for SMEs performs very well.
- 98 customers and 68 MNOK in gross loans per end of Q4-23
- A well-diversified loan book across products and markets reduces risk



Yields and funding cost | Attractive margins

LENDING AND LIQUIDITY YIELD, INTEREST RATE DEPOSITS:



KEY COMMENTS:

- Rate hikes for existing lending customers and new loans following the increases by the Central Bank
- Deposit rates developments influenced by markets rates as well as increased competition from saving banks
- Liquidity yield outperformed funding cost, making surplus liquidity profitable

Gross lending portfolio | Transparent and simple

	Gross Loans	# Customers	Avg Ticket Size	Yield
Consumer Loans  Unsecured loans offered in Norway, Finland and Sweden	3,109''	27,752	112'	12.2 %
Mortgages  First or second priority mortgages for refinancing of unsecured debt or house improvements	2,524''	2,627	960'	8.9 %
Credit Card  Most attractive credit card in the market for revolving credit customers	313''	6,815	46'	16.5 %
Sales Finance  Point of sale or web payment solutions offered through retail partners like Skeidar and Coop	259''	27,421	9'	11.9 %
B2B Credit Line  Credit line product for small and medium sized enterprises	68''	98	698'	18.7%
Total Well diversified loan portfolio	6,274''	64,713	97'	11.1 %

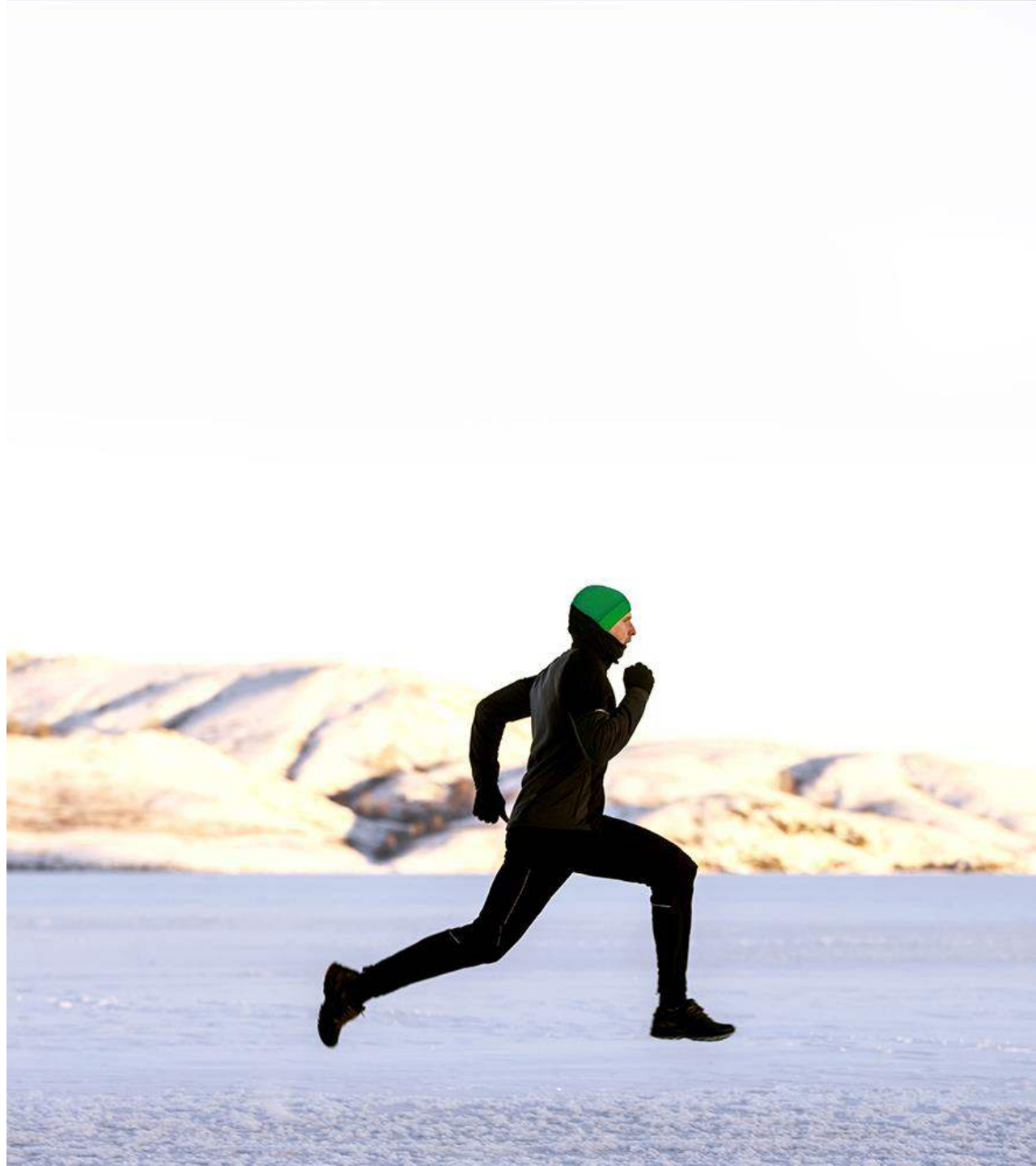


Deposits volumes | Diversified funding

	Volume	# Customers	Avg. Deposit Size	Avg. deposit rate
Norway 	3,461''	13,729	252'	4.3 %
Germany 	2,517''	14,468	174'	3.5 %
Finland 	132''	4,104	32'	1.1 %
Sweden 	17''	1,760	10'	0.5 %
Total	6,127''	34,061	180'	3.9 %



Profitability, risk
and capital

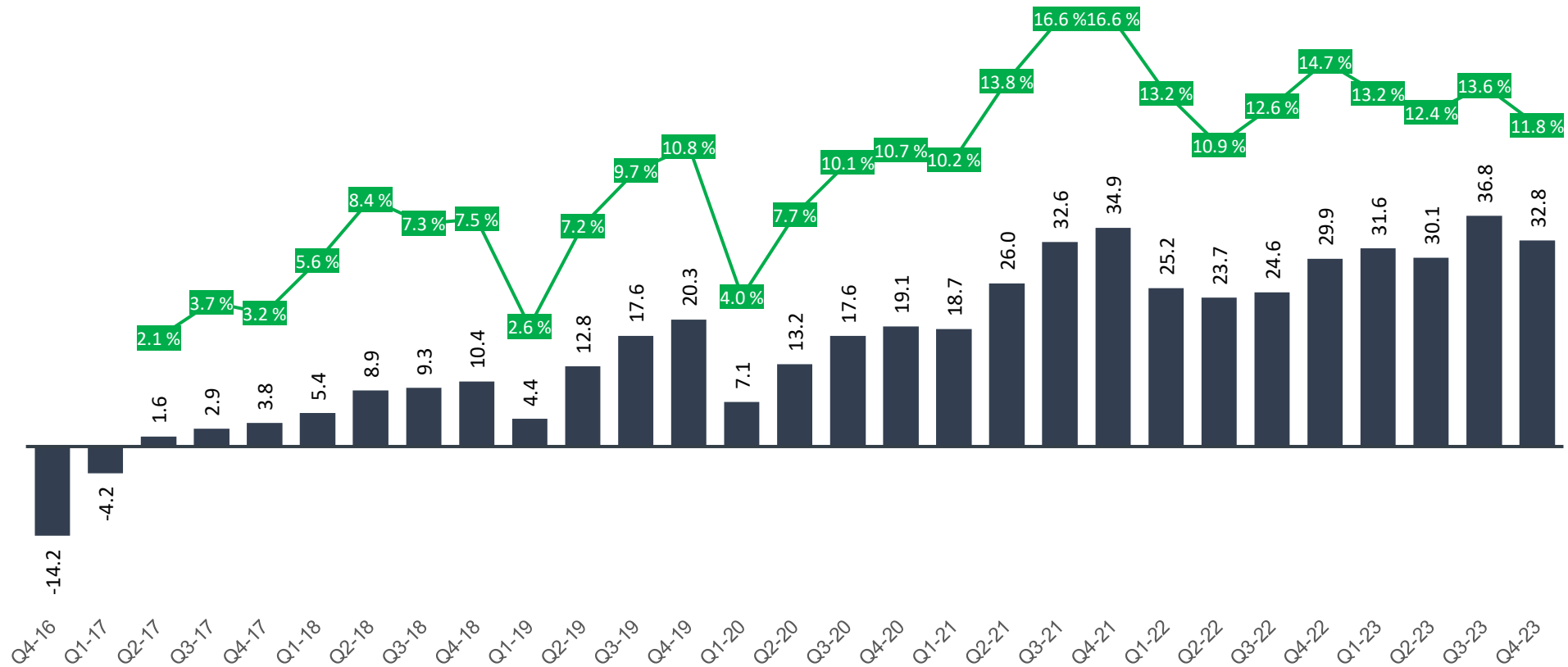




Profits | Long term growth in profit

27 consecutive quarters with profits

PROFIT AFTER TAX (NOKM) & RETURN ON EQUITY:





Total income | High growth in income

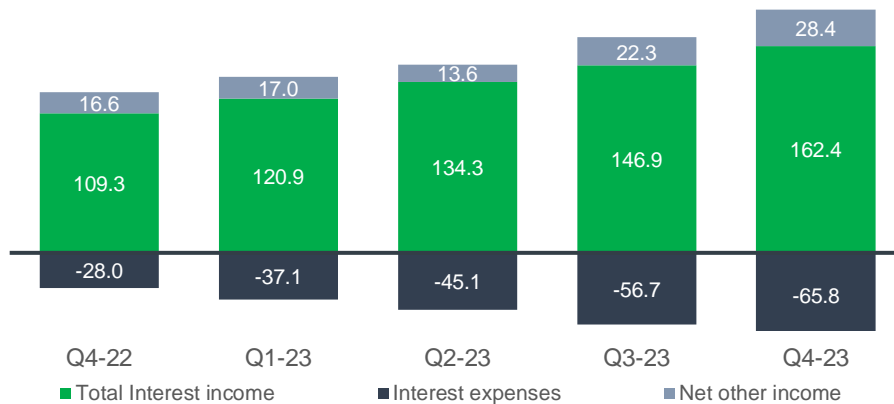
TOTAL INCOME (MNOK):



KEY COMMENTS:

- The increase in Total interest income of 51.5 MNOK comes from a gross lending growth of 1,455 MNOK in 2023 and increased loan yield to 10.9 % from 9.5 % in the same quarter last year
- The increase in interest expenses of 9 MNOK from the previous quarter comes from an increase in deposit volume and increase in funding cost to 4.4 % from 4.1 % in the previous quarter
- Net other income increased by as much as 11.8 MNOK from the same quarter last year to 28.4 MNOK in Q4-23 because of high yield on security holdings at 7.1 %

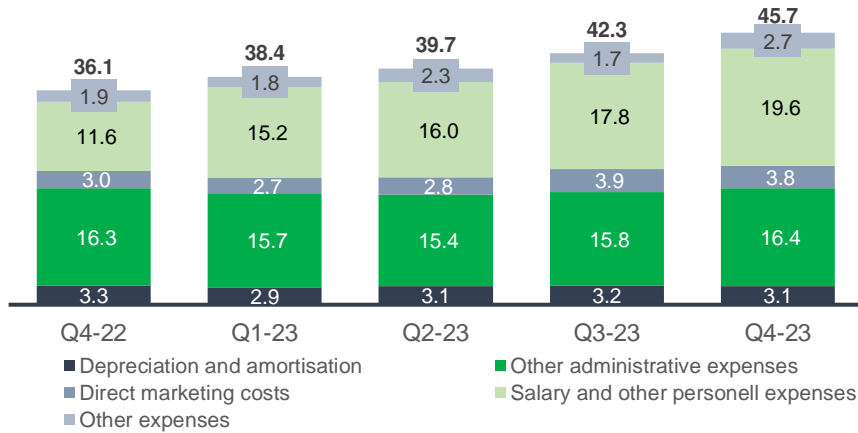
TOTAL INCOME DETAILED (MNOK):





Operating expenses | Demonstrating economy of scale

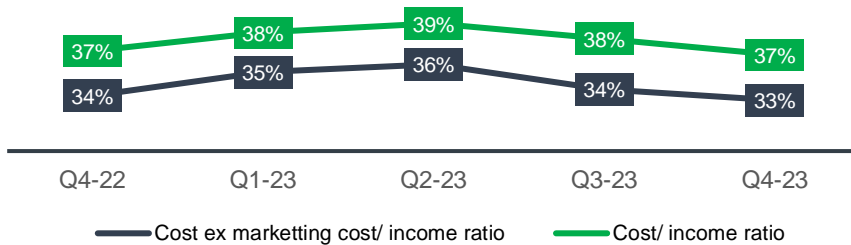
OPERATING EXPENSES BREAKDOWN (MNOK):



KEY COMMENTS:

- Personnel costs increased by 1.8 MNOK because of new hires and an increase in provisions
- The increase in administrative costs of 0.6 MNOK from the previous quarter comes from costs associated with the new SMEs lending product
- Other expenses increased by 1 MNOK from the previous quarter because of provisions for a fine from the Financial Supervisory Authorities
- The cost-to-income ratio decreased to 37 % from 38 % in the previous quarter, demonstrating economy of scale

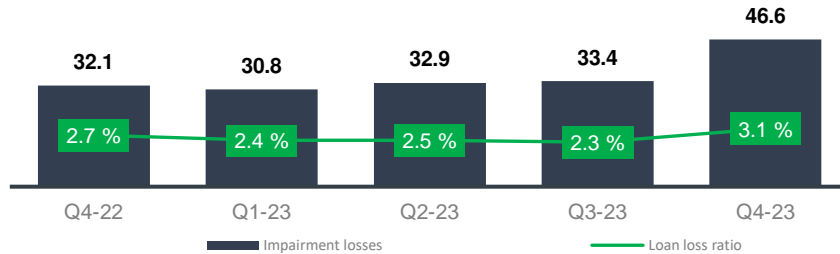
COST/INCOME RATIO:





Credit risk | Mortgages represent low credit risk

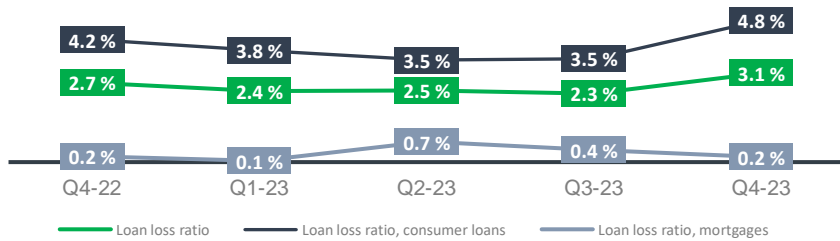
IMPAIRMENT LOSSES (MNOK):



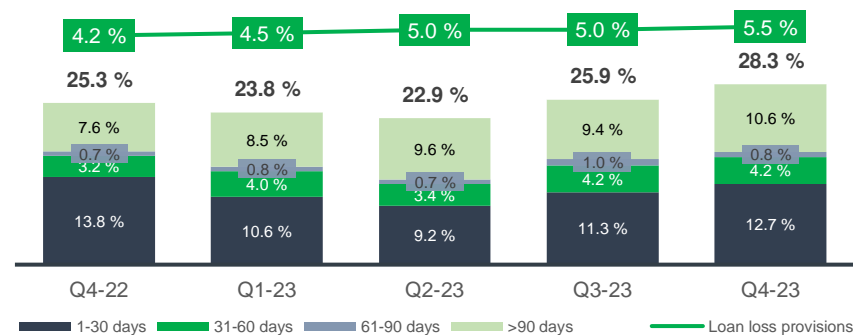
KEY COMMENTS:

- The loan loss ratio increased to 3.1 % from 2.7 % in the same quarter last year
- Unsecured consumer lending in Norway (3.1 %) performed well and as expected, while losses on loans in Finland increased to 5.9 % from 3.5 % in the previous quarter partly because of negative impact from an IFRS 9 model update
- Loan loss ratio for mortgages still at an attractive level and came down to 0.2 % from 0.4 % in the previous quarter, partly because of a positive impact from IFRS 9 model update

LOAN LOSS RATIO PER TYPE OF LOAN:



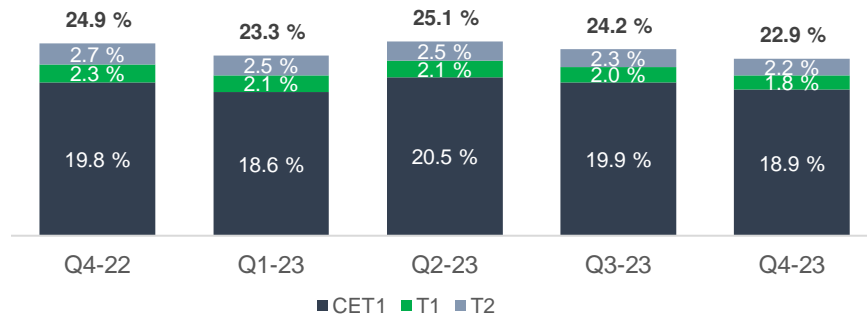
LOANS PAST DUE:





Regulatory Capital | Solid capital adequacy

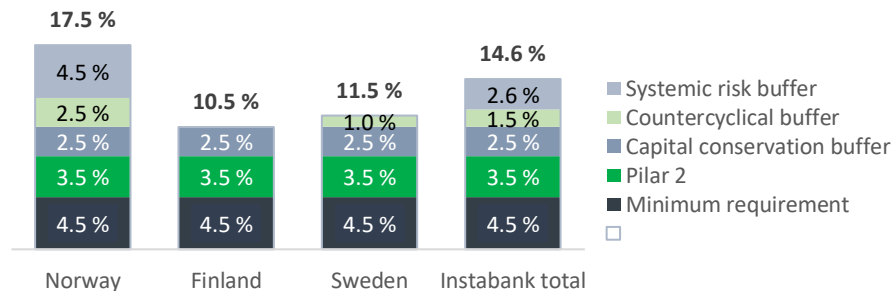
DEVELOPMENTS IN CAPITAL ADEQUACY RATIOS:



KEY COMMENTS:

- At the end of the quarter, the Common Equity Tier 1 Capital (CET1) ratio was 18.9%, 4.3 % above the regulatory capital requirement. The total capital ratio was 22.9 %, 2.1 % above the regulatory capital requirement
- The Ministry of Finance implemented a transitional rule for capital composition applicable to all banks in December 2023. The Pillar 2 requirement, currently at 6.2% for Instabank, can from the 31st of December 2023 be met with a minimum of 56.25% Common Equity Tier 1 (CET1) capital, down from 100%
- The systemic risk buffer requirement increased from 3 % to 4.5 % as of 31.12.23. Additionally, reciprocity was introduced, and as the systemic risk buffer requirement is 0 % in Finland, the total capital requirement was reduced by 0.36 percentage points
- The Norwegian Financial Supervisory Authority (NFSA) is in the process of setting a new Pillar 2 requirement for Instabank

CET1 REQUIREMENTS PER COUNTRY AND TOTAL:



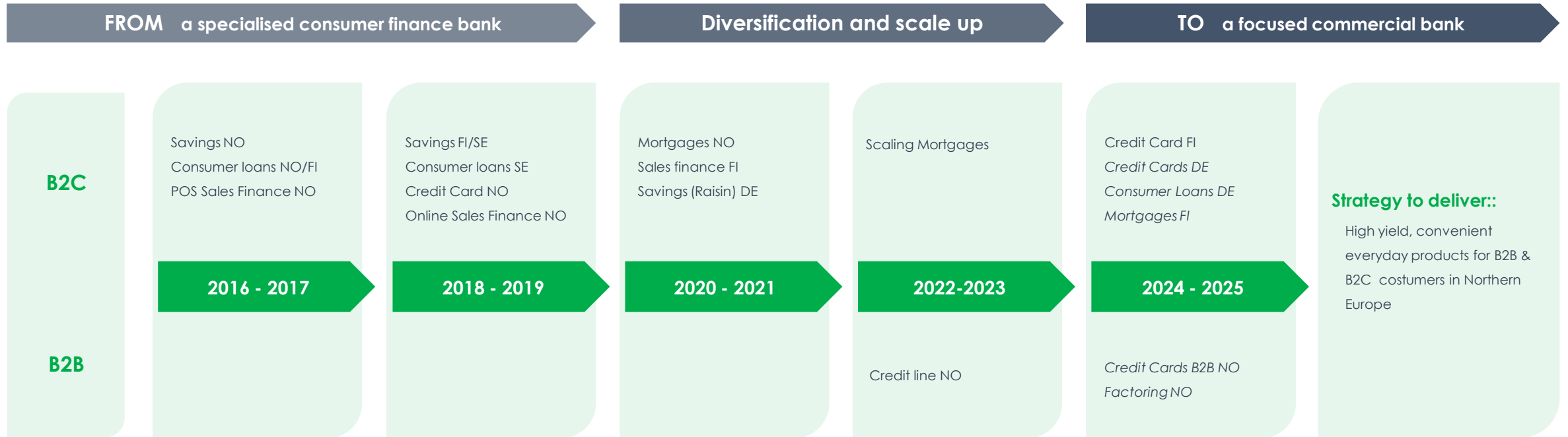


Strategy and ambitions





Product strategy | Continued expansion and diversification



- Launched SME credit line product in Q3-23

- Ambitions to expand internationally in the 2024-2025 period



Key value propositions | The Nordic Challenger Bank

1

A dynamic and innovative challenger bank with a solid market position, a customer-centric approach, and significant growth potential in the fintech sector

2

Lean operational platform and organisation with significant scalability enabling cross border operations from one location.

3

Well diversified loan portfolio across markets, products and customers segments

4

Continued strong growth in net loans at attractive margins

5

Proven track record delivering profits 25 consecutive quarters and heading for an increase in return on equity

6

Experienced team with significant track record within consumer finance



Thank you for your attention

Continue to see lists of management, board of directors, share holders, income statement and balance sheet.





Management | Experienced and competent

ROBERT BERG | CEO



Berg is one of the Co-founders who established Instabank in 2016. Prior to that he has been CEO in yA Bank, Commercial Director in Ikano Bank and has held various positions in Gjensidige, Santander Consumer Bank, SEB and Europay et al. Berg holds a BSc in Marketing from the Norwegian Business School.

KJETIL KNUDSEN | CRO



Knudsen joined the Company in 2018. He has previously held various positions in Santander Consumer Finance, including Risk Manager for Analytics & Controlling and Risk Manager for Cards, and has also worked as a senior analyst for Lindorff. Holds an MSc in Finance and Investments from The University of Edinburgh.

PER KRISTIAN HAUG | CFO



Haug was recruited to the Instabank team in 2018. He has previously held positions as CFO in yA Bank, Navigea Securities and LUUP. Haug has also been a board member in Kreditor. He holds an MSc in Management & Marketing from the Norwegian Business School.

JØRGEN RUI | CMO



Rui was recruited to the Instabank team in 2020. He has previously served as Director for Consumer Loans in Resurs Bank, been CMO in yA Bank and held various positions in Santander Consumer Bank. Rui holds an MSc in Marketing from the Norwegian Business School.

EIVIND SVERDRUP | CCO



Sverdrup is also a Co-founder and has been with the Company since it was established in 2016. Prior to establishing Instabank he held the position as CLO in yA Bank. Sverdrup has also been a Lawyer at Vierdal Advokatfirma. He holds a Master of Laws degree from the University of Oslo.

FARZAD JALILY | CTO



Jalily has been with the Company since 2016. Prior to joining the Instabank team, he held the position as Enterprise Architect in SpareBank 1. Jalily holds an MSc in Computer Science from the Norwegian School of IT.

ANNE JØRGENSEN | COO



Jørgensen has been with Instabank since 2019. Prior to joining the Company, she held the position as Head of Contracts in Waterlogic. She has also been Service Delivery Manager and Head of Operations in Ikano Bank. Jørgensen is educated at the Norwegian School of Sport Sciences.

Board of directors | Seasoned and diligent

MONA CATHRINE NYLANDER | CHAIRPERSON



Nylander is currently CFO in Kitron. Her previous experiences include positions as CFO in Diplom-Is, CFO in SEB Kort (Norway), CFO in Ementor Norway (Atea), CFO in Draka Norsk Kabel and Group Controller in ABB. Nylander holds a BSc in Business Administration from Lund University.

SIV FELLING GALLIGANI | BOARD MEMBER



Galligani is the owner and chairman in Engø Gård (hotel and restaurant). Her previous experiences include positions as Head of Treasury and Deputy CEO in Kommunalbanken. Furthermore, she served as a board member in yA Bank from 2015 to 2018. Galligani holds an MSc in Business Administration from the Norwegian Business School.

GUNN ISABEL WESTERLUND INGEMUNDSEN | BOARD MEMBER



Ingemundsen is Head of Compliance & Risk at Hafslund Oslo Celsio AS. Her previous experience includes positions as CRO at Danske Bank Norway and VP Head of Risk Management, Financial Services at Telenor. Board experience from various companies incl. listed. Ingemundsen holds a Master in Shipping, Trade and Finance from City, University of London

ALEXANDER FAROOQ | DEPUTY BOARD MEMBER



Farooq is currently Partner at Norselab. His previous experience includes four years as Investment Manager at Instabank's main shareholder, Kistefos ASA. Board experience from various companies. Farooq holds a Master in Finance & Private Equity from The London School of Economics

ODD HARALD HAUGE | BOARD MEMBER



Hauge is an investor, consultant and author. He is the founder of Nettavisen where he also served as Chief Editor. Furthermore, he has served as Business Editor in Aftenposten, Director Corporate Finance in ABG Sundal Collier and Chief Editor in Kapital. Hauge holds an MSc in Business Administration from the Norwegian School of Economics.

THOMAS BERNTSEN | BOARD MEMBER



Berntsen is the owner, chairman and managing partner in F2 Management. Furthermore, he is the chairman of the board in Skeidarliving Group and a board member in Birkelunden Investeringselskap (which owns 5.5% of the outstanding shares in Instabank). Berntsen holds an MSc in Business Administration from the Norwegian Business School.

FARZAD JAILY | EMPLOYEE REPRESENTATIVE



Jaily holds the positions as CTO in Instabank. Jaily has been with the Company since 2016. Prior to joining the Instabank team, he held the position as Enterprise Architect in SpareBank 1. Jaily holds an MSc in Computer Science from the Norwegian School of IT.



The share | Euronext Growth Oslo Børs, ticker "INSTA"

Top 20 shareholders (February 6th, 2024)

#	Shareholders	# of shares	%
1	KISTEFOS AS	94,268,606	24.9%
2	HODNE INVEST AS	37,546,909	9.9%
3	VELDE HOLDING AS	30,044,521	7.9%
4	BIRKELUNDEN INVESTERINGSSKAP AS	20,758,140	5.5%
5	GOLDMAN SACHS BANK EUROPE SE	13,447,151	3.6%
6	BJELLA INVESTMENTS AS	13,112,021	3.5%
7	APOLLO ASSET LIMITED	13,000,000	3.4%
8	HJELLEGERDE INVEST AS	10,193,220	2.7%
9	KRISTIAN FALNES AS	10,100,000	2.7%
10	TORSTEIN TVENGE	10,000,000	2.6%
11	LEIKVOLLBAKKEN AS	8,500,000	2.2%
12	MOROAND AS	8,500,000	2.2%
13	ALTO HOLDING AS	6,100,000	1.6%
14	SONSINVEST AS	5,108,195	1.4%
15	LEIRIN HOLDING AS	4,333,333	1.1%
16	CAHE FINANS AS	4,301,000	1.1%
17	Skandinaviska Enskilda Banken AB	3,745,407	1.0%
18	BKS CAPITAL AS	3,652,732	1.0%
19	NORDNET LIVSFORSIKRING AS	3,474,767	0.9%
20	KAARE BERNTSEN AS	3,184,713	0.8%
Sum Top 20		303,370,715	80.2%
Other shareholders		74,890,797	19.8%
Total		378,261,512	100.0%

Position	Name	# of shares	% of total
CEO	Robert Berg (Sonsinvest AS)	5,841,195	1.5 %
CCO	Evind Sverdrup (Leirin Holding AS)	4,448,833	1.2 %
CTO	Jørgen Rui	1,407,864	0.4 %
CMO	Farzad Jajily	929,417	0.2 %
CFO	Per Kristian Haug	154,935	0.0 %
CRO	Kjetil Andre Welde Knudsen	123,028	0.0 %
COO	Anne Jørgensen	99,625	0.0 %
Sum management		13,004,897	3.4 %
Other employees		2,385,392	0.6 %
Board members		5,479,200	1.4 %
Total		20,869,489	5.5 %

Share price development (last 12 months)



Share price (NOK) and volume



Income statement & Balance sheet | Overview

INCOME STATEMENT (NOK THOUSAND)

P&L	FY 2023	Q4-23	Q3-23	Q2-23	Q1-23
Total income:					
Interest Income using the effective interest method	564,521	162,443	146,897	134,255	120,926
Interest expenses	204,694	65,759	56,717	45,088	37,130
Net interest income	359,828	96,684	90,180	89,167	83,796
Net other income	81,256	28,410	22,265	13,613	16,967
Total income	441,083	125,095	112,445	102,780	100,763
Operating expenses:					
Salary and other personnel expenses	68,644	19,615	17,814	16,015	15,199
Other administrative expenses, of which	76,556	20,269	19,623	18,258	18,406
- direct marketing cost	13,244	3,840	3,852	2,836	2,716
Other expenses	8,475	2,685	1,664	2,328	1,797
Depreciation and amortisation	12,440	3,132	3,214	3,146	2,947
Total operating expenses	166,114	45,702	42,314	39,747	38,350
Losses on loans	143,740	46,591	33,364	32,936	30,849
Operating profit before tax	131,229	32,802	36,766	30,097	31,564
Tax	30,357	7,628	8,587	6,250	7,891
Profit and other comprehensive income	100,872	25,174	28,179	23,847	23,673

BALANCE SHEET (NOK THOUSAND)

Balance Sheet	31.12.23	30.09.23	30.06.23	31.03.23	31.12.22
Assets					
Loans and deposits with credit institutions	264,224	143,783	187,278	174,078	191,254
Loans to customers	5,993,508	5,693,942	5,221,209	5,115,359	4,674,030
Certificates and bonds	943,254	811,153	868,090	848,185	867,806
Deferred tax assets	1,883				
Other intangible assets	26,923	25,575	23,865	22,756	21,197
Fixed assets	15,094	2,514	3,083	3,623	3,645
Derivatives	1,273	2,217	2,197	4,002	1,773
Other receivables	31,124	92,537	32,849	36,735	39,527
Total assets	7,277,283	6,771,721	6,338,571	6,204,739	5,799,233
Liabilities					
Deposits from and debt to customers	6,126,572	5,671,957	5,298,457	5,234,665	4,852,281
Other debts	19,648	38,223	23,810	15,145	20,491
Accrued expenses and liabilities	31,127	14,378	11,686	13,461	17,844
Derivatives	22,824	2,776	-	3,361	543
Deferred tax	-	1,161	413	734	734
Tax payable	32,974	22,301	11,037	32,956	25,065
Subordinated loan capital	96,000	96,000	96,000	96,000	96,000
Total liabilities	6,329,145	5,846,796	5,441,403	5,396,323	5,012,958
Equity					
Share capital	378,262	378,262	377,228	332,642	332,642
Share premium reserve	200,430	200,430	200,081	178,192	178,192
Retained earnings	288,547	265,334	238,959	216,682	194,541
Additional tier 1 capital	80,900	80,900	80,900	80,900	80,900
Total equity	948,139	924,925	897,168	808,417	786,275
Total liabilities and equity	7,277,283	6,771,721	6,338,571	6,204,739	5,799,233



Instabank is the Nordic challenger bank for corporate and private customers. Founded in 2016.