



INTERIM REPORT **Q1 2024**

Instabank ASA



Key highlights Q1-24

- **Profit before tax: 24.2 MNOK vs 31.6 MNOK in Q1-23**
Profit after tax: 18.2 MNOK
- **Growth in gross loans: 321 MNOK to 6,595 MNOK**
Increased growth in business lending
- **New *Security deposit account* product launched**
Will contribute to lower funding costs



The Nordic challenger

About Instabank ASA

Instabank, *the Nordic challenger*, 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 more than 100,000 customers who have chosen us for their lending, payment or 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. Instabank also offers deposits in Germany through a partnership with Raisin Bank.

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

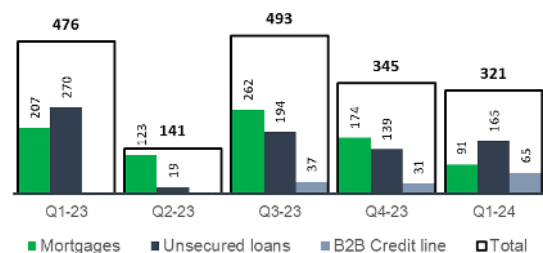
At the end of Q1-24, Instabank had 49 full-time and 13 part-time employees.

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

Operational Developments

Instabank reports a growth in gross loans of 321 MNOK in Q1-24. The growth comes from solid organizational performance, successfully delivering on the strategy, effective operations, distribution, and product offerings meeting customer demands.

Growth in gross loans



+ 321 MNOK

Growth in gross loans Q1-24

The newly launched product for Small and Medium-Sized Enterprises (SME) performs very well, delivering a solid growth in gross loans of 65 MNOK in the quarter. Instabank considers lending to SMEs an underserved market with attractive yield and volumes. We expect lending to businesses to contribute to Instabank's growth gross loans, margins and profits.



The growth in mortgage lending experienced a dip in the quarter, falling from 174 MNOK in the previous quarter to 91 MNOK. This was primarily due to the low volume of new loans at the start of the quarter. By the end of Q1-24, mortgage lending stood at 2,615 MNOK, accounting for 40 % of total lending.

Unsecured gross loans to consumers grew 165 MNOK in the quarter, of which 79 MNOK came from changes in exchange rates.

Consistent with previous quarters, Instabank has raised the interest rates for both existing lending customers and new loans in response to the increase by the Norwegian Central Bank in December 2023, leading to increased yield.

The funding cost also continued to increase. The average deposit rate was 4.1 % in Q1-24, up from 3.9 % in the previous quarter.

In March, Instabank launched a new security deposit account product in cooperation with Husleie.no, the leading platform for managing tenancies in Norway. Instabank's funding costs are expected to decrease because of this.

At the end of Q1-24, the bank had 103,163 customers, of which 66,753 were loan customers and 36,410 were deposit customers.

Profit and Loss

Instabank reports a profit before tax of 24.2 MNOK, down 8.5 MNOK from the previous quarter, because of decreased yield on securities and increased funding cost.

Total interest income increased by 44.9 MNOK from the same quarter last year to 164.9 MNOK in Q1-24. The increase comes from a 12-month gross lending growth of 1,300 MNOK and increased loan yield to 11.5 % from 10.4 % in the same quarter last year.

+ 35 %

Growth in Interest income

Interest expenses came in at 71.3 MNOK, up from 65.8 MNOK in the previous quarter, following an increase in deposit volume and an increase in funding cost to 4.6 % from 4.4 % the previous quarter.

Net other income was 22.9 MNOK in the quarter, down 3.1 MNOK from the previous quarter, as the yield on securities decreased from 7.3 % to 3.6 %.

Total income came in at 116.5 MNOK, up 15.8 MNOK / 16 % from the same quarter last year.

+ 16 %

Growth in Total Income

Operating expenses were 45.9 MNOK, up only 0.3 MNOK from the previous



quarter. Personnel costs decreased by 0.8 MNOK, and administrative costs were up by 1.6 MNOK, of which 1.2 MNOK came from increased marketing costs associated with the new SME lending product.

The cost-to-income ratio was 39 % versus 37 % in the previous quarter.

Loan losses came in at 46.3 MNOK or 2.9 % of average gross loans, down from 46.6 MNOK/ 3.1 % in the previous quarter. A decrease in losses on loans in Finland offset an increase in losses on loans for mortgages.

24.2 MNOK

Profit before tax Q1-24

Profit before tax was 24.2 MNOK, and profit after tax was 18.2 MNOK, representing a return on equity of 8.3 %.

Balance Sheet

Instabank achieved growth in gross loans of 321 MNOK in the quarter to 6.595 MNOK at the end of the quarter.

Deposits from customers increased by 283 MNOK to 6.410 MNOK at the end of the quarter.

Total assets at the end of Q1-24 were 7.591 MNOK.

Regulatory capital

At the end of the quarter, the Common Equity Tier 1 Capital (CET1) ratio was 18.4 %, 3.8 % points above the regulatory capital requirement. The total capital ratio was 22.3 %, 1.4 %

points above the regulatory capital requirement.

The Ministry of Finance implemented a transitional rule for capital composition applicable to all banks, which came into effect on 31.12.23. The Pillar 2 requirement, currently at 6.2% for Instabank, can be met with a minimum of 56.25% Common Equity Tier 1 (CET1) capital, down from 100%

The Norwegian Financial Supervisory Authority (NFSA) is in the process of setting a new Pillar 2 requirement for Instabank.

Outlook

We expect continued high demand for Instabank's lending products. For 2024, Instabank will prioritize growth in lending for mortgages, business lending and consumer loans in Finland. The latter as capital requirements have been reduced significantly for exposures in Finland. A new Positive Credit Register will launch in Finland in April, expected to positively impact credit risk in the long-term.

We expect the final decision for the new Pillar 2 requirement, including capital composition, in the second quarter.

Other information

Regarding capital requirement, there has been a limited review of the accounts in accordance with ISRE 2410 as of 31.03.2024 by the bank's auditors and the result after tax is added to retained earnings in full.

Oslo, April 29th, 2024

Board of Directors, Instabank ASA





Condensed statements of profit or loss and other comprehensive income:

NOK 1000	Note	Q1-2024	Q1-2023	YTD 2024	YTD 2023	Year 2023
Interest Income effective interest method		162 012	119 664	162 012	119 664	556 225
Other interest income		2 912	1 262	2 912	1 262	8 296
Interest expenses		71 314	37 130	71 314	37 130	204 694
Net interest income		93 610	83 796	93 610	83 796	359 828
Income commissions and fees		15 894	12 222	15 894	12 222	54 304
Expenses commissions and fees		1 096	2 109	1 096	2 109	10 629
Net gains/loss on foreign exchange and securities classified as current assets		8 119	6 854	8 119	6 854	37 580
Net other income		22 918	16 967	22 918	16 967	81 256
Total income		116 528	100 763	116 528	100 763	441 083
Salary and other personnel expenses		18 807	15 199	18 807	15 199	68 644
Other administrative expenses, of which:		21 863	18 406	21 863	18 406	76 556
- <i>direct marketing cost</i>		4 993	2 716	4 993	2 716	13 244
Other expenses		2 146	1 797	2 146	1 797	8 475
Depreciation and amortisation		3 141	2 947	3 141	2 947	12 440
Total operating expenses		45 956	38 350	45 956	38 350	166 114
Losses on loans	2	46 332	30 849	46 332	30 849	143 740
Operating profit before tax		24 239	31 564	24 239	31 564	131 229
Tax expenses		6 060	7 891	6 060	7 891	30 357
Profit and other comprehensive income for the period		18 179	23 673	18 179	23 673	100 872
Earnings per share (NOK)		0,05	0,07	0,05	0,07	0,27
Diluted earnings per share (NOK)		0,05	0,07	0,05	0,07	0,25



Condensed statement of financial position:

NOK 1000	Note	31.03.2024	31.03.2023	31.12.2023
Loans and deposits with credit institutions	4	226,433	174,078	264,224
Loans to customers	2, 4	6,260,957	5,115,359	5,993,508
Certificates and bonds	4	1,013,267	848,185	943,254
Derivatives		13,166	4,002	1,273
Shares and other equity instruments		6,000	0	0
Other intangible assets	5	27,451	22,756	26,923
Fixed assets		14,393	3,623	15,094
Deferred tax assets		1,883	0	1,883
Other receivables	4	27,003	36,735	31,124
Total assets		7,590,552	6,204,739	7,277,283
Deposit from and debt to customers	4	6,409,638	5,234,665	6,126,572
Other debts	4	65,965	15,145	19,648
Accrued expenses and liabilities		25,947	13,461	31,127
Derivatives		2,842	3,361	22,824
Deferred tax		0	734	0
Tax payable		26,501	32,956	32,974
Subordinated loan capital	3, 4	96,000	96,000	96,000
Total liabilities		6,626,893	5,396,323	6,329,145
Share capital	3	378,262	332,642	378,262
Share premium reserve	3	200,430	178,192	200,430
Retained earnings	3	304,068	216,682	288,547
Additional Tier 1 capital	3	80,900	80,900	80,900
Total equity		963,659	808,417	948,139
Total liabilities and equity		7,590,552	6,204,739	7,277,283



Statement of changes in equity:

NOK 1000	Share capital	Share premium	Tier 1 capital	Retained earnings and other reserves	Total equity
Equity per 01.01.2023	332 642	178 192	80 900	194 540	786 275
Capital issuance	45 619	22 238			67 857
Profit for the period				100 872	100 872
Changes in warrants				3 182	3 182
Paid interest on Tier 1 Capital				-10 048	-10 048
Equity per 31.12.2023	378 262	200 430	80 900	288 547	948 139
Equity per 01.01.2024	378 262	200 430	80 900	288 547	948 139
Profit for the period				18 179	18 179
Changes in warrants					-
Paid interest on Tier 1 Capital				-2 659	-2 659
Equity per 31.03.2024	378 262	200 430	80 900	304 068	963 659



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 April 29th, 2024.

Note 2: Loans to customers

GROSS AND NET LENDING;

NOK 1000	31.03.2024	31.03.2023	31.12.2023
Unsecured consumer loans	3 846 357	3 329 812	3 681 338
Mortgages	2 615 233	1 965 052	2 524 139
B2B Credit Line	133 610	0	68 382
Prepaid agent commission	146 560	136 658	149 521
Establishment fees	-86 096	-77 282	-85 956
Gross lending	6 655 664	5 354 240	6 337 423
Impairment of loans	-394 707	-238 881	-343 915
Net loans to customers	6 260 957	5 115 359	5 993 508

CREDIT IMPAIRED AND LOSSES:

NOK 1000	31.03.2024	31.03.2023	31.12.2023
Gross credit impaired loans (stage 3)	794 575	443 387	663 605
Individual impairment of credit impaired loans (stage 3)	-326 710	-181 500	-277 168
Net credit impaired loans	467 865	261 887	386 437

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

AGEING OF LOANS:

NOK 1000	31.03.2024	31.03.2023	31.12.2023
Loans not past due	4 693 279	4 037 420	4 500 310
Past due 1-30 days	761 331	563 293	794 218
Past due 31-60 days	264 174	209 790	263 108
Past due 61-90 days	81 841	40 974	52 618
Past due 91+ days	794 575	443 387	663 605
Total	6 595 200	5 294 864	6 273 858

	31.03.2024	31.03.2023	31.12.2023
Loans not past due	71,2 %	76,3 %	71,7 %
Past due 1-30 days	11,5 %	10,6 %	12,7 %
Past due 31-60 days	4,0 %	4,0 %	4,2 %
Past due 61-90 days	1,2 %	0,8 %	0,8 %
Past due 91+ days	12,0 %	8,4 %	10,6 %
Total	100,0 %	100,0 %	100,0 %



GEOGRAPHIC DISTRIBUTION:

NOK 1000	31.03.2024	31.03.2023	31.12.2023
Norway	4 410 922	3 309 250	4 176 546
Finland	2 100 492	1 892 457	2 012 441
Sweden	83 786	93 157	84 871
Gross lending excl. prepaid agent provisions and establishment fees	6 595 200	5 294 864	6 273 858

LOAN LOSS PROVISIONS IN THE PERIOD:

NOK 1000	Q1-2024	Q1-2023	YTD 2024	YTD 2023	Year 2023
Loan loss provisions stage 1	213	75	213	75	-1 660
Loan loss provisions stage 2	197	-1 011	197	-1 011	-9 374
Loan loss provisions stage 3	-44 396	-29 210	-44 396	-29 210	-127 354
Total loan loss provisions in the period	-43 985	-30 147	-43 985	-30 147	-138 389
Realised losses in the period	-2 346	-702	-2 346	-702	-5 351
Losses on loans in the period	-46 332	-30 849	-46 332	-30 849	-143 740

RECONCILIATION OF GROSS LENDING TO CUSTOMERS, TOTAL LOANS

Q1 2024:

NOK 1000	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01.01.24	4 770 460	839 793	663 605	6 273 858
<i>Transfers in Q1 2024:</i>	-	-	-	-
Transfer from stage 1 to stage 2	-333 437	335 517	-	2 080
Transfer from stage 1 to stage 3	-21 022	-	21 378	356
Transfer from stage 2 to stage 1	154 827	-166 720	-	-11 893
Transfer from stage 2 to stage 3	-	-126 845	126 724	-120
Transfer from stage 3 to stage 1	108	-	-101	7
Transfer from stage 3 to stage 2	-	4 726	-4 832	-106
New assets	822 481	19 882	226	842 589
Assets derecognised	-508 658	-58 363	-29 491	-596 512
Changes in foreign exchange and other changes	58 926	8 949	17 066	84 941
Gross carrying amount as at 31.03.24	4 943 685	856 939	794 575	6 595 200

Q1 2023:

Gross carrying amount as at 01.01.23	3 962 894	488 997	366 475	4 818 367
<i>Transfers in Q1 2023:</i>	-	-	-	-
Transfer from stage 1 to stage 2	-247 376	248 167	-	791
Transfer from stage 1 to stage 3	-16 475	-	16 882	407
Transfer from stage 2 to stage 1	102 224	-107 587	-	-5 363
Transfer from stage 2 to stage 3	-	-66 002	65 881	-120
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	2 600	-2 732	-132
New assets	800 703	18 677	217	819 597
Assets derecognised	-443 428	-44 066	-20 107	-507 600
Changes in foreign exchange and other changes	137 893	14 255	16 771	168 919
Gross carrying amount as at 31.03.23	4 296 435	555 042	443 387	5 294 864

2023:

Gross carrying amount as at 01.01.23	3 962 894	488 997	366 475	4 818 367
<i>Transfers in 2023:</i>	-	-	-	-
Transfer from stage 1 to stage 2	-389 815	376 175	-	-13 640
Transfer from stage 1 to stage 3	-147 284	-	146 235	-1 049
Transfer from stage 2 to stage 1	78 202	-88 727	-	-10 525
Transfer from stage 2 to stage 3	-	-116 842	111 730	-5 112
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	2 503	-2 491	12
New assets	2 476 400	305 439	89 213	2 871 053
Assets derecognised	-1 342 476	-139 644	-75 686	-1 557 806
Changes in foreign exchange and other changes	132 539	11 891	28 129	172 558
Gross carrying amount as at 31.12.23	4 770 460	839 793	663 605	6 273 858



RECONCILIATION OF LOAN LOSS ALLOWANCES, TOTAL LOANS

Q1 2024:

NOK 1000	Stage 1	Stage 2	Stage 3	Total
Expected credit losses as at 01.01.24	29 577	37 170	277 168	343 915
<i>Transfers in Q1 2024:</i>				
Transfer from stage 1 to stage 2	-3 851	15 628	-	11 777
Transfer from stage 1 to stage 3	-405	-	4 198	3 793
Transfer from stage 2 to stage 1	2 172	-6 789	-	-4 617
Transfer from stage 2 to stage 3	-	-8 884	22 049	13 165
Transfer from stage 3 to stage 1	5	-	-53	-48
Transfer from stage 3 to stage 2	-	75	-553	-478
New assets originated or change in provisions	4 028	861	97	4 987
Assets derecognised or change in provisions	-2 161	-1 107	13 013	9 745
Changes in foreign exchange and other changes	758	920	10 790	12 468
Expected credit losses as at 31.03.24	30 123	37 874	326 710	394 707

Q1 2023:

Expected credit losses as at 01.01.23	26 754	26 903	146 922	200 579
<i>Transfers in Q1 2023:</i>				
Transfer from stage 1 to stage 2	-3 073	12 166	-	9 092
Transfer from stage 1 to stage 3	-311	-	3 756	3 445
Transfer from stage 2 to stage 1	1 308	-4 858	-	-3 550
Transfer from stage 2 to stage 3	-	-4 998	14 202	9 204
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	15	-172	-157
New assets originated or change in provisions	4 611	1 202	68	5 880
Assets derecognised or change in provisions	-2 541	-2 495	7 589	2 553
Changes in foreign exchange and other changes	1 377	1 321	9 135	11 834
Expected credit losses as at 31.03.23	28 125	29 256	181 500	238 881

2023:

Expected credit losses as at 01.01.23	26 754	26 903	146 922	200 579
<i>Transfers in 2023:</i>				
Transfer from stage 1 to stage 2	-3 706	17 804	-	14 098
Transfer from stage 1 to stage 3	-2 187	-	42 049	39 862
Transfer from stage 2 to stage 1	942	-4 383	-	-3 441
Transfer from stage 2 to stage 3	-	-9 641	40 307	30 666
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	2	-44	-42
New assets originated or change in provisions	14 576	11 603	13 143	39 322
Assets derecognised or change in provisions	-7 948	-6 231	13 126	-1 053
Changes in foreign exchange and other changes	1 146	1 113	21 665	23 924
Expected credit losses as at 31.12.23	29 577	37 170	277 168	343 915



RECONCILIATION OF GROSS LENDING TO CUSTOMERS, UNSECURED CONSUMER LOANS

Q1 2024:

NOK 1000	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01.01.24	2 755 348	364 469	561 521	3 681 338
<i>Transfers in Q1 2024:</i>	-	-	-	-
Transfer from stage 1 to stage 2	-161 393	163 260	-	1 867
Transfer from stage 1 to stage 3	-14 847	-	15 210	364
Transfer from stage 2 to stage 1	77 348	-83 118	-	-5 770
Transfer from stage 2 to stage 3	-	-76 182	76 065	-117
Transfer from stage 3 to stage 1	108	-	-101	7
Transfer from stage 3 to stage 2	-	1 411	-1 403	8
New assets	393 991	8 828	226	403 044
Assets derecognised	-279 026	-18 502	-19 815	-317 343
Changes in foreign exchange and other changes	58 169	8 949	15 841	82 958
Gross carrying amount as at 31.03.24	2 829 698	369 115	647 544	3 846 357

Q1 2023:

Gross carrying amount as at 01.01.23	2 442 953	282 614	334 670	3 060 236
<i>Transfers in Q1 2023:</i>				
Transfer from stage 1 to stage 2	-131 702	132 910	-	1 208
Transfer from stage 1 to stage 3	-11 539	-	11 956	417
Transfer from stage 2 to stage 1	53 638	-58 797	-	-5 159
Transfer from stage 2 to stage 3	-	-49 800	49 683	-118
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	167	-288	-121
New assets	438 647	12 925	217	451 789
Assets derecognised	-300 358	-23 511	-15 648	-339 517
Changes in foreign exchange and other changes	130 497	14 255	16 325	161 076
Gross carrying amount as at 31.03.23	2 622 135	310 763	396 914	3 329 812

2023:

Gross carrying amount as at 01.01.23	2 442 953	282 614	334 670	3 060 236
<i>Transfers in 2023:</i>				
Transfer from stage 1 to stage 2	-183 849	177 844	-	-6 005
Transfer from stage 1 to stage 3	-120 599	-	119 592	-1 008
Transfer from stage 2 to stage 1	48 600	-54 179	-	-5 579
Transfer from stage 2 to stage 3	-	-100 614	97 303	-3 310
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	31	-46	-15
New assets	1 303 907	110 447	39 168	1 453 522
Assets derecognised	-855 663	-63 565	-55 927	-975 154
Changes in foreign exchange and other changes	119 999	11 891	26 762	158 651
Gross carrying amount as at 31.12.23	2 755 348	364 469	561 521	3 681 338



RECONCILIATION OF LOAN LOSS ALLOWANCES, UNSECURED CONSUMER LOANS

Q1 2024:

NOK 1000	Stage 1	Stage 2	Stage 3	Total
Expected credit losses as at 01.01.24	27 271	33 526	265 396	326 193
<i>Transfers in Q1 2024:</i>				
Transfer from stage 1 to stage 2	-3 572	14 314	-	10 741
Transfer from stage 1 to stage 3	-397	-	4 034	3 637
Transfer from stage 2 to stage 1	2 079	-6 271	-	-4 192
Transfer from stage 2 to stage 3	-	-8 419	19 957	11 539
Transfer from stage 3 to stage 1	5	-	-53	-48
Transfer from stage 3 to stage 2	-	75	-489	-414
New assets originated or change in provisions	2 660	748	97	3 505
Assets derecognised or change in provisions	-1 920	-1 083	9 986	6 983
Changes in foreign exchange and other changes	752	917	9 565	11 234
Expected credit losses as at 31.03.24	26 877	33 806	308 493	369 177

Q1 2023:

Expected credit losses as at 01.01.23	24 605	23 692	142 162	190 460
<i>Transfers in Q1 2023:</i>				
Transfer from stage 1 to stage 2	-2 776	11 026	-	8 250
Transfer from stage 1 to stage 3	-306	-	3 635	3 329
Transfer from stage 2 to stage 1	1 249	-4 349	-	-3 101
Transfer from stage 2 to stage 3	-	-4 655	13 150	8 495
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	5	-140	-135
New assets originated or change in provisions	4 359	1 149	68	5 576
Assets derecognised or change in provisions	-1 669	-1 594	7 520	4 257
Changes in foreign exchange and other changes	1 377	1 321	8 688	11 387
Expected credit losses as at 31.03.23	26 839	26 595	175 083	228 517

2023:

Expected credit losses as at 01.01.23	24 605	23 692	142 162	190 459
<i>Transfers in 2023:</i>				
Transfer from stage 1 to stage 2	-3 139	16 422	-	13 283
Transfer from stage 1 to stage 3	-2 127	-	39 249	37 122
Transfer from stage 2 to stage 1	918	-3 956	-	-3 038
Transfer from stage 2 to stage 3	-	-9 354	38 207	28 853
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	0	-12	-12
New assets originated or change in provisions	12 653	10 105	11 384	34 142
Assets derecognised or change in provisions	-6 784	-4 496	14 108	2 827
Changes in foreign exchange and other changes	1 146	1 113	20 298	22 557
Expected credit losses as at 31.12.23	27 271	33 526	265 396	326 193



RECONCILIATION OF GROSS LENDING TO CUSTOMERS, MORTGAGES

Q1 2024:

NOK 1000	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01.01.24	1 949 833	472 222	102 084	2 524 138
<i>Transfers in Q1 2024:</i>				
Transfer from stage 1 to stage 2	-166 869	166 917	-	48
Transfer from stage 1 to stage 3	-6 172	-	6 163	-8
Transfer from stage 2 to stage 1	74 284	-80 527	-	-6 243
Transfer from stage 2 to stage 3	-	-50 663	50 659	-3
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	3 315	-3 429	-114
New assets	365 704	10 164	-	375 868
Assets derecognised	-231 623	-39 862	-9 676	-281 161
Changes in foreign exchange and other changes	1 483	-0	1 225	2 709
Gross carrying amount as at 31.03.24	1 986 641	481 565	147 026	2 615 233

Q1 2023:

Gross carrying amount as at 01.01.23	1 519 941	206 383	31 806	1 758 131
<i>Transfers in Q1 2023:</i>				
Transfer from stage 1 to stage 2	-115 674	115 257	-	-417
Transfer from stage 1 to stage 3	-4 936	-	4 925	-10
Transfer from stage 2 to stage 1	48 586	-48 790	-	-204
Transfer from stage 2 to stage 3	-	-16 201	16 198	-3
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	2 433	-2 444	-11
New assets	362 056	5 752	-	367 807
Assets derecognised	-143 070	-20 555	-4 459	-168 083
Changes in foreign exchange and other changes	7 396	-	447	7 843
Gross carrying amount as at 31.03.23	1 674 300	244 278	46 473	1 965 052

2023:

Gross carrying amount as at 01.01.23	1 519 941	206 383	31 806	1 758 131
<i>Transfers in 2023:</i>				
Transfer from stage 1 to stage 2	-205 966	198 331	-	-7 635
Transfer from stage 1 to stage 3	-26 685	-	26 643	-41
Transfer from stage 2 to stage 1	29 601	-34 547	-	-4 946
Transfer from stage 2 to stage 3	-	-16 228	14 426	-1 802
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	2 472	-2 444	27
New assets	1 107 214	191 890	50 045	1 349 149
Assets derecognised	-486 813	-76 079	-19 759	-582 651
Changes in foreign exchange and other changes	12 540	-	1 367	13 907
Gross carrying amount as at 31.12.23	1 949 833	472 222	102 084	2 524 138



RECONCILIATION OF LOAN LOSS ALLOWANCES, MORTGAGES

Q1 2024:

NOK 1000	Stage 1	Stage 2	Stage 3	Total
Expected credit losses as at 01.01.24	957	3 586	11 772	16 314
<i>Transfers in Q1 2024:</i>				
Transfer from stage 1 to stage 2	-194	1 148	-	954
Transfer from stage 1 to stage 3	-7	-	164	157
Transfer from stage 2 to stage 1	48	-463	-	-415
Transfer from stage 2 to stage 3	-	-461	2 091	1 630
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	1	-64	-64
New assets originated or change in provisions	116	82	-	198
Assets derecognised or change in provisions	-29	-27	3 028	2 972
Changes in foreign exchange and other changes	-	-	1 225	1 225
Expected credit losses as at 31.03.24	891	3 864	18 216	22 971

Q1 2023:

Expected credit losses as at 01.01.23	2 149	3 211	4 760	10 120
<i>Transfers in Q1 2023:</i>				
Transfer from stage 1 to stage 2	-297	1 140	-	843
Transfer from stage 1 to stage 3	-5	-	121	116
Transfer from stage 2 to stage 1	59	-508	-	-449
Transfer from stage 2 to stage 3	-	-343	1 052	709
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	10	-32	-22
New assets originated or change in provisions	252	52	-	304
Assets derecognised or change in provisions	-872	-901	69	-1 704
Changes in foreign exchange and other changes	-	-	447	447
Expected credit losses as at 31.03.23	1 286	2 661	6 417	10 364

2023:

Expected credit losses as at 01.01.23	2 149	3 211	4 760	10 120
<i>Transfers in 2023:</i>				
Transfer from stage 1 to stage 2	-567	1 382	-	815
Transfer from stage 1 to stage 3	-60	-	2 800	2 740
Transfer from stage 2 to stage 1	24	-427	-	-402
Transfer from stage 2 to stage 3	-	-287	2 099	1 812
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	2	-32	-30
New assets originated or change in provisions	573	1 440	1 759	3 772
Assets derecognised or change in provisions	-1 163	-1 735	-981	-3 880
Changes in foreign exchange and other changes	0	-	1 367	1 367
Expected credit losses as at 31.12.23	957	3 586	11 772	16 314



RECONCILIATION OF GROSS LENDING TO CUSTOMERS, B2B CREDIT LINE

Q1 2024:

NOK 1000	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01.01.24	65 279	3 102	-	68 382
<i>Transfers in Q1 2024:</i>				
Transfer from stage 1 to stage 2	-5 175	5 340	-	165
Transfer from stage 1 to stage 3	-4	-	5	1
Transfer from stage 2 to stage 1	3 195	-3 075	-	120
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
New assets	62 786	891	-	63 677
Assets derecognised	1 991	1	-	1 992
Changes in foreign exchange and other changes	-726	-	-	-726
Gross carrying amount as at 31.03.24	127 346	6 259	5	133 610

2023:

Gross carrying amount as at 01.01.23	-	-	-	-
<i>Transfers in 2023:</i>				
Transfer from stage 1 to stage 2	-	-	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Transfer from stage 2 to stage 1	-	-	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
New assets	65 279	3 102	-	68 382
Assets derecognised	-	-	-	-
Changes in foreign exchange and other changes	-	-	-	-
Gross carrying amount as at 31.12.23	65 279	3 102	0	68 382



RECONCILIATION OF LOAN LOSS ALLOWANCES, B2B CREDIT LINE

Q1 2024:

NOK 1000	Stage 1	Stage 2	Stage 3	Total
Expected credit losses as at 01.01.24	1 349	58	-	1 408
<i>Transfers in Q1 2024:</i>				
Transfer from stage 1 to stage 2	-84	167	-	82
Transfer from stage 1 to stage 3	-1	-	1	-0
Transfer from stage 2 to stage 1	44	-54	-	-10
Transfer from stage 2 to stage 3	-	-3	-	-3
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
New assets originated or change in provisions	1 253	31	-	1 283
Assets derecognised or change in provisions	-212	3	-	-209
Changes in foreign exchange and other changes	6	3	-	8
Expected credit losses as at 31.03.24	2 355	204	1	2 559

2023:

Expected credit losses as at 01.01.23				
<i>Transfers in 2023:</i>				
Transfer from stage 1 to stage 2	-	-	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Transfer from stage 2 to stage 1	-	-	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
New assets originated or change in provisions	1 349	58	-	1 408
Assets derecognised or change in provisions	-	-	-	-
Changes in foreign exchange and other changes	-	-	-	-
Expected credit losses as at 31.12.23	1 349	58	-	1 408

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 sub models 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 employ 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 % and 5 % for Norway and



Sweden respectively. In Finland there are three groups with thresholds <5%, >=5% to <12% and >=12% for low, medium and high PD at origination.

	Mortgages		Unsecured		
	Norway		Norway	Finland	Sweden
Low Risk at origination	200 %		300 %	450% and 15pp increase	300 %
Medium Risk at origination				350% and 20pp increase	
High Risk at origination	150 %		150 %	250% and 25pp increase	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 from the source. The bank update the scenarios quarterly at the start of a quarter. Macroeconomic indicators from the model that are expected to correlate with probability of default in terms of economic logic are the basis for setting factors used to adjust ECL for each scenario. The macrofactors are adjusted based on quantitative relationships between the portfolio default rates and changes in the KPIs over time and qualitative adjustments may also be applied in extraordinary situations. The indicators included are "Unemployment Rate" (labor force survey, in %), "Interest Rate" (three month interbank offered rate, in %) and "House Price Index" (nominal index, 2010=100).

	Pessimistic scenario			Baseline scenario			Optimistic scenario		
	31.12.24	31.12.25	31.12.26	31.12.24	31.12.25	31.12.26	31.12.24	31.12.25	31.12.26
NORWAY									
Unemployment Rate	4,1	4,5	4,2	3,7	3,5	3,4	3,6	3,4	3,3
Interest Rate	2,0	2,0	2,0	4,6	3,1	3,1	5,0	3,1	3,1
House Price Index	168,6	172,2	181,2	174,3	180,7	192,1	175,6	181,8	194,2
FINLAND									
Unemployment Rate	8,0	8,2	7,8	6,8	6,7	6,5	6,4	6,3	6,3
Interest Rate	2,1	1,5	1,5	3,5	2,3	2,3	4,2	3,1	2,3
House Price Index	94,0	92,0	95,2	101,1	101,5	105,3	102,1	101,8	105,1
SWEDEN									
Unemployment Rate	9,0	9,1	7,8	7,7	7,3	7,0	7,5	7,2	7,0
Interest Rate	2,5	1,5	1,5	3,9	2,4	2,5	4,0	2,4	2,5
House Price Index	168,8	180,1	190,0	179,0	193,5	206,0	181,0	197,0	209,6

Factors pr. 31.03.2024	Mortgages	B2B	Unsecured		
	Norway	Credit Line	Norway	Finland	Sweden
Pessimistic Scenario	1,170	1,157	1,157	1,233	1,284
Baseline Scenario	1,047	1,036	1,036	1,062	1,102
Optimistic Scenario	1,029	1,009	1,009	1,030	1,090

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	B2B	Unsecured loans			Total
	Norway	Credit Line	Norway	Finland	Sweden	
Pessimistic scenario	24 576	2 783	158 420	219 693	25 960	431 432
Baseline scenario	22 418	2 492	145 236	189 924	22 790	382 868
Optimistic scenario	22 102	2 427	142 296	184 353	22 581	373 767
Final ECL	22 971	2 559	148 307	197 184	23 678	394 707

Note 3: Regulatory capital and LCR

NOK 1000	31.03.2024	31.03.2023	31.12.2023
Share capital	378,262	332,642	378,262
Share premium	200,430	178,192	200,430
Other equity	304,068	216,682	288,547
Deferred tax asset/intangible assets/other deductions	-32,496	-23,602	-30,560
Common equity tier 1 capital	850,263	703,915	836,679
Additional tier 1 capital	80,900	80,900	80,900
Core capital	931,163	784,815	917,579
Subordinated loan	96,000	96,000	96,000
Total capital	1,027,163	880,815	1,013,579
<i>Calculation basis:</i>			
Credit risk:			
Institutions	46,423	35,271	53,779
Corporates	98,377	0	50,249
Retail	2,410,280	2,210,170	2,348,747
Exposures secured by mortgages	909,071	709,213	909,450
Exposures in default	455,843	251,141	380,747
Collective investments undertakings (CIU)	76,479	54,864	70,382
Other items	60,562	44,361	47,491
Calculation basis credit risk	4,057,034	3,305,019	3,860,845
Calculation basis operational risk	559,889	470,911	559,889
Calculation basis cva risk	4,175	0	0
Total calculation basis	4,621,098	3,775,930	4,420,734
Capital ratios:			
Common equity Tier 1 Capital ratio	18.4 %	18.6 %	18.9 %
Tier 1 capital ratio	20.2 %	20.8 %	20.8 %
Total capital ratio	22.2 %	23.3 %	22.9 %
Regulatory capital requirements:			
Common equity Tier 1 Capital ratio	14.7 %	17.6 %	14.6 %
Tier 1 capital ratio	17.4 %	19.1 %	17.3 %
Total capital ratio	20.9 %	21.1 %	20.8 %
Leverage ratio	12.1 %	12.7 %	12.5 %
LCR Total	239 %	195 %	274 %
LCR NOK	309 %	228 %	323 %
LCR EUR	166 %	138 %	191 %



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	31.03.2024	31.03.2023	31.12.2023
Certificates and bonds - level 1	1 013 267	848 185	943 254
Derivatives- level 2	13 166	4 002	1 273

Liabilities

NOK 1000	31.03.2024	31.03.2023	31.12.2023
Derivatives - level 2	2 842	3 361	22 824

FINANCIAL INSTRUMENTS AT AMORTIZED COST

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

NOK 1000	31.03.2024	31.03.2023	31.12.2023
Loans and deposits with credit institutions	226,433	174,078	264,224
Net loans to customers	6,260,957	5,115,359	5,993,508
Other receivables	27,003	36,735	31,124
Total financial assets at amortised cost	6,514,392	5,326,173	6,288,856
Deposits from and debt to customers	6,409,638	5,234,665	6,126,572
Other debt	92,466	48,101	52,622
Subordinated loans	96,000	96,000	96,000
Total financial liabilities at amortised cost	6,598,104	5,378,766	6,275,194

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 13,7 MNOK and expires 30.06.2029. The right of use asset is 13,7 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 31 March 2024, 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 in accordance with the accounting policies described in note 1. 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 is not prepared, in all material respects, in accordance with the accounting policies described in note 1.

Oslo, 29. April 2024

KPMG AS

Anders Sjøstrøm

State Authorised Public Accountant

(This document is signed electronically)

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Statautoriserede revisorer - medlemmer av Den Norske Revisorforening

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