

Interim presentation **Q2-2024**

August 15th, 2024





Key highlights



Profit before tax: 35.9 MNOK, + 5.8 MNOK vs Q2-23

Profit after tax: 26.9 MNOK, return on equity 12.0 %



Successful sale of non-performing loans of 167 MNOK

The transaction was operating profit-positive and confirms the valuation of impaired loans



Business lending launched one year ago is a proven success

Challenges mortgages as Instabank most profitable product



Instabank is well-positioned for lending growth in the second half of 2024

A diverse range of products and enhanced capital ratios enable growth



Proud main sponsor of the Norwegian Athletics Federation

Norwegian Athletics Federation has challenged the world and reached the top in events previously unexpected for Norwegians to dominate

We want to learn more about that culture - and contribute to it





Instabank cheers for those who challenge

Becoming the best is about dedication, challenging, guts, thinking new and differently

This is true for Instabank and the Norwegian athletes we proudly sponsor



Håvard Bentdal
Ingvaldsen

Age: 22
Discipline: 400 m



Sander Aae Skotheim

Age: 22
Discipline: Decathlon



Markus Rooth

Age: 23
Discipline: Decathlon



Henriette Jæger

Age: 21
Discipline: 400 m /200 m



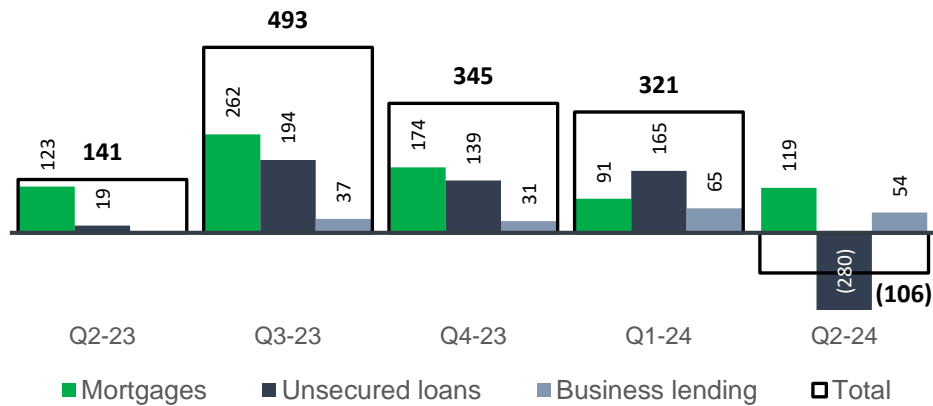
Net loans and margin developments



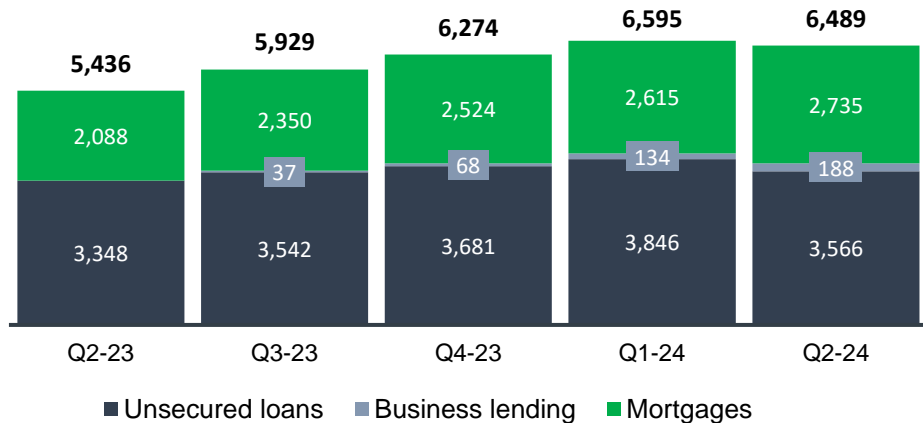


Gross loans development | Well diversified loan book

GROSS LOANS BALANCE GROWTH (MNOK)



GROSS LOANS VOLUME (MNOK)



KEY COMMENTS:

- Mortgages increased by 119 MNOK to reach 2.735 MNOK in gross loans, accounting for 42 % of total lending
- Business lending performed well in the second quarter, with gross loans increasing by 54 MNOK to 188 MNOK, accounting for 70% of the total granted credit of 267 MNOK
- Unsecured consumer loans dropped by 280 MNOK partly due to the sale of non-performing loans (NPL) in Norway, totaling 167 million NOK. Issuance of new loans were temporarily scaled back due to limited capacity for growth until the NPL sale
- The sales financing agreement with Skeidar has been terminated, and we will assess our other sales finance partner agreements. We will instead focus our efforts and allocate capital to other, more profitable products.

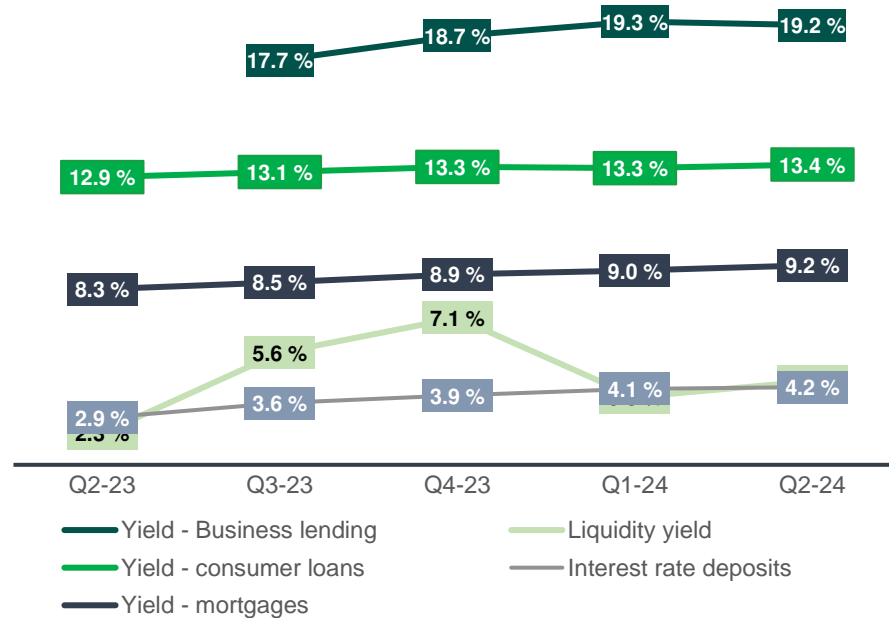
Gross lending portfolio | **Transparent and simple**

	Gross Loans	# Customers	Avg Ticket Size	Yield
Consumer Loans  Unsecured loans offered in Norway, Finland and Sweden	2,878''	26,015	111'	13.4 %
Mortgages  First or second priority mortgages for refinancing of unsecured debt or house improvements	2,735''	3,030	903'	9.2 %
Credit Card  Most attractive credit card in the market for revolving credit customers	272''	6,260	44'	17.8%
Sales Finance  Point of sale or web payment solutions offered through retail partners like Skeidar and Coop	416''	35,506	12'	10.3%
Business lending  Credit line product for small and medium sized enterprises	188''	194	967'	19.2 %
Total Well diversified loan portfolio	6,489''	71,005	91'	11.7 %



Yields and funding cost | **Attractive margins**

LENDING* AND LIQUIDITY YIELD, INTEREST RATE DEPOSITS:



KEY COMMENTS:

- Highly attractive yield for business lending at 19.2 %
- Increased yield for unsecured loans and mortgages following the rate increase effective mid Q2-24
- Deposit rates has risen significantly over the past quarters due to the increase in market rates, but they have begun to level off

*) Non-performing loans not included



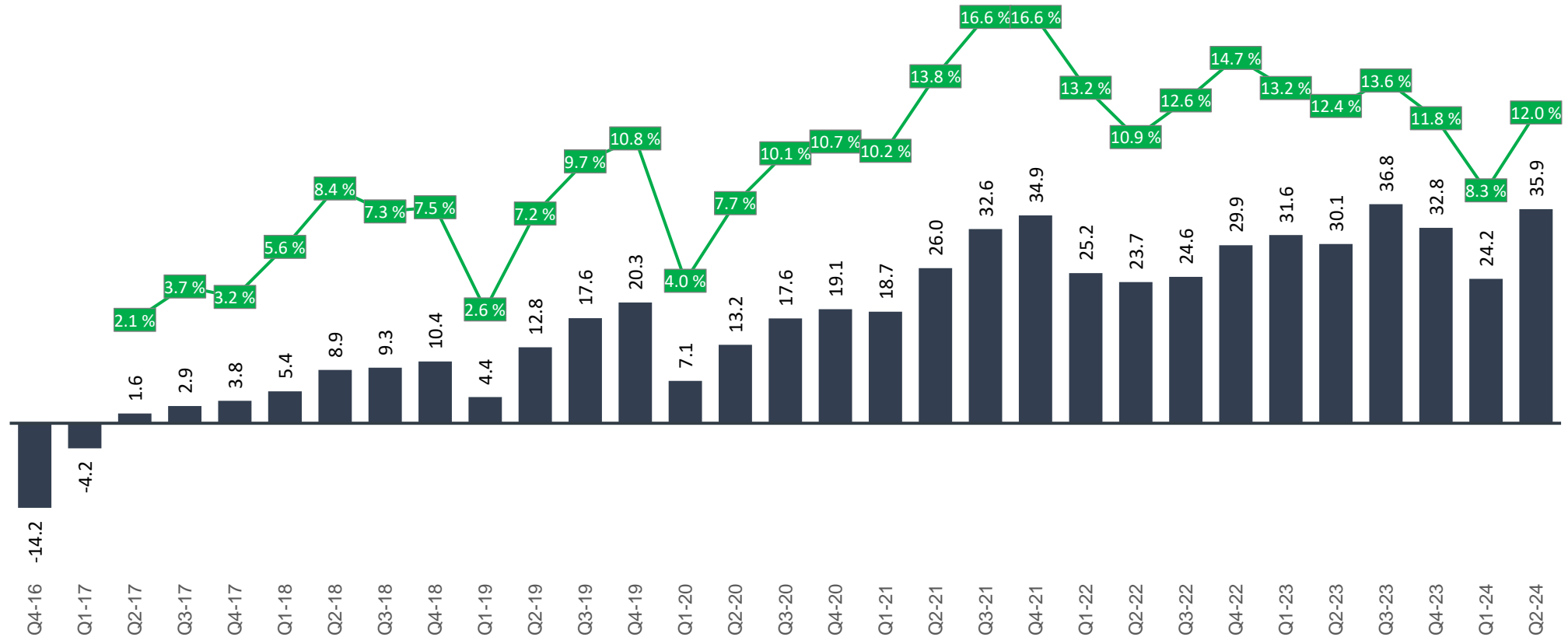
Profitability, risk
and capital





29 consecutive quarters with profits

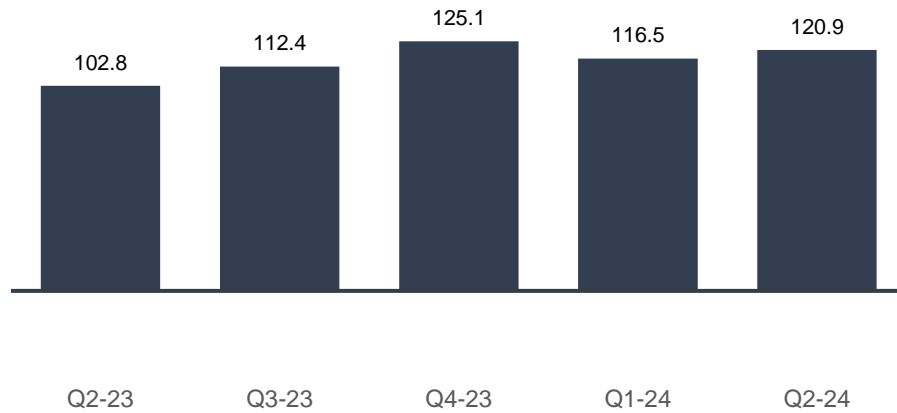
PROFIT BEFORE TAX (NOKM) & RETURN ON EQUITY:





Total income | High growth in income

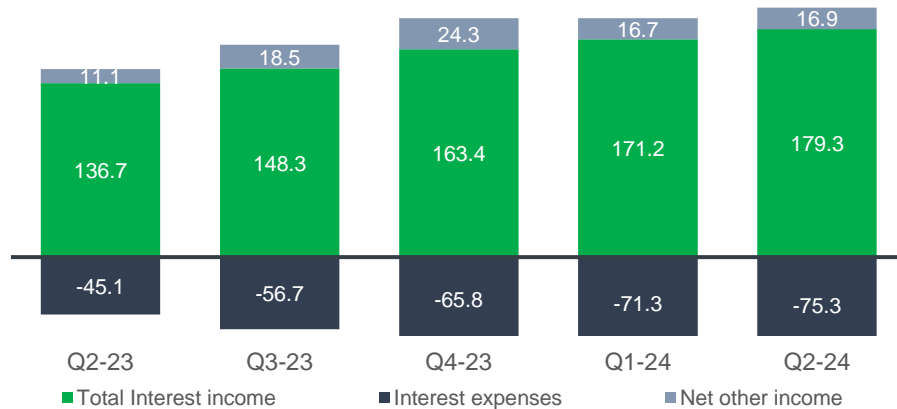
TOTAL INCOME (MNOK):



KEY COMMENTS:

- The increase in total interest income of 38.3 MNOK from Q2-23 is due to a 12-month gross lending growth of 1,052 MNOK and an increased loan yield to 11.7% from 11.2% in the same quarter last year.
- Interest expenses have risen significantly over the past few quarters due to the increase in market rates, but they have begun to level off. The increase of 4 MNOK from Q1-24 is attributed to a rise in deposit volume of 121 MNOK and an increase in funding cost to 4.7% from 4.6% in the previous quarter.
- Net other income was 16.9 MNOK in the quarter, up 5,8 MNOK from the same quarter last year. Please note that interest income on securities are reclassified from net other income to total interest income. Historical figures have been restated for comparability purposes.
- Total income came in at 120.8 MNOK, up 18.1 MNOK / 18 % from the same quarter last year

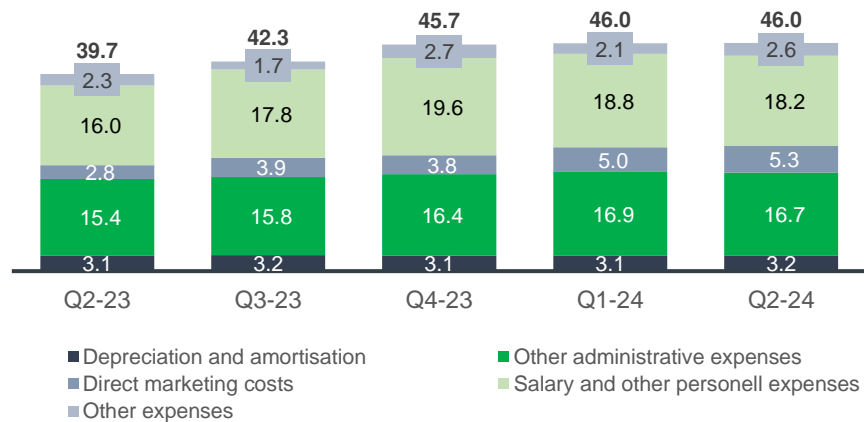
TOTAL INCOME DETAILED (MNOK):





Operating expenses | Demonstrating economy of scale

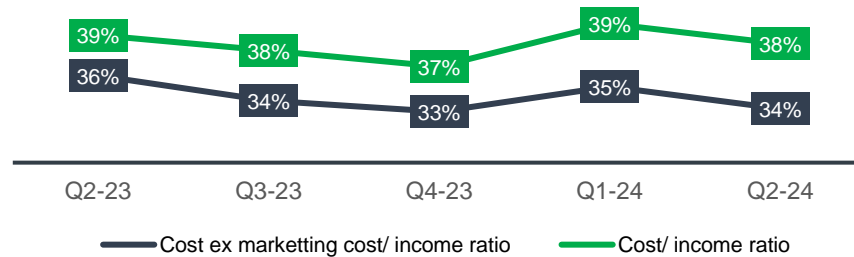
OPERATING EXPENSES BREAKDOWN (MNOK):



KEY COMMENTS:

- Total operating expenses were at the same level as in the two previous quarter, demonstrating economy of scale.
- The cost-to-income ratio was 38 % versus 39 % in the previous quarter, due to an increase in Total Income

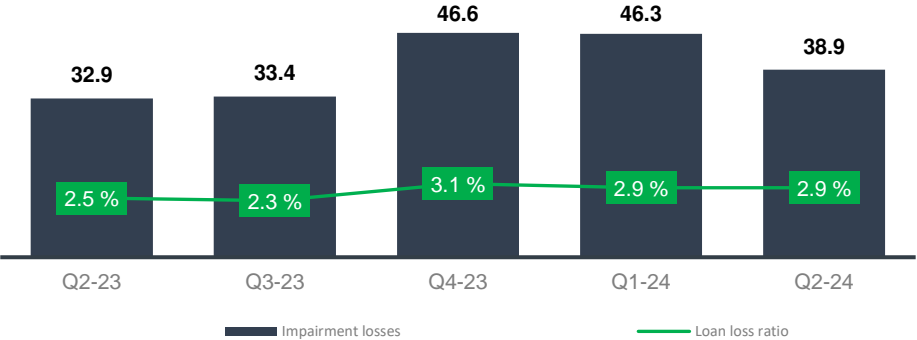
COST/INCOME RATIO:





Credit risk | Mortgages represent low credit risk

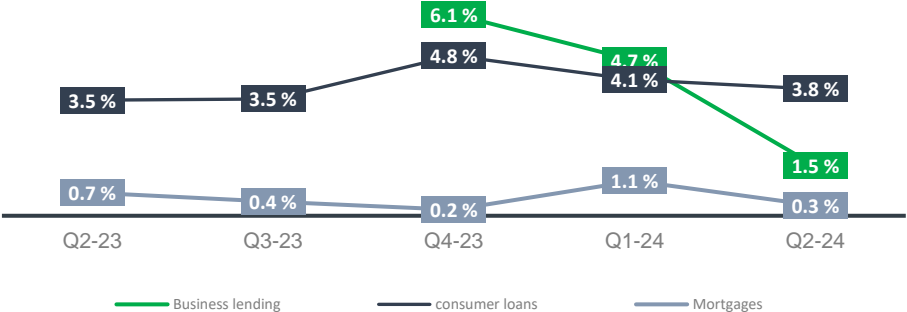
IMPAIRMENT LOSSES (MNOK):



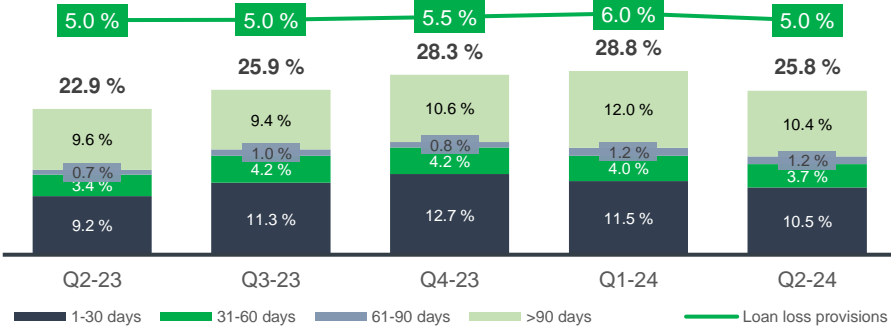
KEY COMMENTS:

- Loan losses decreased to 38.9 MNOK from 46.3 MNOK in the previous quarter
- The loan loss ratio was 2.4 %, an improvement from 2.9 % in the first quarter and 2.5 % in the same quarter last year
- The positive changes were due to lower provisions for mortgage losses and a gain from the sale of the NPL portfolio in Norway

LOAN LOSS RATIO PER TYPE OF LOAN:



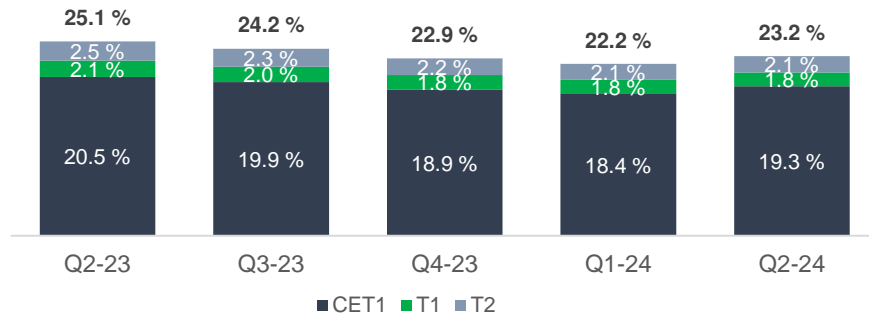
LOANS PAST DUE:



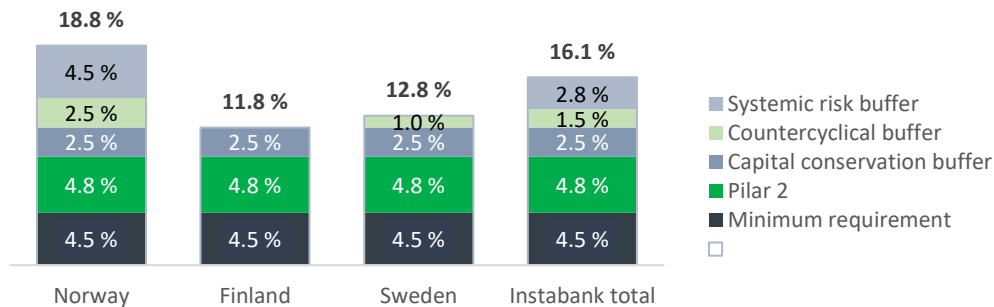


Regulatory Capital | Solid capital adequacy

DEVELOPMENTS IN CAPITAL ADEQUACY RATIOS:



CET1 REQUIREMENTS PER COUNTRY AND TOTAL:

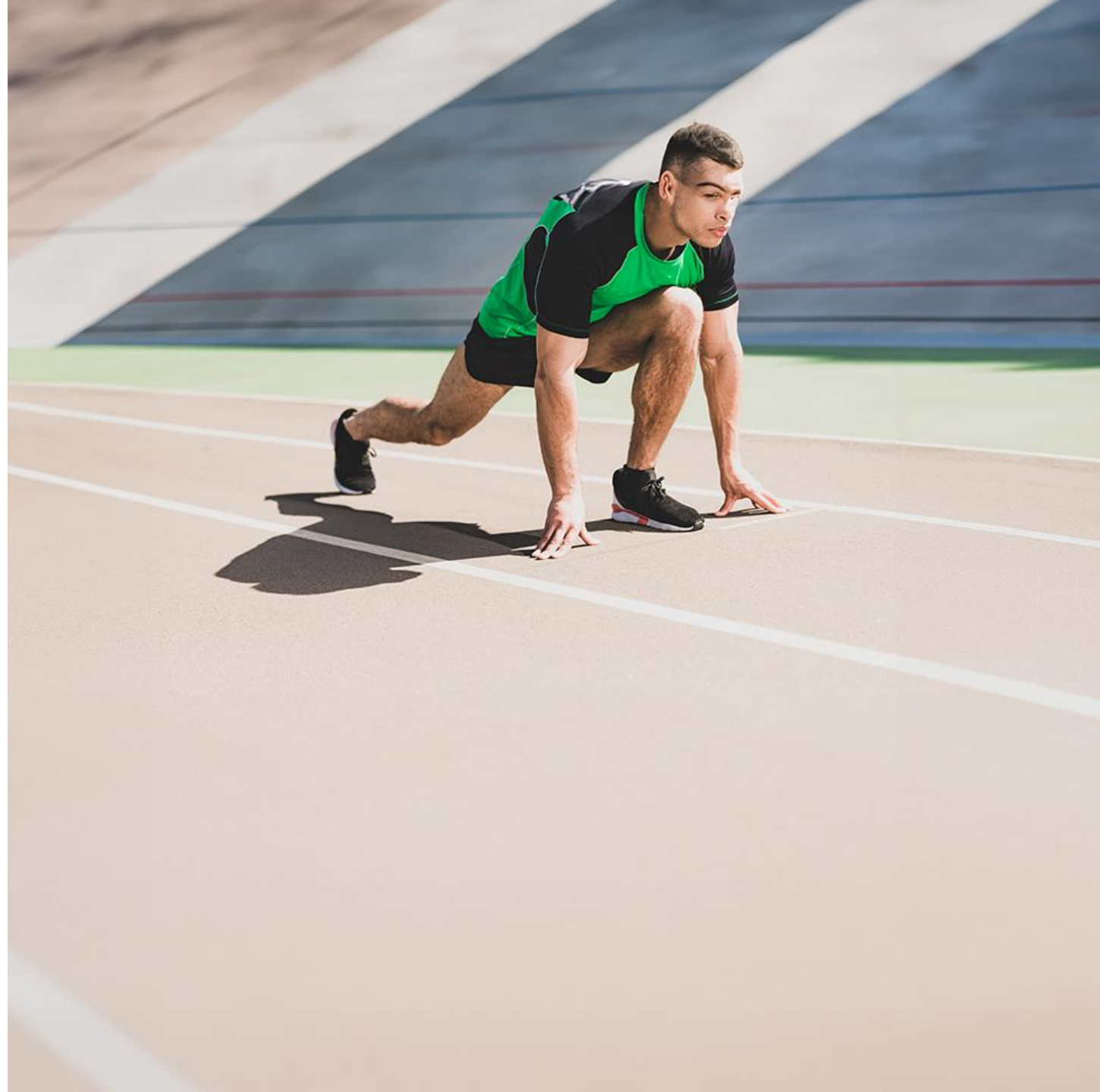


KEY COMMENTS:

- (CET1) ratio was 19.3 %, up 0,9 % points from the end of Q1-24 and 1.2 % points above the regulatory capital requirement (includes the capital buffer of 2 % points)
- (CET1) ratio was 19.3 %, up 0,9 % points from the end of Q1-24 and 1.2 % points above the regulatory capital requirement
- In June, the Financial Supervisory Authority of Norway (the FSA) updated the capital requirements for Pillar 2 and the Pillar 2 guidance for Instabank. The Pillar 2 requirement for Instabank was reduced from 6.2 % to 4.8 % of the total risk exposure amount. Instabank must cover 100% of the requirement with Core Equity Tier 1 (CET1).
- The FSA also expects Instabank to have a capital buffer (P2G) in the form of CET1 of 2 % of the total risk exposure amount.

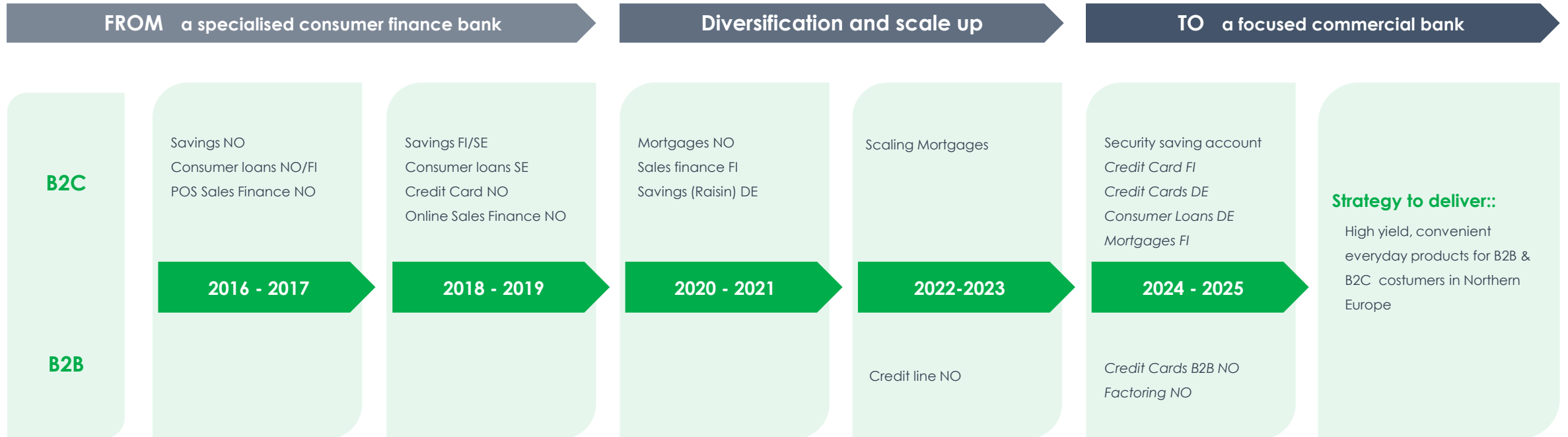


Strategy and ambitions





Product strategy | Continued expansion and diversification



- Launched Security deposit account in Q1-24

- Ambitions to expand internationally in the 2024-2025 period



Financials | Guiding as per Q2-24



	Outlook 2024	Strategic ambition mid-term
PROFIT AFTER TAX Strong improvement in profits	~ 90 mill. ● Among the better	> 200 mill. ● Proof of Success
ROE Strong improvement in performance	> 10 % ● Among the better	> 15 % ● Proof of Success
GROSS LOANS Growth is necessary to improve profits	~ 7.1 Bn ● Growth shows direction	~ 10.0 Bn ● Proof of growth capacity
COST TO INCOME Economies of scale	< 40 % ● Heading in the right direction	< 35 % ● Compares with industry leaders



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 29 consecutive quarters

6

Experienced team with significant track record within consumer and business lending

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 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.

ROBERT LEINDERS-KROG | CHIEF COMMERCIAL OFFICER



Leinders-Krog joined Instabank in August 2024. He has more than 20 years of strategic brand and commercialization advisory experience. As a sought-after advisor for boards and management teams across Europe he has helped both national and international scaleups and corporates find new growth, develop new verticals and claim a more competitive position in their market.

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.

ANNE JØRGENSEN | EMPLOYEE REPRESENTATIVE



Jørgensen holds the position as COO in Instabank. 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.



Deposits volumes | Diversified funding

	Volume	# Customers	Avg. Deposit Size	Avg. deposit rate
Norway 	4,008''	15,470	259'	4.8 %
Germany 	2,429''	15,867	153'	3.5 %
Finland 	82''	3,264	25'	1.1 %
Sweden 	13''	1,284	10'	0.5 %
Total	6,531''	35,885	182'	4.2 %



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

Top 20 shareholders (Per August 13th, 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 INVESTERINGSSELSKAP 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	TVENGE	10,000,000	2.6%
10	KRISTIAN FALNES AS	9,978,096	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	NORDNET LIVSFORSIKRING AS	4,393,804	1.2%
16	LEIRIN HOLDING AS	4,333,333	1.1%
17	CAHE FINANS AS	4,301,000	1.1%
18	Skandinaviska Enskilda Banken AB	3,745,407	1.0%
19	UCVO AS	3,215,346	0.9%
20	KAARE BERNTSEN AS	3,184,713	0.8%
Sum Top 20		303,730,462	80.3%
Other shareholders		74,531,050	19.7%
Total		378,261,512	100.0%

Position	Name	# of shares	% of total
CEO	Robert Berg (Sonsinvest AS)	5,841,195	1.5 %
CCO	Eivind Sverdrup (Leirin Holding AS)	4,448,833	1.2 %
CTO	Jørgen Rui	1,407,864	0.4 %
CMO	Farzad Jalily	1,000,000	0.3 %
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		13,075,480	3.5 %
Other employees		2,385,392	0.6 %
Board members		5,479,200	1.4 %
Total		20,940,072	5.5 %

Share price development (last 12 months)



Share price (NOK) and volume



Income statement & Balance sheet | Overview

INCOME STATEMENT (NOK THOUSAND)

P&L	Q2-24	Q1-24	FY 2023	Q4-23	Q3-23	Q2-23
Total income:						
Interest Income using the effective interest method	179,267	171,166	577,555	166,509	150,676	136,753
Interest expenses	75,332	71,314	204,694	65,759	56,717	45,088
Net interest income	103,935	99,851	372,861	100,750	93,959	91,664
Net other income	16,916	16,676	68,222	24,345	18,486	11,116
Total income	120,851	116,528	441,083	125,095	112,445	102,780
Operating expenses:						
Salary and other personnel expenses	18,215	18,807	68,644	19,615	17,814	16,015
Other administrative expenses, of which	22,030	21,863	76,556	20,269	19,623	18,258
- direct marketing cost	5,342	4,993	13,244	3,840	3,852	2,836
Other expenses	2,570	2,146	8,475	2,685	1,664	2,328
Depreciation and amortisation	3,199	3,141	12,440	3,132	3,214	3,146
Total operating expenses	46,014	45,956	166,114	45,702	42,314	39,747
Losses on loans	38,903	46,332	143,740	46,591	33,364	32,936
Operating profit before tax	35,934	24,239	131,229	32,802	36,766	30,097
Tax	8,984	6,060	30,357	7,628	8,587	6,250
Profit and other comprehensive income	26,951	18,179	100,872	25,174	28,179	23,847

BALANCE SHEET (NOK THOUSAND)

Balance Sheet	30.06.24	31.03.24	31.12.23	30.09.23	30.06.23
Assets					
Loans and deposits with credit institutions	260,637	226,433	264,224	143,783	187,278
Loans to customers	6,219,526	6,260,957	5,993,508	5,693,942	5,221,209
Certificates and bonds	1,163,257	1,013,267	943,254	811,153	868,090
Derivatives	567	13,166	1,273	2,217	2,197
Shares and other equity instruments	6,000	6,000			
Other intangible assets	29,196	27,451	26,923	25,575	23,865
Fixed assets	13,912	14,393	15,094	2,514	3,083
Deferred tax assets	1,883	1,883	1,883		
Other receivables	13,198	27,003	31,124	92,537	32,849
Total assets	7,708,176	7,590,552	7,277,283	6,771,721	6,338,571
Liabilities					
Deposits from and debt to customers	6,531,455	6,409,638	6,126,572	5,671,957	5,298,457
Other debts	39,610	65,965	19,648	38,223	23,810
Accrued expenses and liabilities	24,757	25,947	31,127	14,378	11,686
Derivatives	4,968	2,842	22,824	2,776	-
Deferred tax	-	-	-	1,161	413
Tax payable	22,953	26,501	32,974	22,301	11,037
Subordinated loan capital	96,000	96,000	96,000	96,000	96,000
Total liabilities	6,719,742	6,626,893	6,329,145	5,846,796	5,441,403
Equity					
Share capital	378,262	378,262	378,262	378,262	377,228
Share premium reserve	200,430	200,430	200,430	200,430	200,081
Retained earnings	328,842	304,068	288,547	265,334	238,959
Additional tier 1 capital	80,900	80,900	80,900	80,900	80,900
Total equity	988,433	963,659	948,139	924,925	897,168
Total liabilities and equity	7,708,176	7,590,552	7,277,283	6,771,721	6,338,571



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