



INTERIM REPORT

Q3 2024

Instabank ASA



Key highlights Q3-24

- **Profit before tax: 35.2 MNOK, -0.7 MNOK vs Q2-24**
Profit after tax: 26.4 MNOK, return on equity 11.5 %
- **Successful sale of non-performing loans of 302 MNOK**
The transaction was operating profit-positive and confirms the valuation of impaired loans
- **Strong growth for the most profitable products**
Business lending grew +107 MNOK and Mortgages +228 MNOK
- **Delivered on the strategy to become a well-diversified bank**
Business lending and mortgages now account for over 50 % of total lending



The Nordic **challenger**

About Instabank ASA

Instabank, the Nordic challenger bank, has been redefining the banking experience since its fully digital launch in autumn 2016. Our dedicated team is passionate about improving banking for both corporate and private customers, challenging established norms, and providing flexible solutions that simplify complexity.

Our goal is to make everyday life easier for our customers through better products, technology, and personal contact. We 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, 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.

Instabank is a proud sponsor of the Norwegian Athletics Federation.

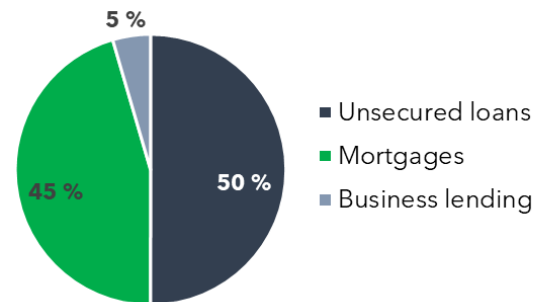
At the end of Q3-24, Instabank had 51 full-time and 12 part-time employees.

Instabank is admitted to trading at Euronext Growth at Oslo Børs, ticker INSTA.

Operational Developments

In the third quarter, Instabank successfully improved the operations of its three main segments: mortgages, business lending, and unsecured consumer loans. The focus was on accelerate growth for the most profitable segments, mortgages and business lending. For unsecured consumer loans, Instabank continued to de-risk the loan portfolio by completing a sale of a portfolio of non-performing loans in Finland of 302 MNOK. The transaction was operating profit positive, confirming the valuation of non-performing loans.

Gross loans distribution:



Instabank achieved an accelerating growth in Business lending in the third quarter of 107 MNOK, up from 54 MNOK in the previous quarter. Gross lending reached 294 MNOK, representing 4.5 % of total gross loans. Our business lending offering for small and medium-sized businesses has been well-received by the market, especially since these businesses often struggle to secure attention from



other banks during the credit application process.

Our customers are established businesses seeking working capital to expand or fulfill short-term funding needs. We provide them with dedicated attention in the application process, making it simpler and shorter compared to their experiences elsewhere. With an average loan yield of 18.5 %, the profitability remains strong. We believe that the market is underserved, and we anticipate increased growth ahead.

There was a strong demand for the mortgage product in the third quarter. Mortgages represent an attractive yield, low risk and requires less capital than unsecured consumer loans. In the third quarter, mortgages increased by 228 MNOK to reach 2.962 MNOK in gross loans, accounting for 45.5 % of total lending.

45.5 %

Mortgages share of total lending

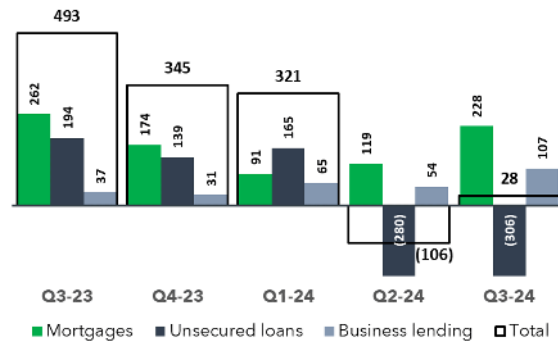
Unsecured consumer loans dropped by 306 MNOK in the third quarter to 3,260 MNOK. This decrease was primarily due to the sale of non-performing loans (NPL) in Finland, totaling 302 MNOK.

We have continued to implement measures to enhance our margins in the third quarter. Effective in August, the deposit rate for one of the savings products in Norway was decreased. Regarding our Euro funding through our partner Raisin in Germany, the interest rate peaked in December last year and has since slightly decreased.

Instabank launched a new security deposit account product earlier this year

in cooperation with Husleie.no, Norway's leading platform for managing tenancies. The lower rate of the product is expected to reduce Instabank's funding costs as the volume of secured deposits increases.

Growth total gross loans:



To enhance operational efficiency and improve customer offerings, Instabank has insourced the development of the front-end solutions. This strategic move aims to accelerate the enhancement of our online banking and mobile app services.

Instabank is committed to further geographical expansion and is making significant progress in developing a credit card offering in Germany. In the third quarter, we have advanced the development of technical solutions and entered into agreements with solution providers to support the KYC process and credit risk assessment. Like our operations in other countries, we will enter Germany as a cross-border operation with German resources working from our head office in Oslo. We have started building the German organisation for this expansion in the third quarter and expect to be ready for the Germany credit card launch in the first half of 2025.

At the end of Q3-24, the bank had 109,639 customers, of which 70,096 were loan customers and 39,543 were deposit customers.



Profit and Loss

Instabank reports a profit before tax of 35.2 MNOK in the third quarter, which was a decrease of 0.7 MNOK from the previous quarter. An increase in the total income was offset by an increase in operating expenses, mainly related to new initiatives.

Total interest income increased by 30.0 MNOK from the same quarter last year, reaching 174.4 MNOK in Q3 2024. This increase is due to a 12-month gross lending growth of 1,057 MNOK (exclusive sale of non-performing loans of 469 MNOK during the period) and an increased loan yield to 11.6 % from 11.3 % in the same quarter last year. The increase in loan yield is attributed to rate hikes and an increased share of business lending.

+ 21 %

Growth in Interest income

Interest expenses have begun to level off this year after rising significantly over the past year. In the third quarter, the funding cost fell for the first time in three years, from 4.7 % in the second quarter to 4.5 %. As a result, interest expenses increased by only 0.5 MNOK to 75.9 MNOK in the third quarter, despite an increase in deposit volume of 237 MNOK.

Net other income was 19.5 MNOK in the quarter, up 1.0 MNOK from the same quarter last year.

Total income came in at 128.4 MNOK in Q3 2024, up 15.9 MNOK or 14 % from the same quarter last year.

+ 14 %

Growth in Total Income

Operating expenses increased by 7.3 MNOK from the previous quarter, reaching 53.3 MNOK. This increase is attributed to costs associated with preparing for the launch of credit cards in Germany next year and the insourcing of front-end development. There was also an increase in provisions for employee bonuses compared to the previous quarter. The cost-to-income ratio was 41.5 %, up from 38.1 % in the previous quarter.

Loan losses remained relatively low in the third quarter, consistent with the previous quarter, amounting to 39.9 MNOK. This was positively impacted by a gain from the sale of non-performing loans in Finland.

35.2 MNOK

Profit before tax Q3-24

Profit before tax was 35.2 MNOK, and profit after tax was 26.4 MNOK, representing a return on equity of 11.5 %.



Balance Sheet

Gross loans increased by 28 MNOK in the quarter to 6,517 MNOK at the end of the quarter. Adjusted for the sale of non-performing loans the increase in gross loans were 330 MNOK.

Deposits from customers increased by 237 MNOK in the quarter to 6,768 MNOK at the end of the quarter.

Total assets at the end of Q3-24 were 7,972 MNOK.

Regulatory capital

At the end of the quarter, the Common Equity Tier 1 Capital ratio was 19.5 %, up 0.2 % points from the end of the previous quarter and 1.2 % points above the regulatory capital requirement. The total capital ratio was 23.4 %, 1.6 % points above the total regulatory capital requirement.

Outlook

Instabank is well-positioned for lending growth, thanks to a diversified product range and robust capital situation. Our top priorities for lending growth include increasing business lending, mortgages, and the new credit card initiative in Germany in 2025. For 2024, we anticipate approximately 500 MNOK in gross loans growth, net of the reduction from the sale of non-performing loans of 471 MNOK this year. We reiterate the ambition of a profit after-tax above 90 MNOK for 2024.

Other information

Regarding capital requirement, there has been a limited review of the accounts in accordance with ISRE 2410 as of 30.09.2024 by the bank's auditors and the result after tax is added to retained earnings in full.

Oslo, October 31st, 2024

Board of Directors, Instabank ASA



Condensed statements of profit or loss and other comprehensive income:

| NOK 1000 | Note | Q3-2024 | Q3-2023 | YTD 2024 | YTD 2023 | Year 2023 |
|--|------|----------------|----------------|----------------|----------------|----------------|
| Interest Income effective interest method | | 174 406 | 144 374 | 509 360 | 396 792 | 556 225 |
| Other interest income | 6 | 10 376 | 6 302 | 25 854 | 14 255 | 21 330 |
| Interest expenses | | 75 885 | 56 717 | 222 531 | 138 935 | 204 694 |
| Net interest income | | 108 897 | 93 959 | 312 683 | 272 112 | 372 861 |
| Income commissions and fees | | 12 507 | 13 943 | 38 698 | 38 485 | 54 304 |
| Expenses commissions and fees | | 1 463 | 3 119 | 4 173 | 8 142 | 10 629 |
| Net gains/loss on foreign exchange and securities classified as current assets | 6 | 8 452 | 7 662 | 18 563 | 13 533 | 24 546 |
| Net other income | | 19 495 | 18 486 | 53 087 | 43 877 | 68 222 |
| Total income | | 128 392 | 112 445 | 365 770 | 315 988 | 441 083 |
| Salary and other personnel expenses | | 23 609 | 17 814 | 60 631 | 49 028 | 68 644 |
| Other administrative expenses, of which: | | 24 181 | 19 623 | 68 073 | 56 287 | 76 556 |
| - <i>direct marketing cost</i> | | 5 240 | 3 852 | 15 576 | 9 404 | 13 244 |
| Other expenses | | 2 197 | 1 664 | 6 912 | 5 790 | 8 475 |
| Depreciation and amortisation | | 3 303 | 3 214 | 9 643 | 9 307 | 12 440 |
| Total operating expenses | | 53 289 | 42 314 | 145 259 | 120 412 | 166 114 |
| Losses on loans | 2 | 39 868 | 33 364 | 125 103 | 97 149 | 143 740 |
| Operating profit before tax | | 35 235 | 36 766 | 95 408 | 98 427 | 131 229 |
| Tax expenses | | 8 809 | 8 587 | 23 852 | 22 728 | 30 357 |
| Profit and other comprehensive income for the period | | 26 426 | 28 179 | 71 556 | 75 699 | 100 872 |
| Earnings per share (NOK) | | 0,07 | 0,07 | 0,19 | 0,20 | 0,27 |
| Diluted earnings per share (NOK) | | 0,07 | 0,07 | 0,18 | 0,19 | 0,25 |



Condensed statement of financial position:

| NOK 1000 | Note | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|---|------|------------------|------------------|------------------|
| Loans and deposits with credit institutions | 4 | 422 913 | 143 783 | 264 224 |
| Loans to customers | 2, 4 | 6 353 508 | 5 693 942 | 5 993 508 |
| Certificates and bonds | 4 | 1 102 220 | 811 153 | 943 254 |
| Derivatives | | 3 243 | 2 217 | 1 273 |
| Shares and other equity instruments | | 6 000 | 0 | 0 |
| Other intangible assets | 5 | 28 631 | 25 575 | 26 923 |
| Fixed assets | | 13 204 | 2 514 | 15 094 |
| Deferred tax assets | | 1 883 | 0 | 1 883 |
| Other receivables | 4 | 40 607 | 92 537 | 31 124 |
| Total assets | | 7 972 209 | 6 771 721 | 7 277 283 |
| Deposit from and debt to customers | 4 | 6 768 449 | 5 671 957 | 6 126 572 |
| Other debts | 4 | 28 464 | 38 223 | 19 648 |
| Accrued expenses and liabilities | | 29 901 | 14 378 | 31 127 |
| Derivatives | | 4 712 | 2 776 | 22 824 |
| Deferred tax | | 0 | 1 161 | 0 |
| Tax payable | | 31 761 | 22 301 | 32 974 |
| Subordinated loan capital | 3, 4 | 96 000 | 96 000 | 96 000 |
| Total liabilities | | 6 959 287 | 5 846 796 | 6 329 145 |
| Share capital | 3 | 378 262 | 378 262 | 378 262 |
| Share premium reserve | 3 | 200 430 | 200 430 | 200 430 |
| Retained earnings | 3 | 353 330 | 265 334 | 288 547 |
| Additional Tier 1 capital | 3 | 80 900 | 80 900 | 80 900 |
| Total equity | | 1 012 921 | 924 925 | 948 139 |
| Total liabilities and equity | | 7 972 209 | 6 771 721 | 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 | | | | 71 556 | 71 556 |
| Changes in warrants | | | | 1 234 | 1 234 |
| Paid interest on Tier 1 Capital | | | | -8 007 | -8 007 |
| Equity per 30.09.2024 | 378 262 | 200 430 | 80 900 | 353 330 | 1 012 921 |



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 2023. In the second quarter of 2024, the bank revised its accounting practices for interest income on securities. Previously, interest income on securities was recorded under "Net gains/loss on foreign exchange and securities classified as current assets". However, starting from Q2 2024, interest income on securities is now recorded under "other interest income". Positive and negative changes in the value of securities are still recorded under "Net gains/loss on foreign exchange and securities classified as current assets". Please see note 6 for more details regarding these changes. Note that these changes have no impact on the Total Income. The interim report was approved by the board of directors on October 31st, 2024.

Note 2: Loans to customers

GROSS AND NET LENDING;

| NOK 1000 | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|-------------------------------|-------------------|-------------------|-------------------|
| Unsecured consumer loans | 3 260 215 | 3 542 186 | 3 681 338 |
| Mortgages | 2 962 437 | 2 349 860 | 2 524 139 |
| Business loans | 294 195 | 37 266 | 68 382 |
| Prepaid agent commission | 138 427 | 147 031 | 149 521 |
| Establishment fees | -89 528 | -83 970 | -85 956 |
| Gross lending | 6 565 746 | 5 992 372 | 6 337 423 |
| Impairment of loans | -212 238 | -298 430 | -343 915 |
| Net loans to customers | 6 353 508 | 5 693 942 | 5 993 508 |

CREDIT IMPAIRED AND LOSSES:

| NOK 1000 | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|---|-------------------|-------------------|-------------------|
| Gross credit impaired loans (stage 3) | 486,760 | 556,318 | 663,605 |
| Impairment of credit impaired loans (stage 3) | -144,728 | -238,613 | -277,168 |
| Net credit impaired loans | 342,032 | 317,705 | 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 | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|---------------------|-------------------|-------------------|-------------------|
| Loans not past due | 4 991 491 | 4 392 694 | 4 500 310 |
| Past due 1-30 days | 694 338 | 670 655 | 794 218 |
| Past due 31-60 days | 300 676 | 250 832 | 263 108 |
| Past due 61-90 days | 55 339 | 58 812 | 52 618 |
| Past due 91+ days | 475 005 | 556 318 | 663 605 |
| Total | 6 516 848 | 5 929 312 | 6 273 858 |

| | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|---------------------|-------------------|-------------------|-------------------|
| Loans not past due | 76,6% | 74,1% | 71,7% |
| Past due 1-30 days | 10,7% | 11,3% | 12,7% |
| Past due 31-60 days | 4,6% | 4,2% | 4,2% |
| Past due 61-90 days | 0,8% | 1,0% | 0,8% |
| Past due 91+ days | 7,3% | 9,4% | 10,6% |
| Total | 100,0% | 100,0% | 100,0% |

GEOGRAPHIC DISTRIBUTION:

| NOK 1000 | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|--|-------------------|-------------------|-------------------|
| Norway | 4 667 042 | 3 862 704 | 4 176 546 |
| Finland | 1 768 466 | 1 983 509 | 2 012 441 |
| Sweden | 81 339 | 83 100 | 84 871 |
| Gross lending excl. prepaid agent provisions and establishment fees | 6 516 848 | 5 929 312 | 6 273 858 |

LOAN LOSS PROVISIONS IN THE PERIOD:

| NOK 1000 | Q3-2024 | Q3-2023 | YTD 2024 | YTD 2023 | Year 2023 |
|---|----------------|----------------|-----------------|-----------------|------------------|
| Loan loss provisions stage 1 | 59 | -2 283 | 336 | -1 180 | -1 660 |
| Loan loss provisions stage 2 | -203 | -1 530 | 920 | -2 716 | -9 374 |
| Loan loss provisions stage 3 | 110 331 | -28 212 | 107 579 | -88 557 | -127 354 |
| Total loan loss provisions in the period | 110 187 | -32 026 | 108 834 | -92 453 | -138 389 |
| Realised losses in the period | -150 055 | -1 339 | -233 937 | -4 696 | -5 351 |
| Losses on loans in the period | -39 868 | -33 364 | -125 103 | -97 149 | -143 740 |



RECONCILIATION OF GROSS LENDING TO CUSTOMERS, TOTAL LOANS

Q3 2024:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 01.07.24 | 4 991 351 | 814 393 | 682 955 | 6 488 700 |
| <i>Transfers in Q3 2024:</i> | | | | |
| Transfer from stage 1 to stage 2 | -316 978 | 317 136 | - | 158 |
| Transfer from stage 1 to stage 3 | -13 877 | - | 14 099 | 223 |
| Transfer from stage 2 to stage 1 | 113 466 | -122 008 | - | -8 542 |
| Transfer from stage 2 to stage 3 | - | -113 846 | 113 530 | -317 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 1 622 | -1 594 | 28 |
| New assets | 879 305 | 21 441 | 158 | 900 903 |
| Assets derecognised | -505 098 | -68 498 | -335 355 | -908 951 |
| Changes in foreign exchange and other changes | 23 420 | 8 259 | 12 966 | 44 646 |
| Gross carrying amount as at 30.09.24 | 5 171 589 | 858 499 | 486 760 | 6 516 848 |

Q3 2023:

| | | | | |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 01.07.23 | 4 295 505 | 618 662 | 522 094 | 5 436 262 |
| <i>Transfers in Q3 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -269 344 | 266 500 | - | -2 844 |
| Transfer from stage 1 to stage 3 | -13 276 | - | 13 444 | 168 |
| Transfer from stage 2 to stage 1 | 99 166 | -108 792 | - | -9 626 |
| Transfer from stage 2 to stage 3 | - | -68 665 | 68 867 | 202 |
| Transfer from stage 3 to stage 1 | 1 656 | - | -1 610 | 46 |
| Transfer from stage 3 to stage 2 | - | 1 781 | -1 807 | -26 |
| New assets | 1 020 257 | 42 278 | 351 | 1 062 886 |
| Assets derecognised | -391 844 | -35 313 | -39 890 | -467 047 |
| Changes in foreign exchange and other changes | -77 950 | -7 628 | -5 129 | -90 707 |
| Gross carrying amount as at 30.09.23 | 4 664 170 | 708 824 | 556 318 | 5 929 312 |

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

Q3 2024:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------------|---------------|----------------|----------------|
| Expected credit losses as at 01.07.24 | 29 598 | 36 357 | 255 289 | 321 243 |
| <i>Transfers in Q3 2024:</i> | 0 | 0 | 0 | 0 |
| Transfer from stage 1 to stage 2 | -3 143 | 13 389 | - | 10 246 |
| Transfer from stage 1 to stage 3 | -277 | - | 2 923 | 2 646 |
| Transfer from stage 2 to stage 1 | 1 606 | -5 519 | - | -3 912 |
| Transfer from stage 2 to stage 3 | - | -7 375 | 18 880 | 11 505 |
| Transfer from stage 3 to stage 1 | 0 | - | -8 | -8 |
| Transfer from stage 3 to stage 2 | - | 185 | -551 | -366 |
| New assets originated or change in provisions | 3 601 | 824 | 57 | 4 481 |
| Assets derecognised or change in provisions | -1 603 | -1 288 | -137 792 | -140 683 |
| Changes in foreign exchange and other changes | 313 | 843 | 5 931 | 7 087 |
| Expected credit losses as at 30.09.24 | 30 096 | 37 415 | 144 728 | 212 238 |

Q3 2023:

| | | | | |
|---|---------------|---------------|----------------|----------------|
| Expected credit losses as at 01.07.23 | 27 596 | 29 886 | 214 083 | 271 565 |
| <i>Transfers in Q3 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -2 708 | 11 597 | - | 8 888 |
| Transfer from stage 1 to stage 3 | -304 | - | 2 656 | 2 352 |
| Transfer from stage 2 to stage 1 | 1 208 | -4 335 | - | -3 127 |
| Transfer from stage 2 to stage 3 | - | -5 392 | 14 726 | 9 334 |
| Transfer from stage 3 to stage 1 | 15 | - | -204 | -189 |
| Transfer from stage 3 to stage 2 | - | 92 | -365 | -273 |
| New assets originated or change in provisions | 5 256 | 1 263 | 137 | 6 656 |
| Assets derecognised or change in provisions | -1 185 | -1 709 | 7 634 | 4 740 |
| Changes in foreign exchange and other changes | -745 | -716 | -55 | -1 516 |
| Expected credit losses as at 30.09.23 | 29 132 | 30 685 | 238 613 | 298 430 |

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

Q3 2024:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 01.07.24 | 2 691 376 | 356 199 | 518 778 | 3 566 353 |
| <i>Transfers in Q3 2024:</i> | | | | |
| Transfer from stage 1 to stage 2 | -133 305 | 133 344 | - | 39 |
| Transfer from stage 1 to stage 3 | -10 124 | - | 10 342 | 218 |
| Transfer from stage 2 to stage 1 | 64 584 | -69 359 | - | -4 774 |
| Transfer from stage 2 to stage 3 | - | -60 245 | 60 229 | -15 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | 1 622 | -1 594 | 28 |
| New assets | 252 709 | 9 347 | 158 | 262 214 |
| Assets derecognised | -264 058 | -20 161 | -321 904 | -606 124 |
| Changes in foreign exchange and other changes | 24 011 | 8 259 | 10 006 | 42 276 |
| Gross carrying amount as at 30.09.24 | 2 625 195 | 359 006 | 276 015 | 3 260 215 |

Q3 2023:

| | | | | |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 01.07.23 | 2 582 252 | 309 723 | 456 508 | 3 348 483 |
| <i>Transfers in Q3 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -123 578 | 124 160 | - | 582 |
| Transfer from stage 1 to stage 3 | -10 411 | - | 10 579 | 168 |
| Transfer from stage 2 to stage 1 | 47 952 | -52 010 | - | -4 058 |
| Transfer from stage 2 to stage 3 | - | -51 999 | 52 216 | 218 |
| Transfer from stage 3 to stage 1 | 416 | - | -370 | 46 |
| Transfer from stage 3 to stage 2 | - | 809 | -818 | -8 |
| New assets | 566 692 | 11 421 | 351 | 578 465 |
| Assets derecognised | -250 054 | -18 542 | -20 178 | -288 774 |
| Changes in foreign exchange and other changes | -80 073 | -7 628 | -5 233 | -92 934 |
| Gross carrying amount as at 30.09.23 | 2 733 195 | 315 936 | 493 056 | 3 542 186 |

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

Q3 2024:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------------|---------------|----------------|----------------|
| Expected credit losses as at 01.07.24 | 25 435 | 32 691 | 234 964 | 293 090 |
| <i>Transfers in Q3 2024:</i> | 0 | 0 | 0 | 0 |
| Transfer from stage 1 to stage 2 | -2 815 | 11 478 | - | 8 663 |
| Transfer from stage 1 to stage 3 | -264 | - | 2 765 | 2 500 |
| Transfer from stage 2 to stage 1 | 1 514 | -5 104 | - | -3 590 |
| Transfer from stage 2 to stage 3 | - | -6 901 | 16 140 | 9 239 |
| Transfer from stage 3 to stage 1 | 0 | - | -8 | -8 |
| Transfer from stage 3 to stage 2 | - | 185 | -551 | -366 |
| New assets originated or change in provisions | 1 997 | 744 | 57 | 2 798 |
| Assets derecognised or change in provisions | -1 441 | -880 | -142 907 | -145 227 |
| Changes in foreign exchange and other changes | 313 | 843 | 2 935 | 4 091 |
| Expected credit losses as at 30.09.24 | 24 739 | 33 056 | 113 394 | 171 189 |

Q3 2023:

| | | | | |
|---|---------------|---------------|----------------|----------------|
| Expected credit losses as at 01.07.23 | 26 487 | 26 470 | 205 651 | 258 608 |
| <i>Transfers in Q3 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -2 499 | 10 469 | - | 7 970 |
| Transfer from stage 1 to stage 3 | -299 | - | 2 595 | 2 296 |
| Transfer from stage 2 to stage 1 | 1 133 | -3 882 | - | -2 749 |
| Transfer from stage 2 to stage 3 | - | -5 210 | 13 718 | 8 508 |
| Transfer from stage 3 to stage 1 | 15 | - | -192 | -177 |
| Transfer from stage 3 to stage 2 | - | 82 | -335 | -253 |
| New assets originated or change in provisions | 4 363 | 970 | 137 | 5 470 |
| Assets derecognised or change in provisions | -1 411 | -1 350 | 7 320 | 4 559 |
| Changes in foreign exchange and other changes | -745 | -716 | -158 | -1 619 |
| Expected credit losses as at 30.09.23 | 27 043 | 26 834 | 228 736 | 282 613 |

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

Q3 2024:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|----------------|----------------|------------------|
| Gross carrying amount as at 01.07.24 | 2 117 802 | 452 996 | 163 904 | 2 734 702 |
| <i>Transfers in Q3 2024:</i> | - | - | - | - |
| Transfer from stage 1 to stage 2 | -177 368 | 177 358 | - | -10 |
| Transfer from stage 1 to stage 3 | -3 015 | - | 3 009 | -7 |
| Transfer from stage 2 to stage 1 | 47 194 | -50 857 | - | -3 663 |
| Transfer from stage 2 to stage 3 | - | -50 528 | 50 506 | -21 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | - | - | - |
| New assets | 502 685 | 12 094 | - | 514 779 |
| Assets derecognised | -226 143 | -48 149 | -13 450 | -287 742 |
| Changes in foreign exchange and other changes | 1 492 | - | 2 908 | 4 400 |
| Gross carrying amount as at 30.09.24 | 2 262 647 | 492 914 | 206 876 | 2 962 437 |

Q3 2023:

| | | | | |
|---|------------------|----------------|---------------|------------------|
| Gross carrying amount as at 01.07.23 | 1 713 253 | 308 939 | 65 586 | 2 087 778 |
| <i>Transfers in Q3 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -145 766 | 142 340 | - | -3 426 |
| Transfer from stage 1 to stage 3 | -2 865 | - | 2 865 | - |
| Transfer from stage 2 to stage 1 | 51 214 | -56 782 | - | -5 568 |
| Transfer from stage 2 to stage 3 | - | -16 666 | 16 650 | -16 |
| Transfer from stage 3 to stage 1 | 1 240 | - | -1 240 | - |
| Transfer from stage 3 to stage 2 | - | 972 | -989 | -17 |
| New assets | 416 299 | 30 857 | - | 447 156 |
| Assets derecognised | -141 789 | -16 771 | -19 712 | -178 273 |
| Changes in foreign exchange and other changes | 2 123 | - | 103 | 2 226 |
| Gross carrying amount as at 30.09.23 | 1 893 709 | 392 888 | 63 262 | 2 349 860 |

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

Q3 2024:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|--------------|--------------|---------------|---------------|
| Expected credit losses as at 01.07.24 | 1 296 | 3 454 | 20 295 | 25 045 |
| <i>Transfers in Q3 2024:</i> | | | | |
| Transfer from stage 1 to stage 2 | -258 | 1 530 | - | 1 272 |
| Transfer from stage 1 to stage 3 | -2 | - | 70 | 68 |
| Transfer from stage 2 to stage 1 | 71 | -391 | - | -320 |
| Transfer from stage 2 to stage 3 | - | -303 | 2 361 | 2 057 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | - | - | - |
| New assets originated or change in provisions | 245 | 80 | - | 325 |
| Assets derecognised or change in provisions | -32 | -398 | 5 096 | 4 665 |
| Changes in foreign exchange and other changes | - | - | 2 908 | 2 908 |
| Expected credit losses as at 30.09.24 | 1 320 | 3 972 | 30 728 | 36 020 |

Q3 2023:

| | | | | |
|---|--------------|--------------|--------------|---------------|
| Expected credit losses as at 01.07.23 | 1 109 | 3 415 | 8 432 | 12 956 |
| <i>Transfers in Q3 2023:</i> | | | | |
| Transfer from stage 1 to stage 2 | -210 | 1 127 | - | 918 |
| Transfer from stage 1 to stage 3 | -5 | - | 61 | 56 |
| Transfer from stage 2 to stage 1 | 75 | -453 | - | -378 |
| Transfer from stage 2 to stage 3 | - | -182 | 1 008 | 826 |
| Transfer from stage 3 to stage 1 | 0 | - | -12 | -12 |
| Transfer from stage 3 to stage 2 | - | 10 | -30 | -20 |
| New assets originated or change in provisions | 280 | 293 | - | 572 |
| Assets derecognised or change in provisions | 226 | -359 | 315 | 182 |
| Changes in foreign exchange and other changes | - | - | 103 | 103 |
| Expected credit losses as at 30.09.23 | 1 476 | 3 851 | 9 877 | 15 204 |

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, BUSINESS LOANS

Q3 2024:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|----------------|--------------|--------------|----------------|
| Gross carrying amount as at 01.07.24 | 182 173 | 5 199 | 274 | 187 645 |
| <i>Transfers in Q3 2024:</i> | | | | |
| Transfer from stage 1 to stage 2 | -6 305 | 6 434 | - | 128 |
| Transfer from stage 1 to stage 3 | -737 | - | 748 | 11 |
| Transfer from stage 2 to stage 1 | 1 687 | -1 792 | - | -105 |
| Transfer from stage 2 to stage 3 | - | -3 074 | 2 794 | -280 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | - | - | - |
| New assets | 123 910 | - | - | 123 910 |
| Assets derecognised | -14 898 | -187 | - | -15 085 |
| Changes in foreign exchange and other changes | -2 083 | - | 53 | -2 030 |
| Gross carrying amount as at 30.09.24 | 283 747 | 6 580 | 3 869 | 294 195 |

Q3 2023:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------------|----------|----------|---------------|
| Gross carrying amount as at 01.07.23 | - | - | - | - |
| <i>Transfers in Q3 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 | 37 266 | - | - | 37 266 |
| Assets derecognised | - | - | - | - |
| Changes in foreign exchange and other changes | - | - | - | - |
| Gross carrying amount as at 30.09.23 | 37 266 | - | - | 37 266 |

2023:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------------|--------------|----------|---------------|
| 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, BUSINESS LOANS

Q3 2024:

| NOK 1000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|--------------|------------|------------|--------------|
| Expected credit losses as at 01.07.24 | 2 867 | 211 | 30 | 3 108 |
| <i>Transfers in Q3 2024:</i> | | | | |
| Transfer from stage 1 to stage 2 | -70 | 381 | - | 310 |
| Transfer from stage 1 to stage 3 | -11 | - | 88 | 78 |
| Transfer from stage 2 to stage 1 | 22 | -24 | - | -2 |
| Transfer from stage 2 to stage 3 | - | -171 | 380 | 209 |
| Transfer from stage 3 to stage 1 | - | - | - | - |
| Transfer from stage 3 to stage 2 | - | - | - | - |
| New assets originated or change in provisions | 1 359 | - | - | 1 359 |
| Assets derecognised or change in provisions | -130 | -10 | 19 | -121 |
| Changes in foreign exchange and other changes | - | - | 88 | 88 |
| Expected credit losses as at 30.09.24 | 4 037 | 387 | 605 | 5 029 |

Q3 2023:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------|----------|----------|------------|
| Expected credit losses as at 01.07.23 | - | - | - | - |
| <i>Transfers in Q3 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 | 613 | - | - | 613 |
| Assets derecognised or change in provisions | - | - | - | - |
| Changes in foreign exchange and other changes | - | - | - | - |
| Expected credit losses as at 30.09.23 | 613 | - | - | 613 |

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 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 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 4% for Norway Unsecured, 3% for Norway Secured and 7 % for Sweden. 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 | 400% and 6pp increase | 650% and 15pp increase | 450% and 15pp increase | 500% and 23pp increase |
| Medium Risk at origination | | | 350% and 20pp increase | |
| High Risk at origination | 300% and 8pp increase | 400% and 28pp increase | 250% and 25pp increase | 275% and 30pp increase |

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 updates 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 | 3,8 | 4,2 | 4,3 | 3,7 | 3,5 | 3,4 | 3,7 | 3,4 | 3,3 |
| Interest Rate | 2,6 | 1,4 | 2,1 | 4,6 | 3,7 | 3,1 | 4,9 | 4,3 | 3,2 |
| House Price Index | 176,4 | 179,4 | 188,9 | 180,1 | 186,9 | 199,0 | 180,7 | 188,6 | 201,7 |
| FINLAND | | | | | | | | | |
| Unemployment Rate | 8,2 | 8,4 | 7,9 | 7,8 | 6,9 | 6,5 | 7,5 | 6,4 | 6,2 |
| Interest Rate | 3,0 | 1,2 | 1,2 | 3,4 | 2,7 | 2,4 | 3,9 | 3,1 | 2,4 |
| House Price Index | 97,1 | 91,6 | 92,5 | 101,0 | 100,2 | 102,2 | 101,8 | 101,0 | 102,7 |
| SWEDEN | | | | | | | | | |
| Unemployment Rate | 7,8 | 9,4 | 8,3 | 7,6 | 7,3 | 7,0 | 7,5 | 7,1 | 6,9 |
| Interest Rate | 2,9 | 0,6 | 1,6 | 3,3 | 2,4 | 2,5 | 3,8 | 2,4 | 2,5 |
| House Price Index | 177,6 | 187,7 | 198,7 | 184,3 | 200,3 | 212,4 | 185,1 | 203,7 | 216,3 |
| Factors pr. 30.09.2024 | | | | Mortgages | Business | | Unsecured consumer loans | | |
| | | | | Norway | loans | | Norway | Finland | Sweden |
| Pessimistic Scenario | | | | 1,159 | 1,155 | | 1,155 | 1,234 | 1,286 |
| Baseline Scenario | | | | 1,041 | 1,038 | | 1,038 | 1,067 | 1,094 |
| Optimistic Scenario | | | | 1,026 | 1,012 | | 1,012 | 1,032 | 1,086 |

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 | Business | Unsecured consumer loans | | | Total |
|----------------------|---------------|--------------|--------------------------|---------------|---------------|----------------|
| | Norway | loans | Norway | Finland | Sweden | |
| Pessimistic scenario | 37 443 | 5 446 | 68 094 | 89 562 | 28 817 | 229 360 |
| Baseline scenario | 34 524 | 4 903 | 62 327 | 77 540 | 25 191 | 204 485 |
| Optimistic scenario | 34 153 | 4 782 | 61 046 | 75 021 | 25 040 | 200 042 |
| Final ECL | 36 020 | 5 029 | 63 673 | 80 391 | 27 126 | 212 238 |



Note 3: Regulatory capital and LCR

| NOK 1000 | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|---|-------------------|-------------------|-------------------|
| Share capital | 378,262 | 378,262 | 378,262 |
| Share premium | 200,430 | 200,430 | 200,430 |
| Other equity | 353,330 | 265,334 | 288,547 |
| Deferred tax asset/intangible assets/other deductions | -33,539 | -26,502 | -30,560 |
| Common equity tier 1 capital | 898,482 | 817,523 | 836,679 |
| Additional tier 1 capital | 80,900 | 80,900 | 80,900 |
| Core capital | 979,382 | 898,423 | 917,579 |
| Subordinated loan | 96,000 | 96,000 | 96,000 |
| Total capital | 1,075,382 | 994,423 | 1,013,579 |
| <i>Calculation basis:</i> | | | |
| Credit risk: | | | |
| Institutions | 85,373 | 43,030 | 53,779 |
| Corporates | 217,811 | 27,476 | 50,249 |
| Retail | 2,245,230 | 2,300,364 | 2,348,747 |
| Exposures secured by mortgages | 1,003,485 | 840,956 | 909,450 |
| Exposures in default | 328,552 | 312,149 | 380,747 |
| Collective investments undertakings (CIU) | 90,051 | 92,446 | 70,382 |
| Other items | 63,054 | 27,799 | 47,491 |
| Calculation basis credit risk | 4,033,556 | 3,644,221 | 3,860,845 |
| Calculation basis operational risk | 559,889 | 470,911 | 559,889 |
| Calculation basis cva risk | 3,869 | 0 | 0 |
| Total calculation basis | 4,597,314 | 4,115,132 | 4,420,734 |
| Capital ratios: | | | |
| Common equity Tier 1 Capital ratio | 19.5 % | 19.9 % | 18.9 % |
| Tier 1 capital ratio | 21.3 % | 21.8 % | 20.8 % |
| Total capital ratio | 23.4 % | 24.2 % | 22.9 % |
| Regulatory capital requirements: | | | |
| Common equity Tier 1 Capital ratio | 16.3 % | 17.6 % | 14.6 % |
| Tier 1 capital ratio | 17.8 % | 19.1 % | 17.3 % |
| Total capital ratio | 19.8 % | 21.1 % | 20.8 % |
| Leverage ratio | 12.1 % | 13.1 % | 12.5 % |
| LCR Total | 356 % | 201 % | 274 % |
| LCR NOK | 318 % | 227 % | 323 % |
| LCR EUR | 376 % | 129 % | 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.

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

Assets

| NOK 1000 | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|---|-------------------|-------------------|-------------------|
| Certificates and bonds - level 1 | 1 102 220 | 811 153 | 943 254 |
| Derivatives- level 2 | 3 243 | 2 217 | 1 273 |
| Shares and other equity instruments - level 3 | 6 000 | | |

Liabilities

| NOK 1000 | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|-----------------------|-------------------|-------------------|-------------------|
| Derivatives - level 2 | 4 712 | 2 776 | 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 | 30.09.2024 | 30.09.2023 | 31.12.2023 |
|--|-------------------|-------------------|-------------------|
| Loans and deposits with credit institutions | 422 913 | 143 783 | 264 224 |
| Net loans to customers | 6 353 508 | 5 693 942 | 5 993 508 |
| Other receivables | 40 607 | 92 537 | 31 124 |
| Total financial assets at amortised cost | 6 817 028 | 5 930 263 | 6 288 856 |
| Deposits from and debt to customers | 6 768 449 | 5 671 957 | 6 126 572 |
| Other debt | 60 225 | 60 525 | 52 622 |
| Subordinated loans | 96 000 | 96 000 | 96 000 |
| Total financial liabilities at amortised cost | 6 924 674 | 5 828 481 | 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 12,6 MNOK and expires 30.06.2029. The right of use asset is 12,4 MNOK and is measured at amortised cost using the effective interest method and is depreciated using the straight-line method.



Note 6: Restated financial figures for comparison purposes

In the second quarter of 2024, the bank revised its accounting practices for interest income on securities. Previously, interest income on securities was recorded under "Net gains/loss on foreign exchange and securities classified as current assets". However, starting from Q2 2024, interest income on securities is now recorded under "other interest income". Positive and negative changes in the value of securities are still recorded under "Net gains/loss on foreign exchange and securities classified as current assets". Note that these changes have no impact on the Total Income.

After reclassification:

| NOK 1000 | Q3-2024 | Q3-2023 | YTD 2024 | YTD 2023 | Year 2023 |
|--|----------------|----------------|----------------|----------------|----------------|
| Interest Income effective interest method | 174 406 | 144 374 | 509 360 | 396 792 | 556 225 |
| Other interest income | 10 376 | 6 302 | 25 854 | 14 255 | 21 330 |
| Interest expenses | 75 885 | 56 717 | 222 531 | 138 935 | 204 694 |
| Net interest income | 108 897 | 93 959 | 312 683 | 272 112 | 372 861 |
| Income commissions and fees | 12 507 | 13 943 | 38 698 | 38 485 | 54 304 |
| Expenses commissions and fees | 1 463 | 3 119 | 4 173 | 8 142 | 10 629 |
| Net gains/loss on foreign exchange and securities classified as current assets | 8 452 | 7 662 | 18 563 | 13 533 | 24 546 |
| Net other income | 19 495 | 18 486 | 53 087 | 43 877 | 68 222 |
| Total income | 128 392 | 112 445 | 365 770 | 315 988 | 441 083 |

Before reclassification:

| NOK 1000 | Q3-2024 | Q3-2023 | YTD 2024 | YTD 2023 | Year 2023 |
|--|----------------|----------------|----------------|----------------|----------------|
| Interest Income effective interest method | 174 406 | 144 374 | 509 360 | 396 792 | 556 225 |
| Other interest income | 4 935 | 2 523 | 10 412 | 5 286 | 8 296 |
| Interest expenses | 75 885 | 56 717 | 222 531 | 138 935 | 204 694 |
| Net interest income | 103 456 | 90 180 | 297 240 | 263 143 | 359 828 |
| Income commissions and fees | 12 507 | 13 943 | 38 698 | 38 485 | 54 304 |
| Expenses commissions and fees | 1 463 | 3 119 | 4 173 | 8 142 | 10 629 |
| Net gains/loss on foreign exchange and securities classified as current assets | 13 893 | 11 441 | 34 005 | 22 502 | 37 580 |
| Net other income | 24 936 | 22 265 | 68 530 | 52 845 | 81 256 |
| Total income | 128 392 | 112 445 | 365 770 | 315 988 | 441 083 |

Change:

| NOK 1000 | Q3-2024 | Q3-2023 | YTD 2024 | YTD 2023 | Year 2023 |
|--|---------------|---------------|----------------|---------------|----------------|
| Interest Income effective interest method | 0 | 0 | 0 | 0 | 0 |
| Other interest income | 5 441 | 3 779 | 15 443 | 8 969 | 13 034 |
| Interest expenses | 0 | 0 | 0 | 0 | 0 |
| Net interest income | 5 441 | 3 779 | 15 443 | 8 969 | 13 034 |
| Income commissions and fees | 0 | 0 | 0 | 0 | 0 |
| Expenses commissions and fees | 0 | 0 | 0 | 0 | 0 |
| Net gains/loss on foreign exchange and securities classified as current assets | -5 441 | -3 779 | -15 443 | -8 969 | -13 034 |
| Net other income | -5 441 | -3 779 | -15 443 | -8 969 | -13 034 |
| Total income | 0 | 0 | 0 | 0 | 0 |



KPMG AS
Sørkedalsveien 6
Postboks 7000 Majorstuen
0306 Oslo

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

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 September 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, October 31st, 2024

KPMG AS

Anders Sjöström

State Authorized Public Accountant

(This document is signed electronically)

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Sjøström, Nils Anders

Partner

På vegne av: KPMG AS

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