



INTERIM PRESENTATION Q3-2024

November 1st, 2024





Highlights



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



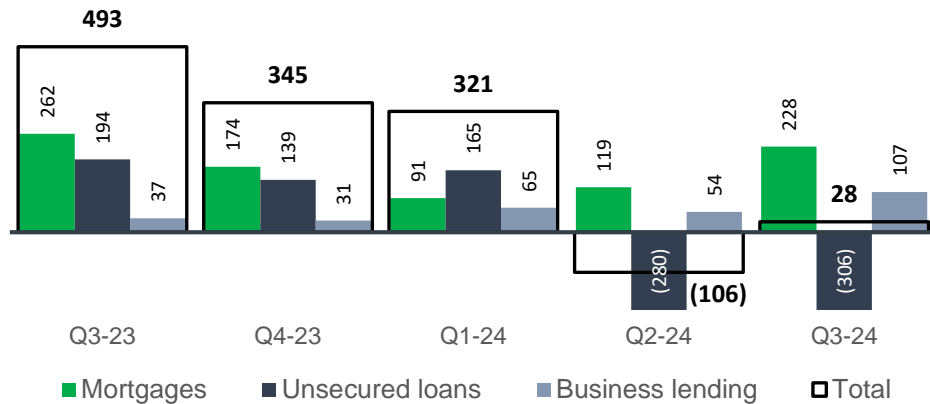
Net loans and margin developments





Gross loans development | Well diversified loan book

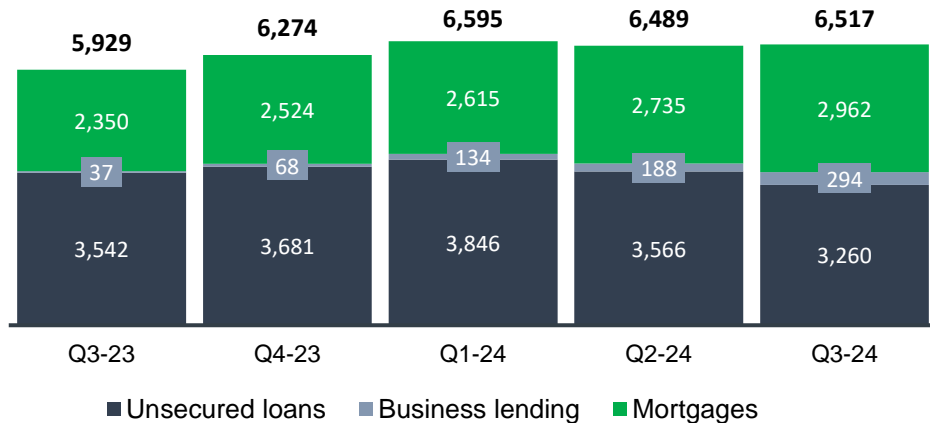
GROSS LOANS BALANCE GROWTH (MNOK)



KEY COMMENTS:

- Accelerated growth in the most profitable segments: business lending and mortgages that now accounts for over 50% of total lending
- Business lending had significant growth, increasing by 107 MNOK in Q3-23, double the growth of the previous quarter. Gross lending reached 294 MNOK, 4,5 % of total lending
- Mortgages increased by 228 MNOK to reach 2.962 MNOK in gross loans, accounting for 45.5 % of total lending.
- We continued to reduce risk in the unsecured consumer loans portfolio by completing the sale of 302 MNOK in non-performing loans in Finland.

GROSS LOANS VOLUME (MNOK)



Gross lending portfolio | **Transparent and simple**

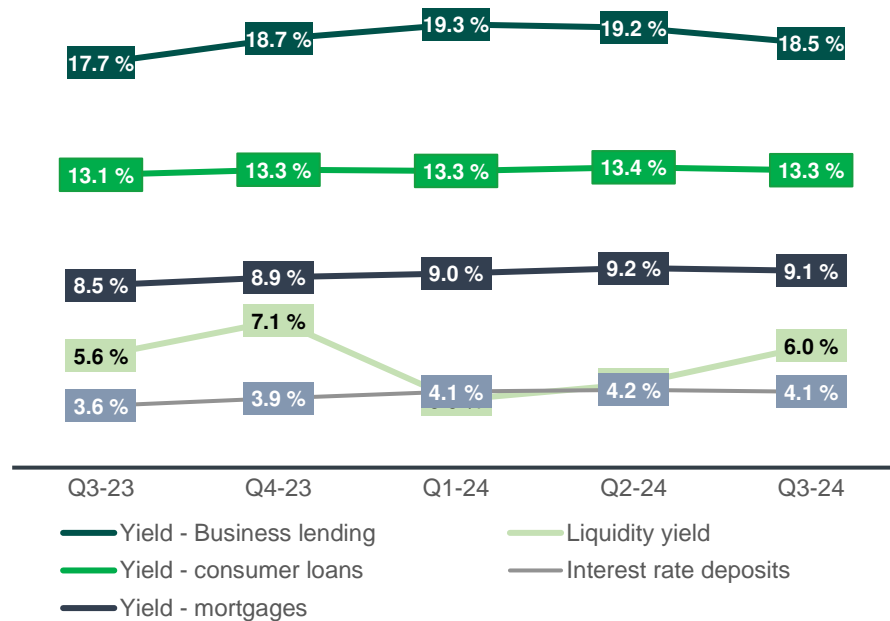
	Gross Loans	# Customers	Avg Ticket Size	Yield
Consumer Loans  Unsecured loans offered in Norway, Finland and Sweden	2,629''	26,565	99'	13.3 %
Mortgages  First or second priority mortgages for refinancing of unsecured debt or house improvements	2,962''	3,182	931'	9.1 %
Credit Card  Most attractive credit card in the market for revolving credit customers	279''	6,333	44'	17.8 %
Sales Finance  Point of sale or web payment solutions offered through retail partners like Skeidar and Coop	352''	33,742	10'	11.1 %
Business lending  Credit line product for small and medium sized enterprises	294''	274	1,074'	18.5 %
Total Well diversified loan portfolio	6,517''	70,096	93'	11.6 %



Yields and funding cost | **Attractive margins**

LENDING* AND LIQUIDITY YIELD, INTEREST RATE DEPOSITS:

KEY COMMENTS:



• Highly attractive yield for business lending at 18.2 %

• The interest rate for deposits was down from the previous quarter as we decreased the rate for one of the savings products in Norway

• Strong liquidity yield of 6.0 %, well above the cost of funding

*) Non-performing loans not included



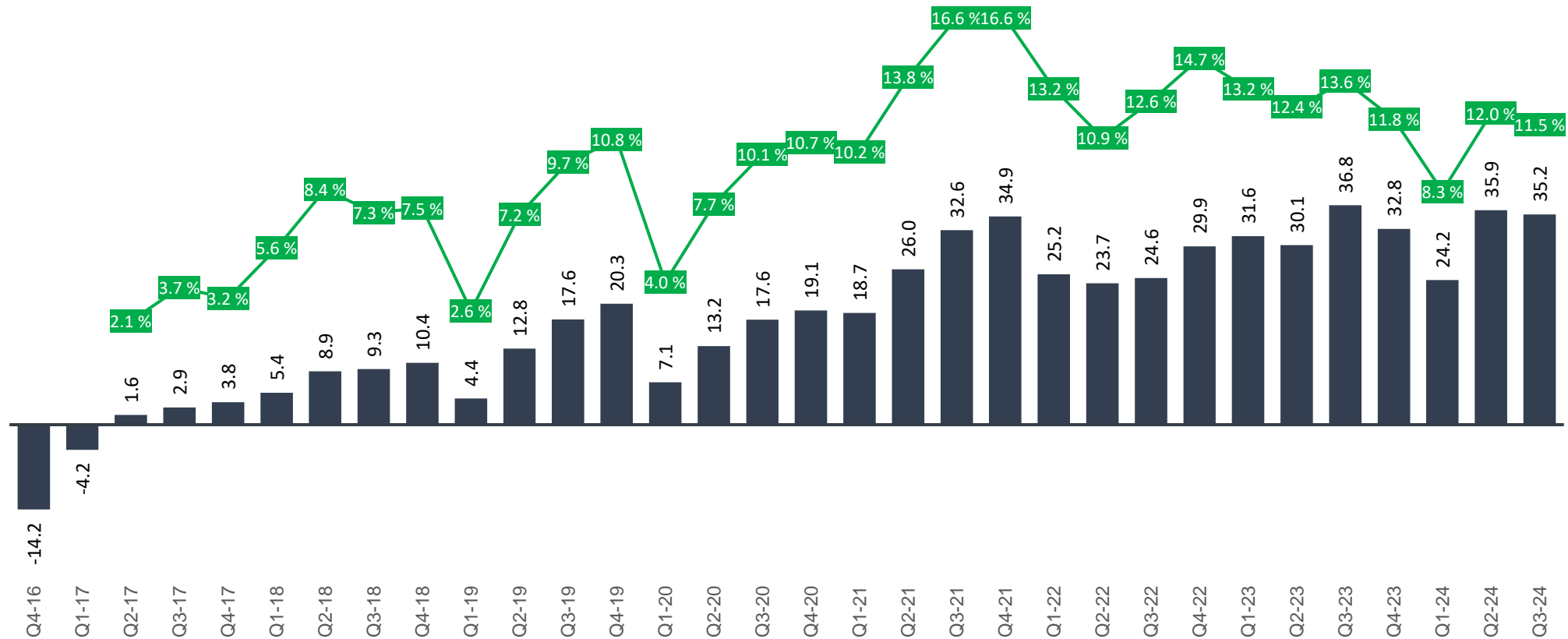
Profitability, risk
and capital





30 consecutive quarters with profits

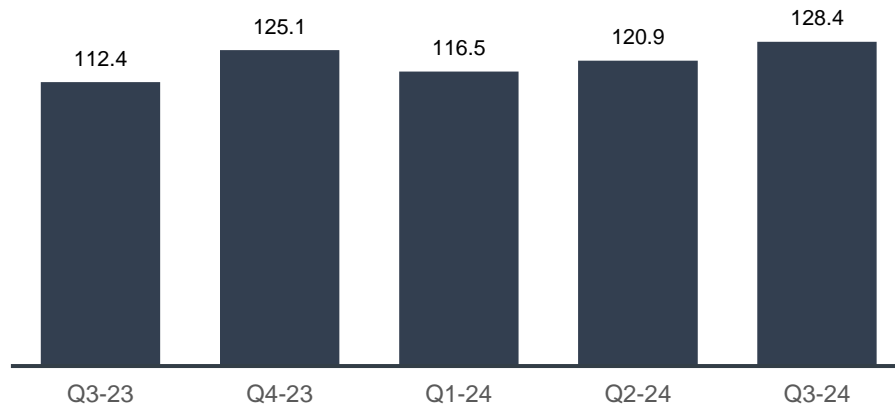
PROFIT BEFORE TAX (NOKM) & RETURN ON EQUITY:





Total income | High growth in income

TOTAL INCOME (MNOK):

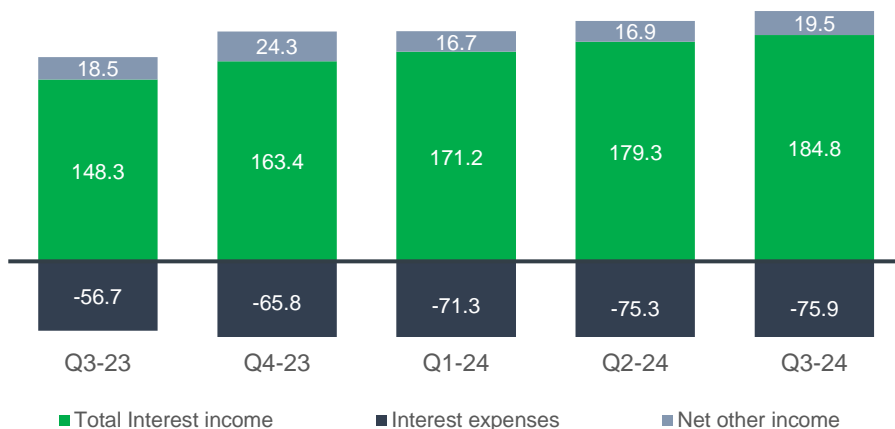


KEY COMMENTS:

■ Total income came in at 128.4 MNOK, up 15.9 MNOK / 14 % from the same quarter last year

■ The increase in total interest income of 34.1 MNOK from Q2-23 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.

TOTAL INCOME DETAILED (MNOK):



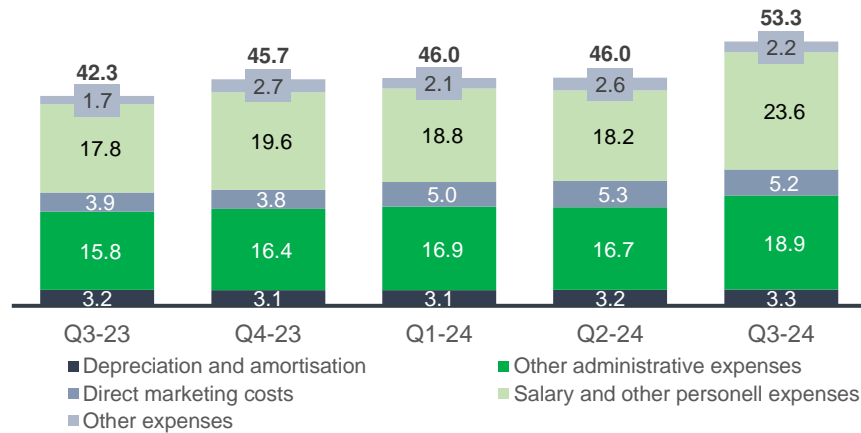
■ Interest expenses have begun to level off this year after rising significantly over the past year. In the third quarter, the funding cost fell for the first time in three years, from 4.7 % in the second quarter to 4.5 %. As a result, interest expenses increased by only 0.5 MNOK to 75.9 MNOK in the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



Operating expenses | Economy of scale

OPERATING EXPENSES BREAKDOWN (MNOK):



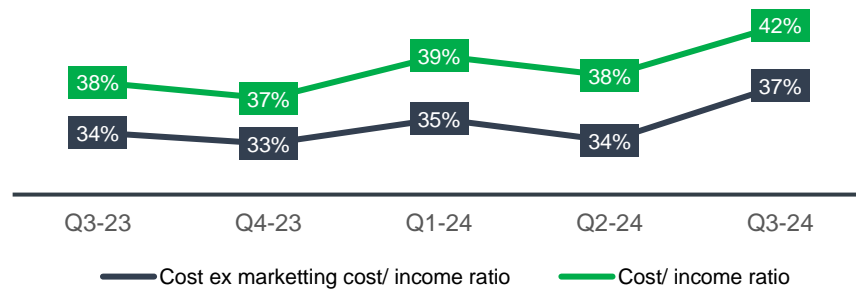
KEY COMMENTS:

▪ The increase in operating expenses 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 increased to 42 % versus 38 % in the previous quarter because of a higher increase in operating costs than in total income.

▪ We anticipate returning to a cost-to-income ratio of less than 40% soon

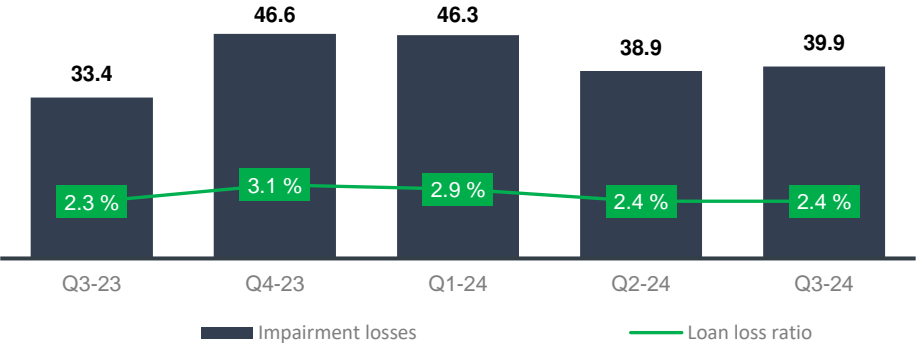
COST/INCOME RATIO:





Credit risk | Mortgages represent low credit risk

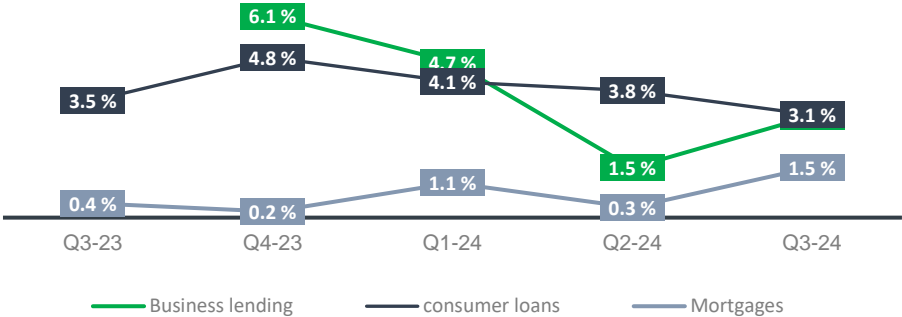
IMPAIRMENT LOSSES (MNOK):



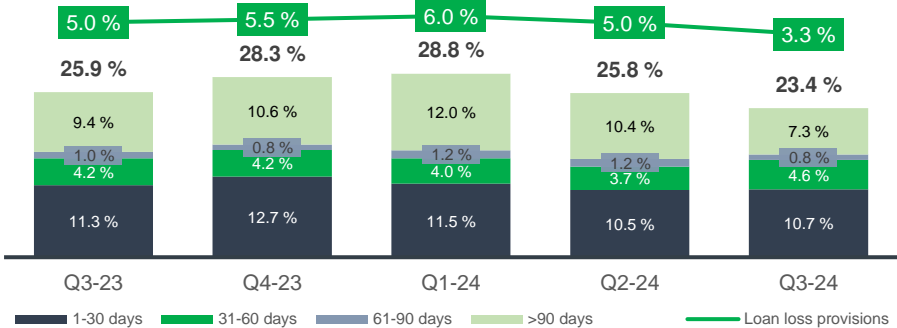
KEY COMMENTS:

- Losses on loans of 39.9 MNOK were positively impacted by a gain from the sale of non-performing loans (NPL) in Finland, which confirms to the valuation of non-performing loans
- The loan loss ratio remained at 2.4%, unchanged from the previous quarter, and was positively influenced by the sale of non-performing loans (NPLs). However, the loan loss ratio for mortgages stands at 1.5%, which exceeds our target. We have implemented measures that we expect will reduce this ratio in the future
- Non-performing loans (past due >90days) fell to 7.3% from 10.4% in the previous quarter because of the sale of non-performing loans

LOAN LOSS RATIO PER TYPE OF LOAN:



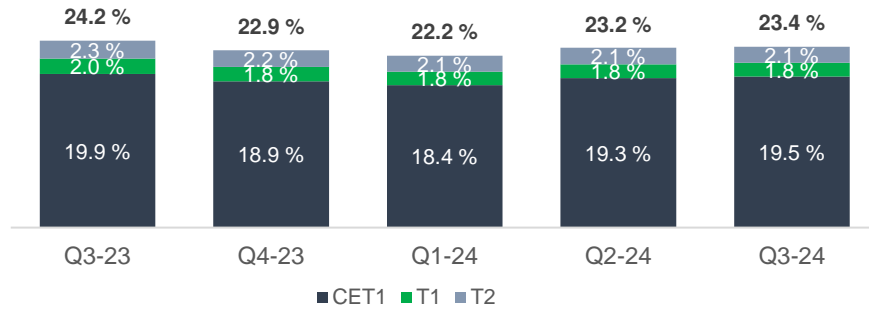
LOANS PAST DUE:





Regulatory Capital | Solid capital adequacy

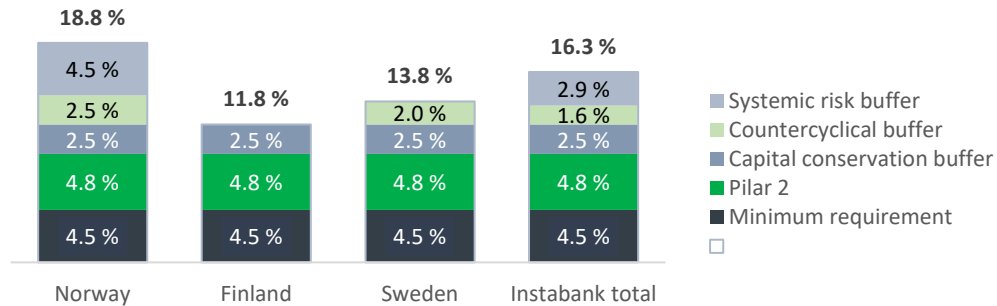
DEVELOPMENTS IN CAPITAL ADEQUACY RATIOS:



KEY COMMENTS:

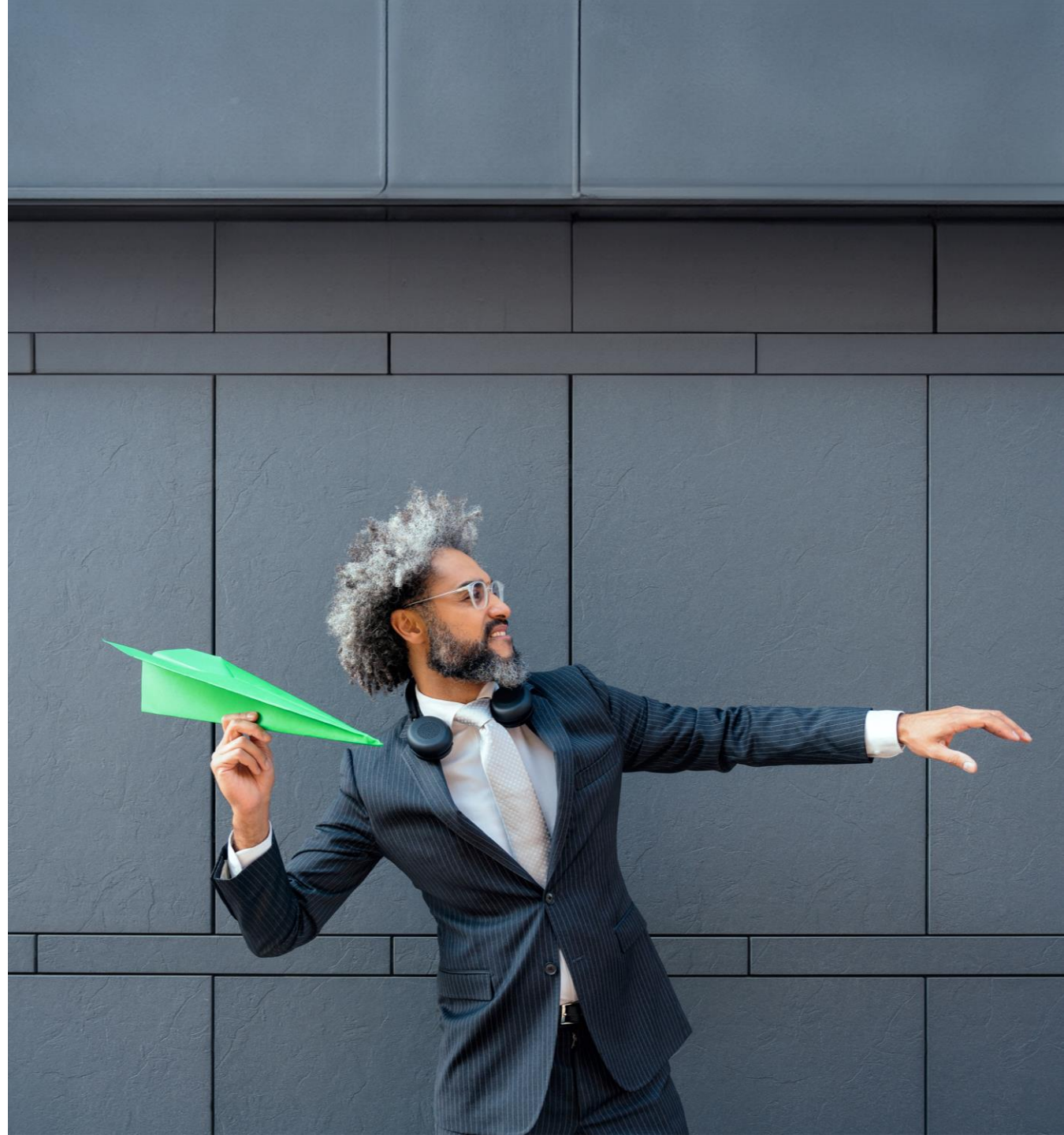
- (CET1) ratio was 19.5 %, up 0,2 % points from the end of Q2-24 and 1.2 % points above the regulatory capital requirement (includes the capital buffer of 2 % points)
- The total capital ratio was 23.4 %, 1,6 % points above the total capital requirement

CET1 REQUIREMENTS PER COUNTRY AND TOTAL:



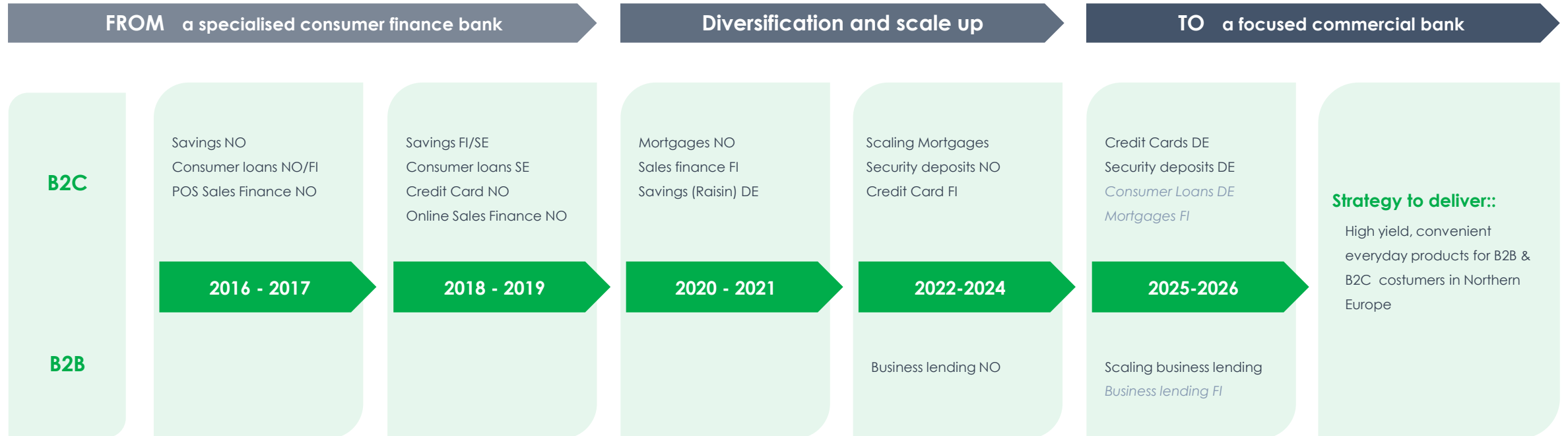


Strategy and ambitions





Product strategy | Continued expansion and diversification



- Instabank is committed to further geographical expansion expects to launch a competitive credit card product in the first half of 2025
- A new security deposit account product will be launched in Germany, leading to reduced funding costs



Financials | Guiding as per Q3-24

	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	~ 6.8 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 30 consecutive quarters

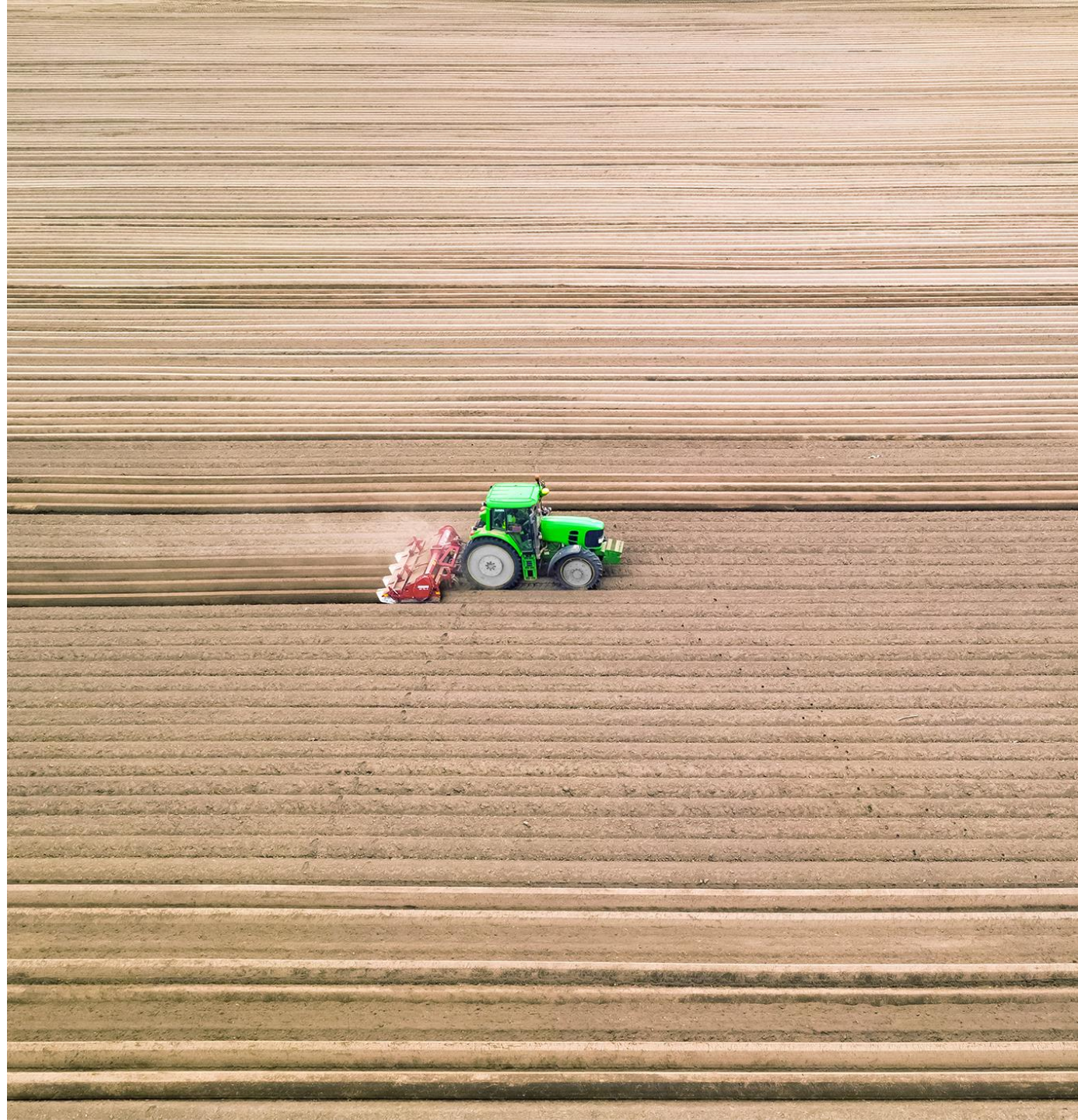
6

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 	3,830''	18,204	210'	4.7 %
Germany 	2,846''	16,806	1569'	3.5 %
Finland 	79''	3,256	24'	1.1 %
Sweden 	13''	1,277	10'	0.5 %
Total	6,768''	39,543	171'	4.1 %



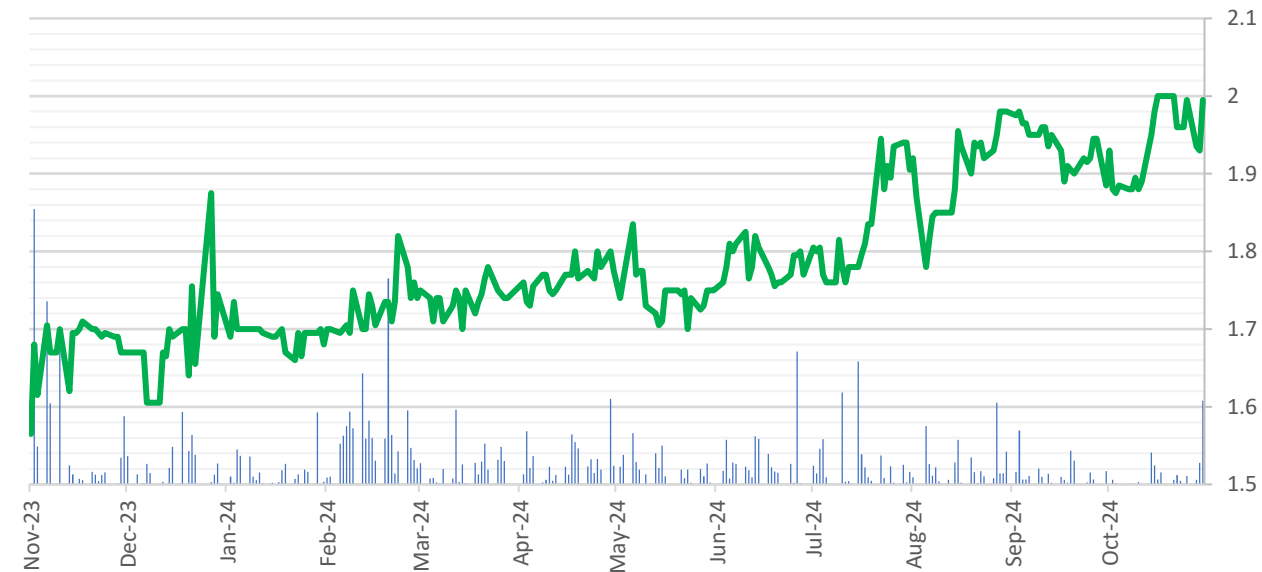
The share | Euronext Growth Oslo Børs, ticker "INSTA"

Top 20 shareholders (Per October 30th, 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	BJELLA INVESTMENTS AS	13,112,021	3.5%
6	APOLLO ASSET LIMITED	13,000,000	3.4%
7	GOLDMAN SACHS BANK EUROPE SE	12,572,918	3.3%
8	HJELLEGERDE INVEST AS	10,193,220	2.7%
9	TORSTEIN TVENGE	10,000,000	2.6%
10	KRISTIAN FALNES AS	9,650,000	2.6%
11	LEIKVOLLBAKKEN AS	8,500,000	2.2%
12	MOROAND AS	8,500,000	2.2%
13	ALTO HOLDING AS	6,100,000	1.6%
14	SONSINVEST AS	5,108,195	1.4%
15	NORDNET LIVSFORSIKRING AS	4,705,095	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	3,335,786	0.9%
20	KAARE BERNTSEN AS	3,184,713	0.8%
Sum Top 20		302,959,864	80.1%
Other shareholders		75,301,648	19.9%
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		2,383,375	0.6 %
Board members		5,479,200	1.4 %
Total		20,938,055	5.5 %

Share price development (last 12 months)



Share price (NOK) and volume



Income statement & Balance sheet | Overview

INCOME STATEMENT (NOK THOUSAND)

P&L	Q3-24	Q2-24	Q1-24	FY 2023	Q4-23	Q3-23
Total income:						
Interest Income	184,782	179,267	171,166	577,555	166,509	150,676
Interest expenses	75,885	75,332	71,314	204,694	65,759	56,717
Net interest income	108,897	103,935	99,851	372,861	100,750	93,959
Net other income	19,495	16,916	16,676	68,222	24,345	18,486
Total income	128,392	120,851	116,528	441,083	125,095	112,445
Operating expenses:						
Salary and other personnel expenses	23,609	18,215	18,807	68,644	19,615	17,814
Other administrative expenses, of which	24,181	22,030	21,863	76,556	20,269	19,623
- direct marketing cost	5,240	5,342	4,993	13,244	3,840	3,852
Other expenses	3,303	2,570	2,146	8,475	2,685	1,664
Depreciation and amortisation	2,197	3,199	3,141	12,440	3,132	3,214
Total operating expenses	53,289	46,014	45,956	166,114	45,702	42,314
Losses on loans	39,868	38,903	46,332	143,740	46,591	33,364
Operating profit before tax	35,235	35,934	24,239	131,229	32,802	36,766
Tax	8,809	8,984	6,060	30,357	7,628	8,587
Profit and other comprehensive income	26,426	26,951	18,179	100,872	25,174	28,179

BALANCE SHEET (NOK THOUSAND)

Balance Sheet	30.09.24	30.06.24	31.03.24	31.12.23	30.09.23
Assets					
Loans and deposits with credit institutions	422,913	260,637	226,433	264,224	143,783
Loans to customers	6,353,508	6,219,526	6,260,957	5,993,508	5,693,942
Certificates and bonds	1,102,220	1,163,257	1,013,267	943,254	811,153
Derivatives	3,243	567	13,166	1,273	2,217
Shares and other equity instruments	6,000	6,000	6,000		
Other intangible assets	28,631	29,196	27,451	26,923	25,575
Fixed assets	13,204	13,912	14,393	15,094	2,514
Deferred tax assets	1,883	1,883	1,883	1,883	
Other receivables	40,607	13,198	27,003	31,124	92,537
Total assets	7,972,209	7,708,176	7,590,552	7,277,283	6,771,721
Liabilities					
Deposits from and debt to customers	6,768,449	6,531,455	6,409,638	6,126,572	5,671,957
Other debts	28,464	39,610	65,965	19,648	38,223
Accrued expenses and liabilities	29,901	24,757	25,947	31,127	14,378
Derivatives	4,712	4,968	2,842	22,824	2,776
Deferred tax	-	-	-	-	1,161
Tax payable	31,761	22,953	26,501	32,974	22,301
Subordinated loan capital	96,000	96,000	96,000	96,000	96,000
Total liabilities	6,959,287	6,719,742	6,626,893	6,329,145	5,846,796
Equity					
Share capital	378,262	378,262	378,262	378,262	378,262
Share premium reserve	200,430	200,430	200,430	200,430	200,430
Retained earnings	353,330	328,842	304,068	288,547	265,334
Additional tier 1 capital	80,900	80,900	80,900	80,900	80,900
Total equity	1,012,921	988,433	963,659	948,139	924,925
Total liabilities and equity	7,972,209	7,708,176	7,590,552	7,277,283	6,771,721



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