



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



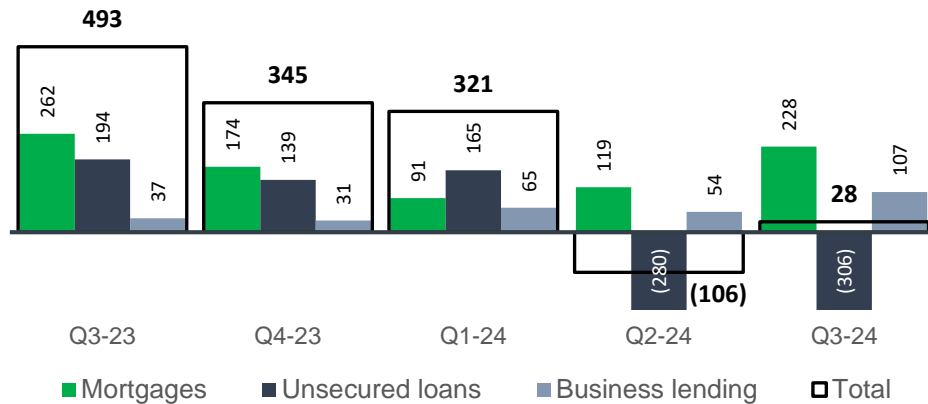
Net loans and margin developments





Gross loans development | Well diversified loan book

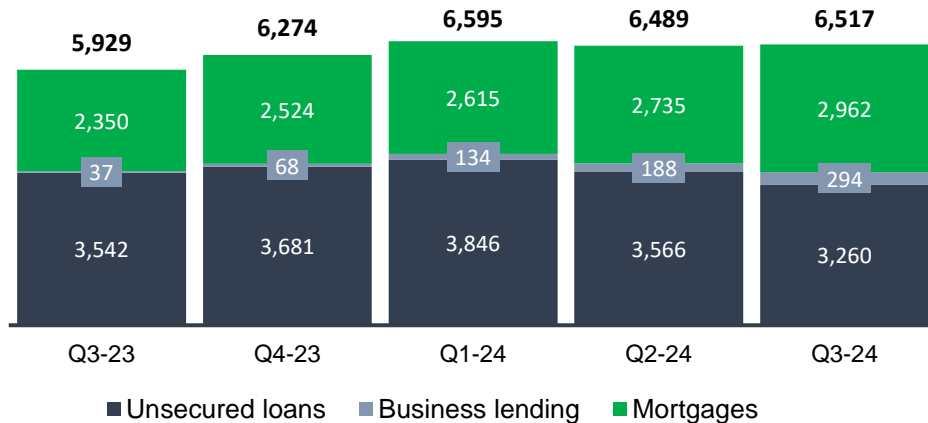
GROSS LOANS BALANCE GROWTH (MNOK)



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**

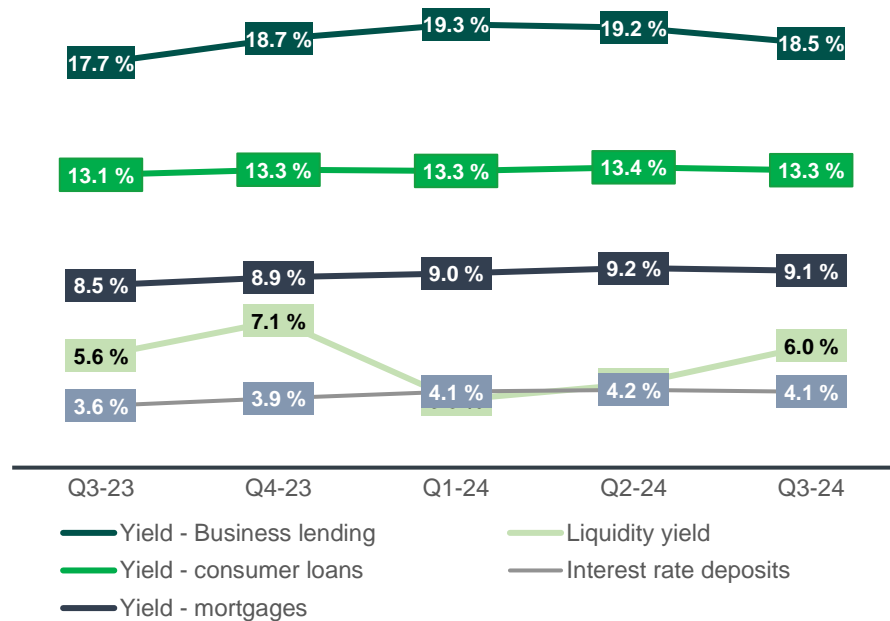
| | Gross Loans | # Customers | Avg Ticket Size | Yield |
|--|----------------|---------------|-----------------|---------------|
| Consumer Loans  Unsecured loans offered in Norway, Finland and Sweden | 2,629'' | 26,565 | 99' | 13.3 % |
| Mortgages  First or second priority mortgages for refinancing 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



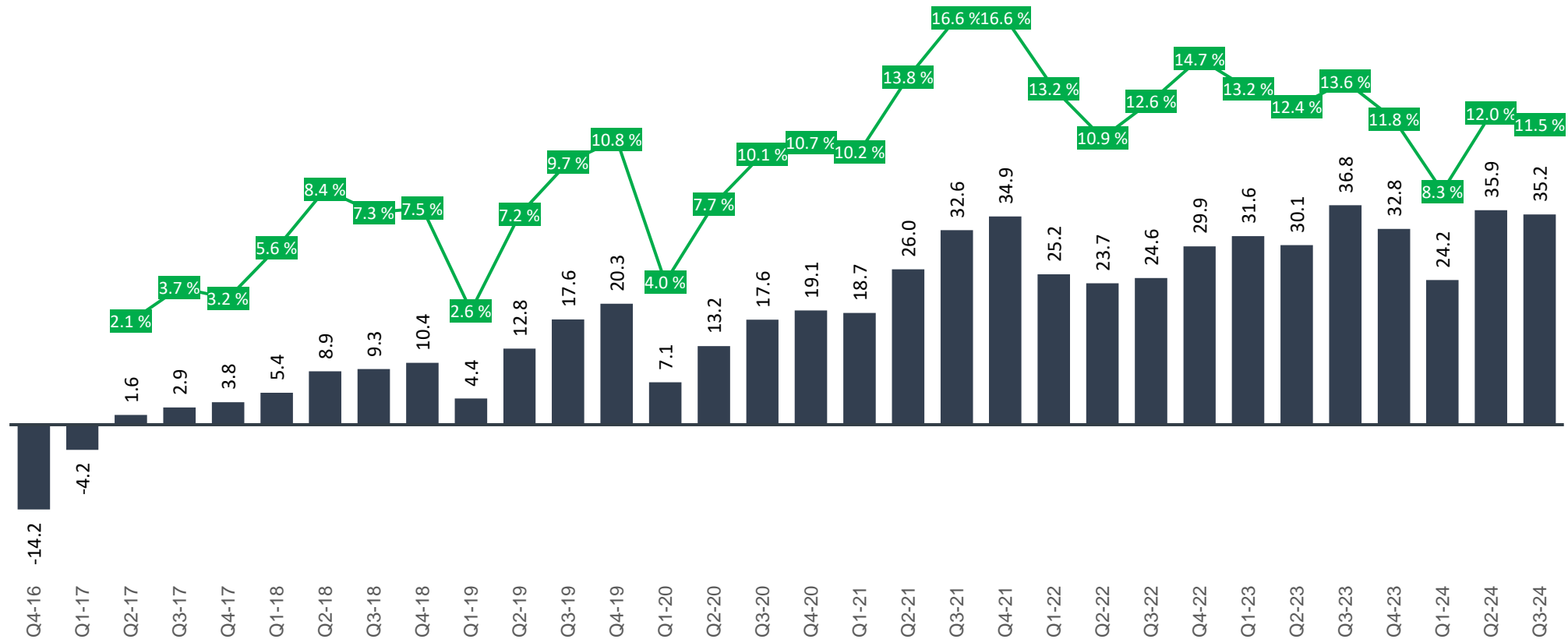
Profitability, risk
and capital





30 consecutive quarters with profits

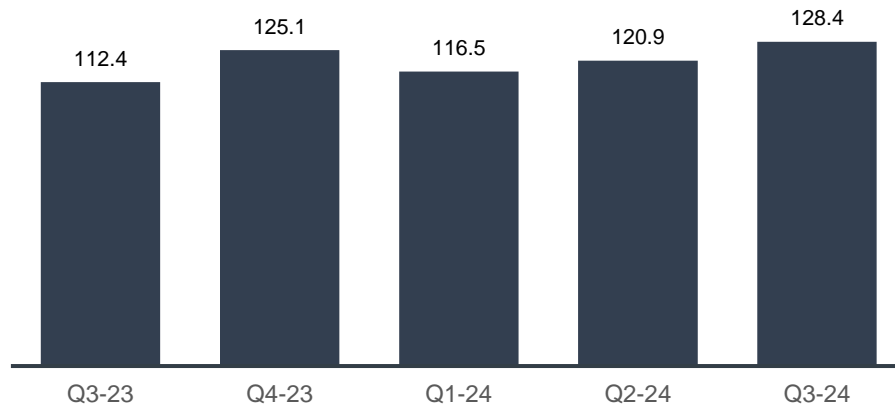
PROFIT BEFORE TAX (NOKM) & RETURN ON EQUITY:





Total income | High growth in income

TOTAL INCOME (MNOK):

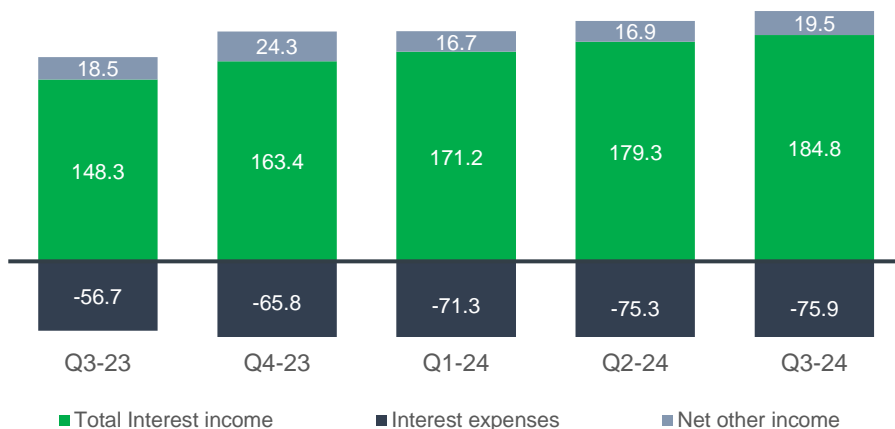


KEY COMMENTS:

■ 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):



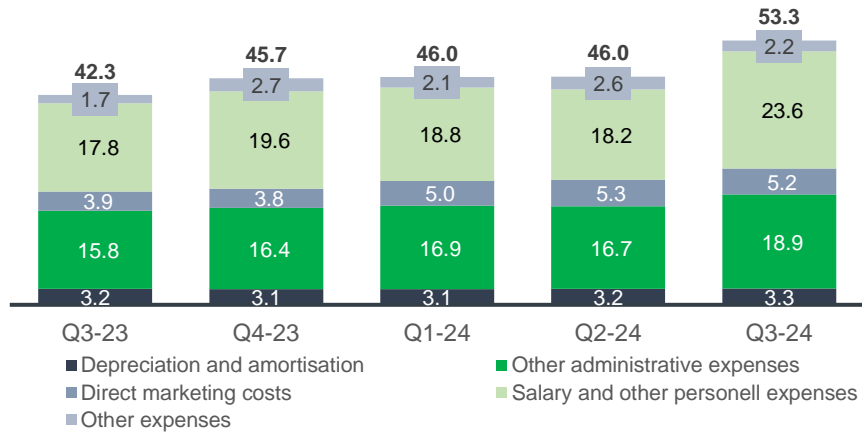
■ Interest expenses have begun to level off this year after rising significantly over the past year. In the third quarter, the funding cost fell for the first time in three years, from 4.7 % in the second quarter to 4.5 %. As a result, interest expenses increased by only 0.5 MNOK to 75.9 MNOK in the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



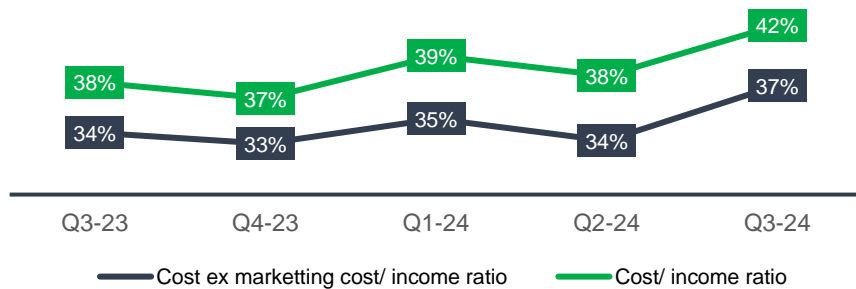
KEY COMMENTS:

▪ 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

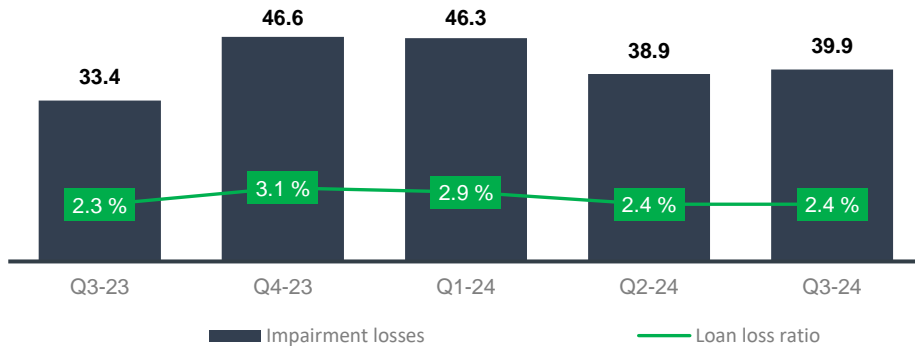
COST/INCOME RATIO:





Credit risk | Mortgages represent low credit risk

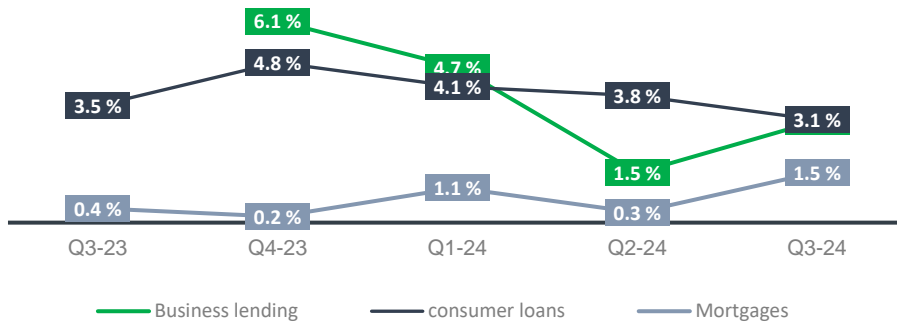
IMPAIRMENT LOSSES (MNOK):



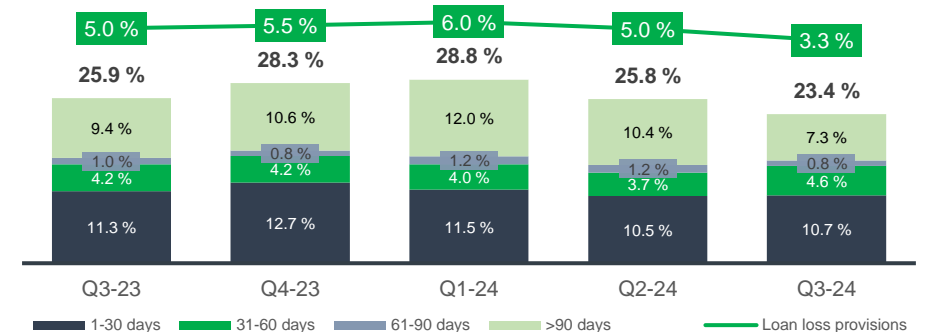
KEY COMMENTS:

- 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:



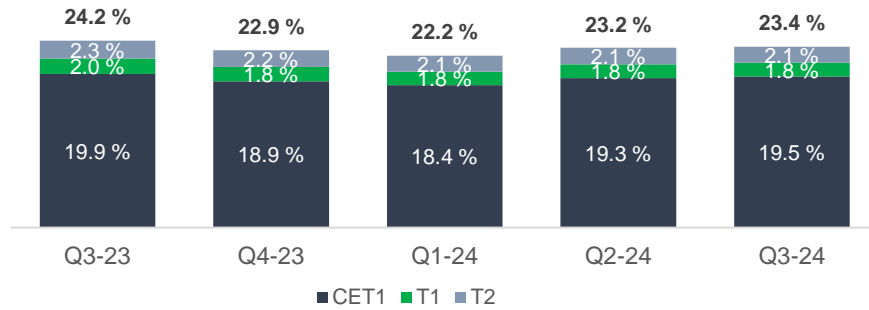
LOANS PAST DUE:





Regulatory Capital | Solid capital adequacy

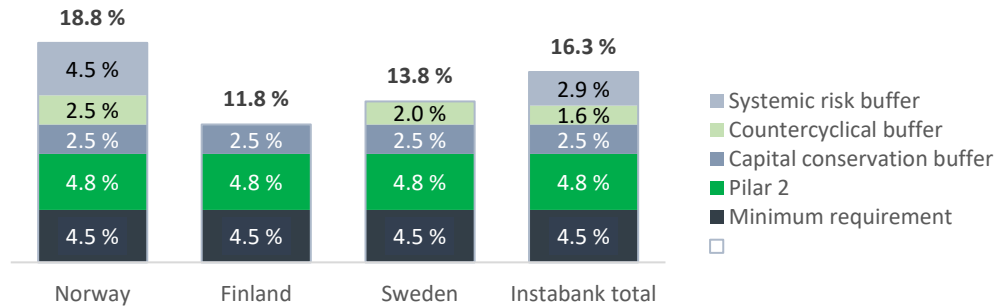
DEVELOPMENTS IN CAPITAL ADEQUACY RATIOS:



KEY COMMENTS:

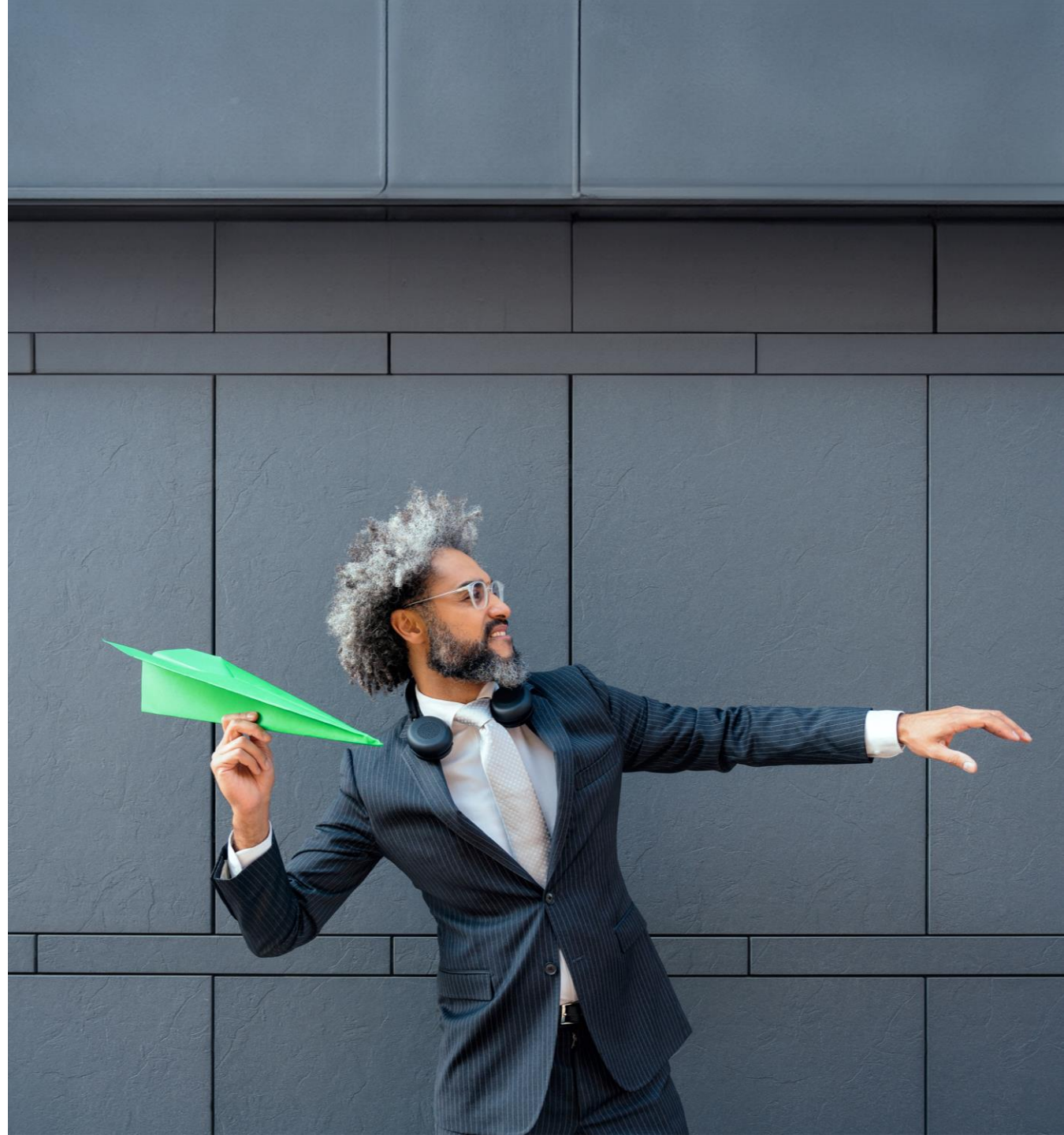
- (CET1) ratio was 19.5 %, up 0,2 % points from the end of Q2-24 and 1.2 % points above the regulatory capital requirement (includes the capital buffer of 2 % points)
- The total capital ratio was 23.4 %, 1,6 % points above the total capital requirement

CET1 REQUIREMENTS PER COUNTRY AND TOTAL:



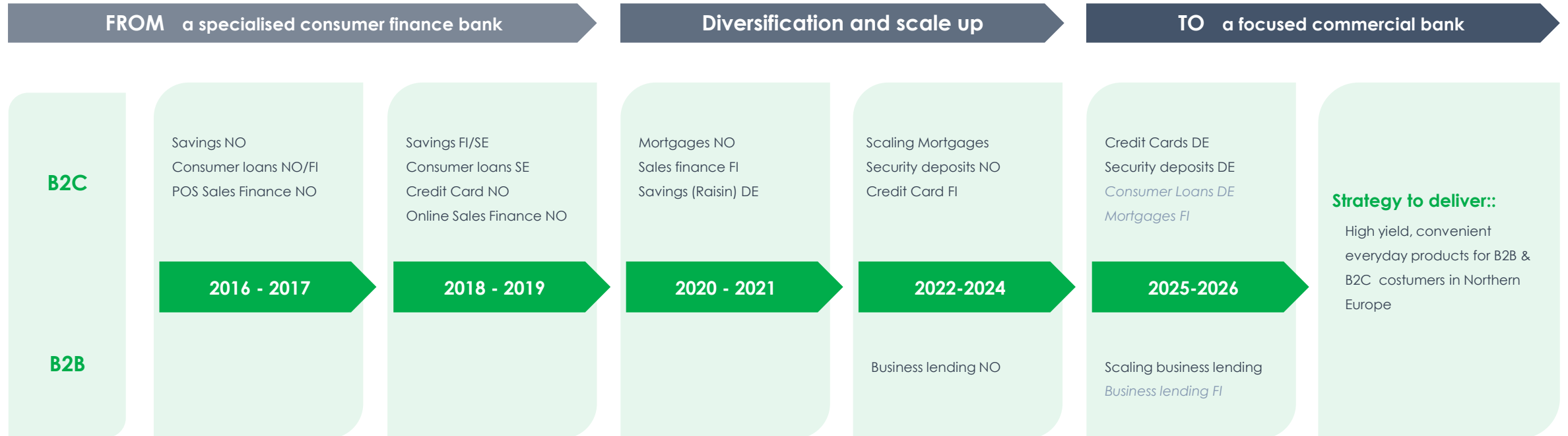


Strategy and ambitions





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

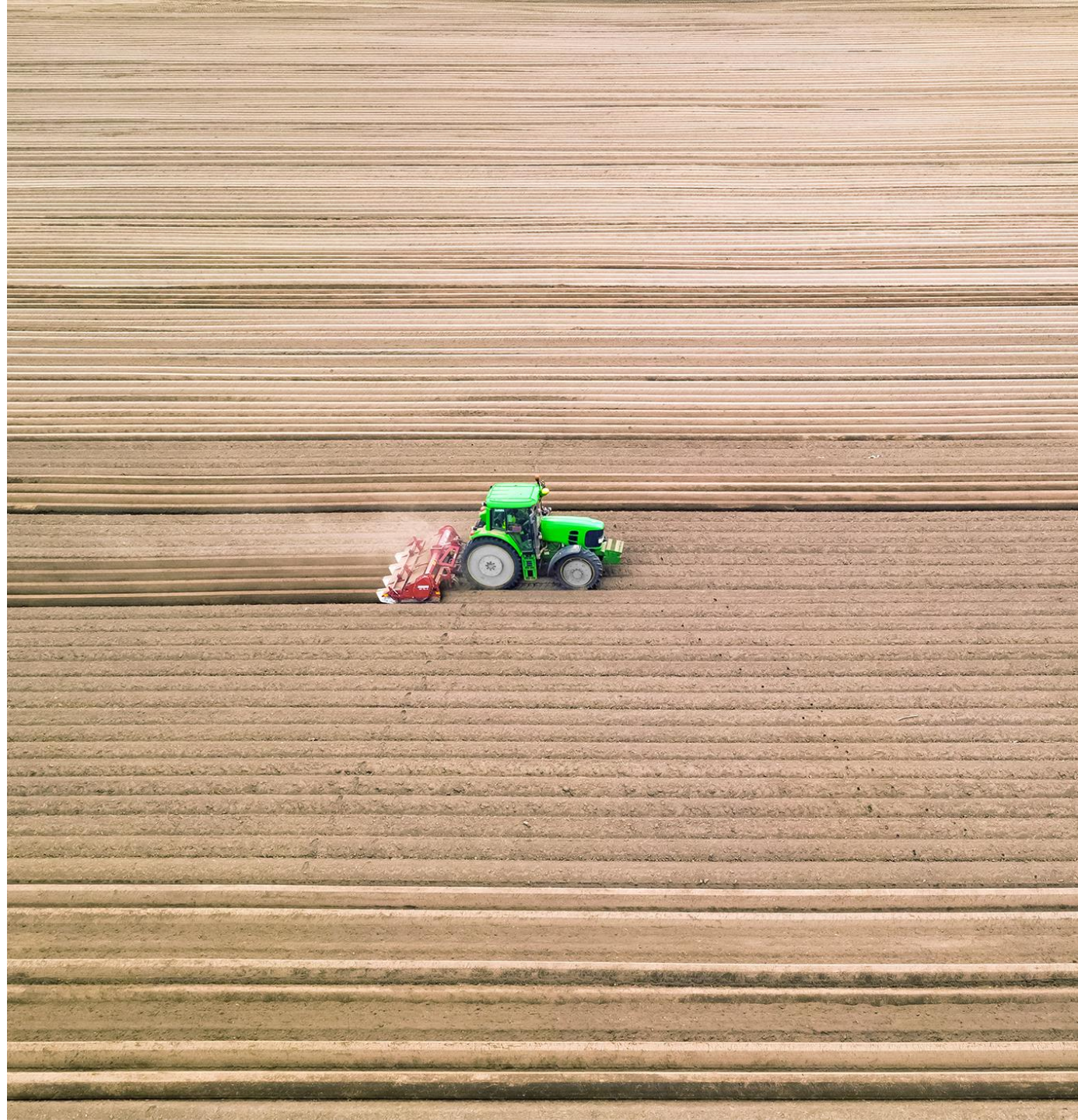
Proven track record delivering profits 30 consecutive quarters

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 % |



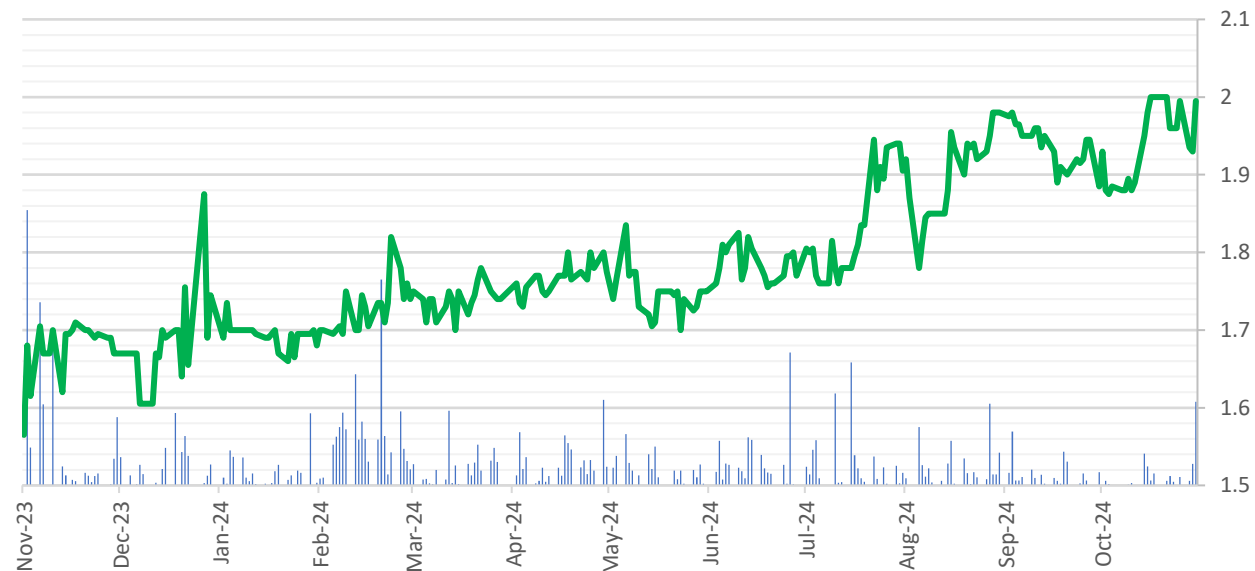
The share | Euronext Growth Oslo Børs, ticker "INSTA"

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 | HJELLEGJERDE 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.