



Instabank

Interim Presentation Q1 – 2023
April 27th, 2023

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Key highlights Q1-23



Profit before tax increased 25 % to 31.6 MNOK from Q1-22

Strong growth in Total income

Cost to income ratio decreased to 38 % from 46 % in Q1-22



Record-high growth in net loans of 438 MNOK

Net lending exceeds 5 billion NOK



Strong mortgages volume growth of 207 MNOK

Mortgages represents 39 % of total net loans and 61 % of net loans in Norway



Instabank to offer lending to small and medium sized businesses

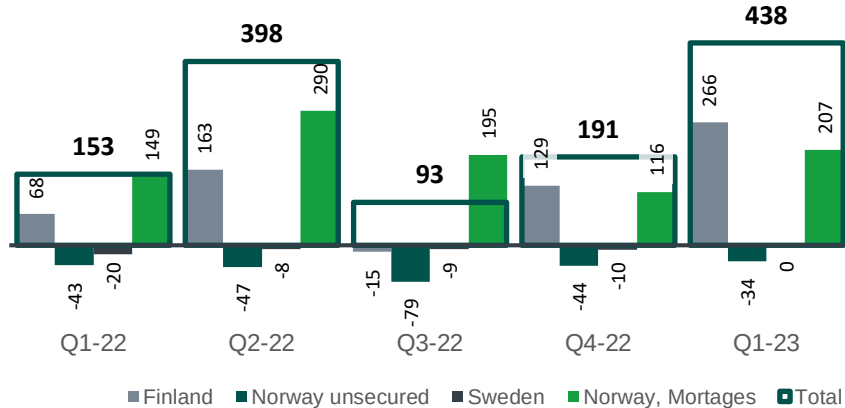
Further strengthening the position as a Nordic challenger bank



Net loan development

Net loan balance growth

MNOK

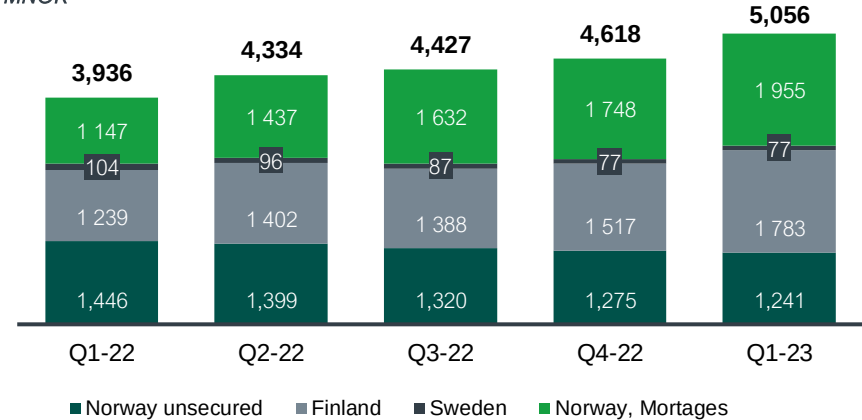


Key comments

- Record-high growth in net loans of 438 MNOK in Q1-23
- 145 MNOK came from changes in currency exchange rate
- Growth in mortgage lending of 207 MNOK, up 116 MNOK in Q4-22

Net loans to customers

MNOK

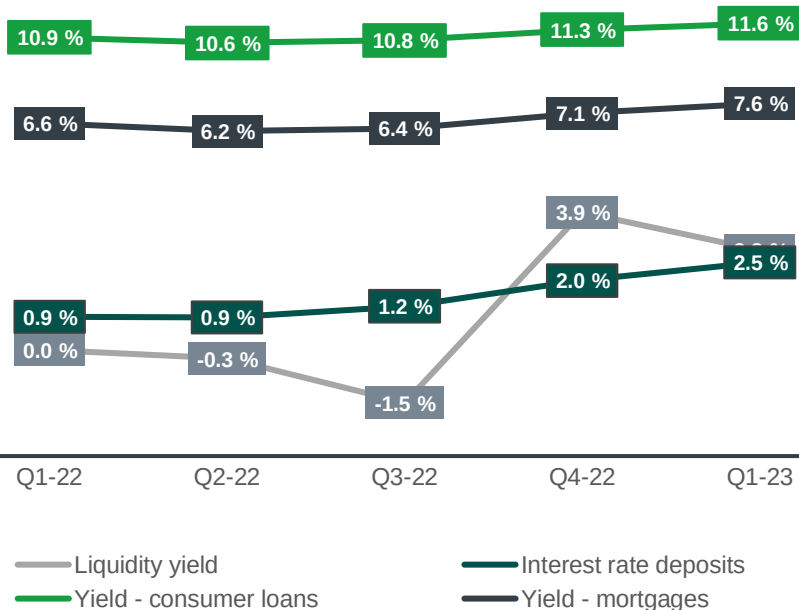


Key comments

- Well diversified loan book across products and markets
- Mortgages represents 61% of net loans in Norway and 39% of total net loans

Development in yields and funding cost

Development in yields and funding cost



Key comments

- Increased interest rates for existing and new lending customers resulted in increased loan yield for both consumer loans and mortgages
- The increase in market rates has resulted in increased funding costs. While the Norwegian market had the most significant increase in deposit rates during H2-22, The Euro deposit rates rose during Q1-23 from a very low level.
- The liquidity yield was for the second consecutive quarter higher than the funding cost and came in at 2.8 %

Diversified loan portfolio

	Net Loans	# Customers*	Avg Ticket Size*	Yield
 Consumer Loans	2,635''	25,398	104'	11.6 %
 Mortgages	1,955''	2,115	924'	7.6 %
 Sales Finance	187''	22,189	8'	16.7 %
 Credit Card	279''	6,105	46'	14.9 %
Total	5,056''	55,807	91'	10.4 %

*) Includes accounts with zero balance with an available credit limit

Diversified funding volume

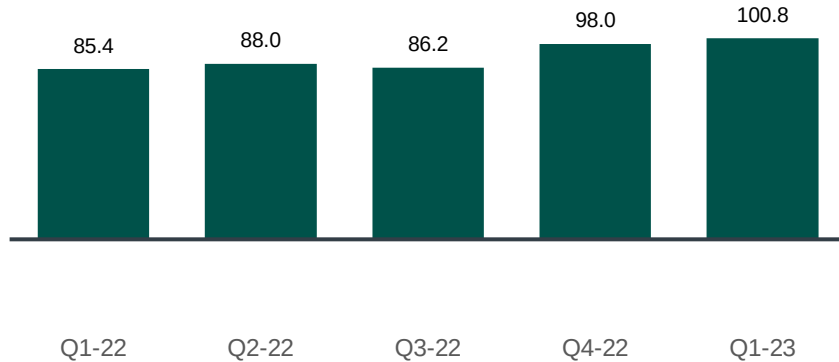
	<i>Volume</i>	<i># customers</i>	<i>Avg. deposit size</i>	<i>Avg. deposit rate in Q1-23</i>
 Norway	3,237''	11,381	284'	3.06 %
 Finland	274''	4,012	68'	0.85 %
 Germany	1,697''	9,167	185'	1.65 %*
 Sweden	27''	1,731	16'	0.55 %
Total	5,235''	26,291	199'	2.47 %

*) Includes partner margin

Total income

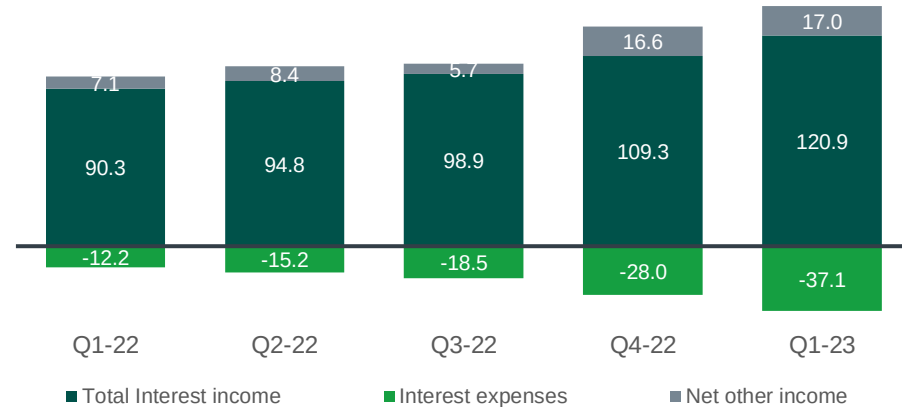
Total income

MNOK



Total income detailed

MNOK

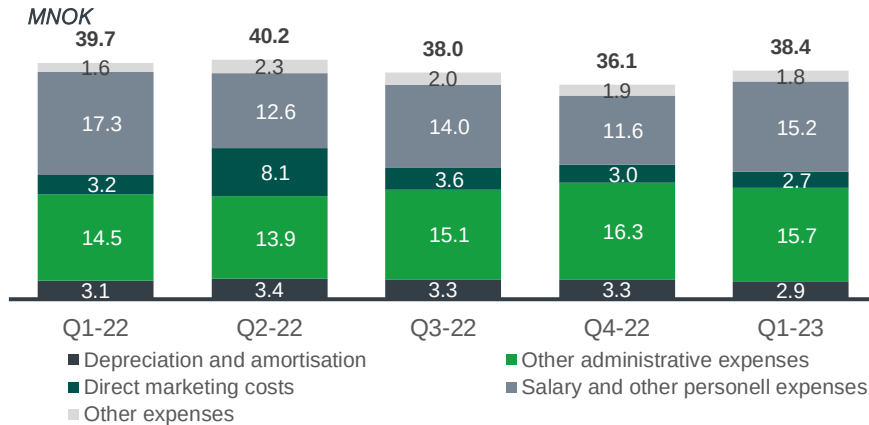


Key comments

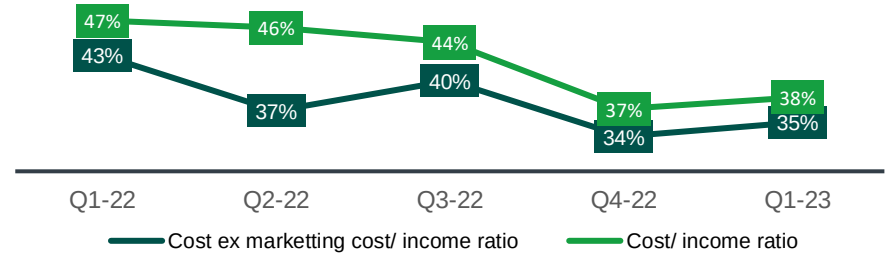
- Strong increase of 30 MNOK in Total interest income from same quarter last year following a 12 months net lending growth of 1,120 MNOK and increased yield despite a higher share of mortgages
- Interest expenses increased 9.1 MNOK from the previous quarter as deposits volume and rates were up.
- Net other income more than doubled from same quarter last year

Operating expenses

Operating expenses breakdown



Cost/income ratio



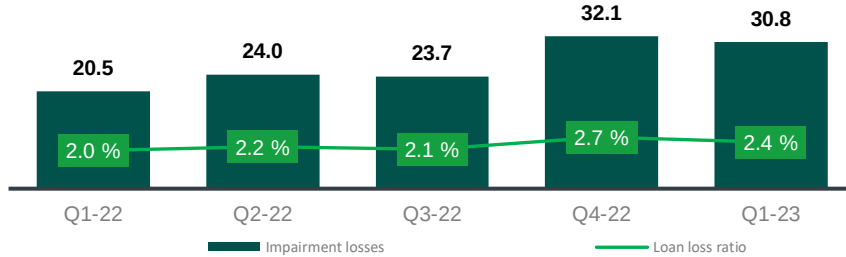
Key comments

- Despite high growth in net loans over the last year, the operating expenses were 1.4 MNOK below the same quarter the previous year, demonstrating economy of scale
- Cost-to-income came in strong at 38 %, the second consecutive quarter below the 40 % mark and target for 2023

Credit risk

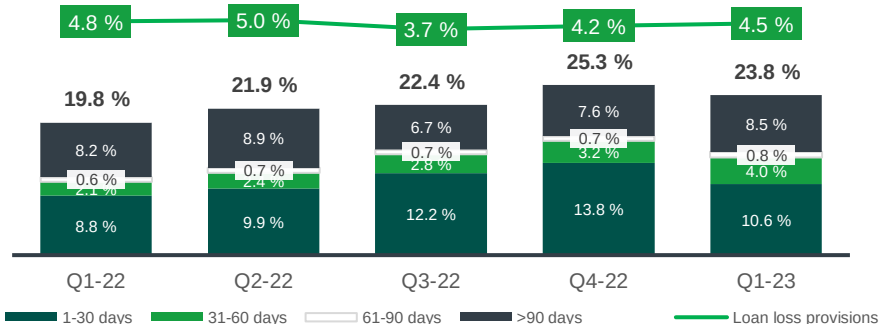
Impairment losses

MNOK

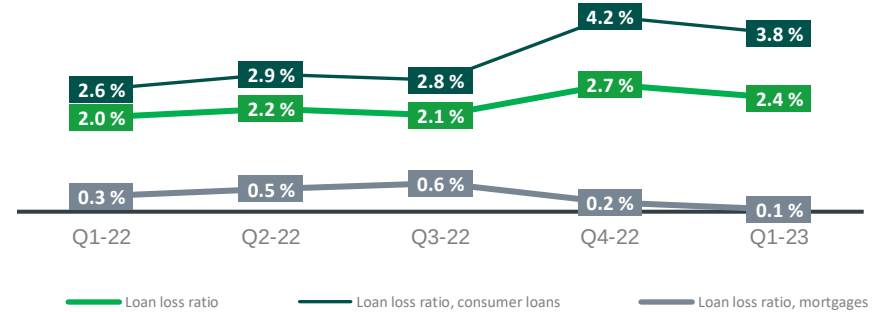


Loans past due

% of gross lending



Losses per type of loan



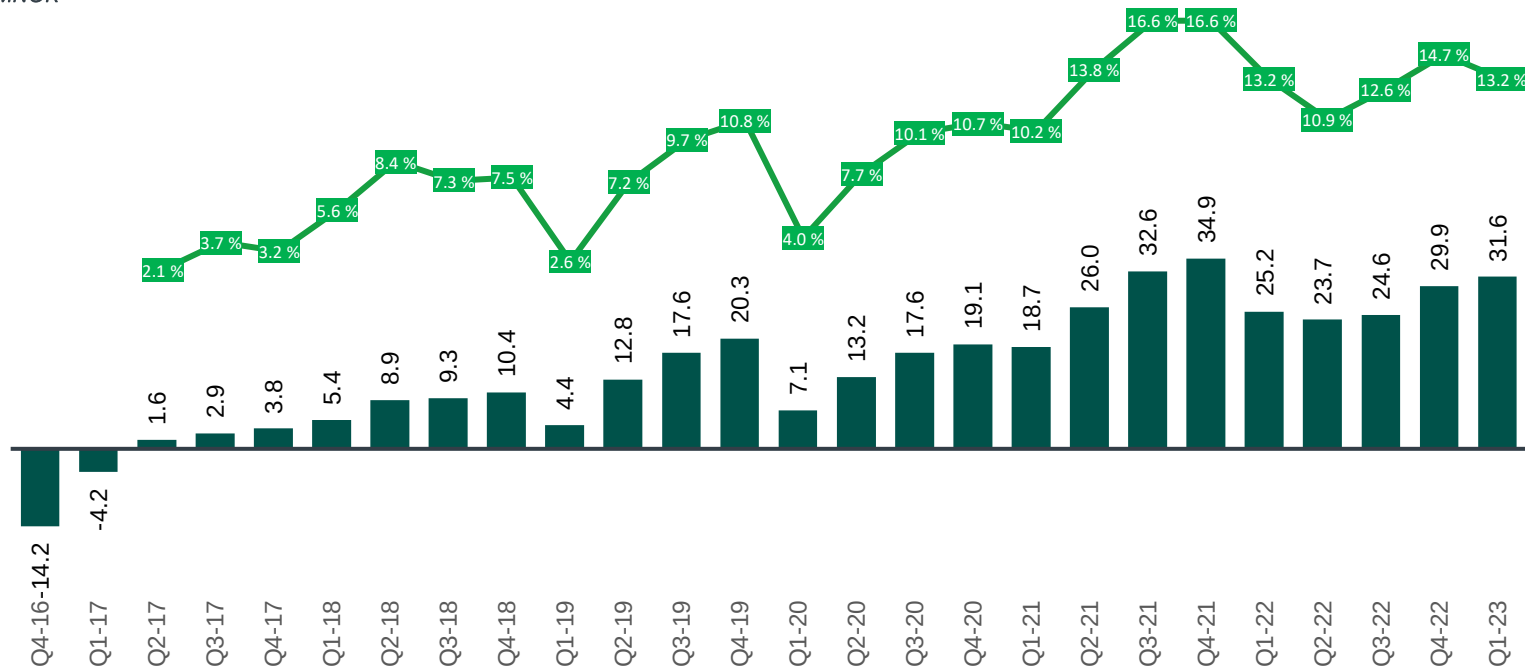
Key comments

- Losses on loans decreased for both consumer loans and mortgages from the previous quarter despite the high growth in net loans.
- The rise we observed in the share of loans past due 1-30 days at the end of Q4-22 came down to 10.6 % at the end of Q1-23 from 13.8 %
- Changes in the IFRS 9 model in Q1-23 had a positive impact on impairment for mortgages, offset by a negative impact for consumer loans

Profit development

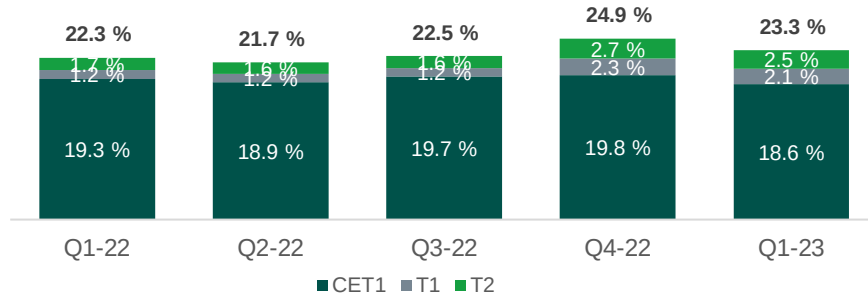
Profit before tax & Return on Equity after tax

MNOK



Capital adequacy

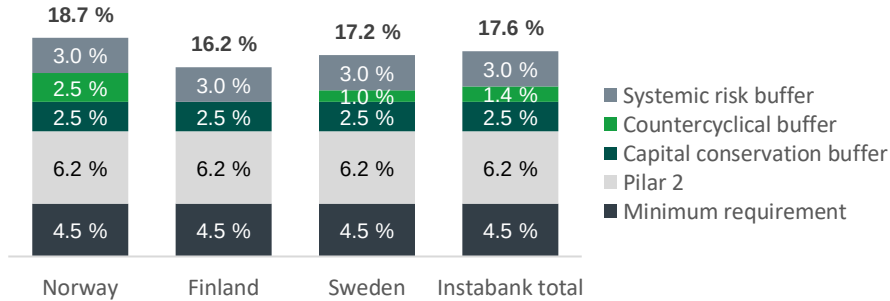
Developments in capital adequacy ratios



Key comments

- Instabank called subordinated Tier 1 and Tier 2 bonds of 25 MNOK and 40 MNOK in March and issued new Tier 1 and Tier 2 bonds at the same amount, maintaining a solid capital structure.
- Common equity Tier 1 Capital (CET1) ratio was 18.6 %, and the total capital ratio was 23.3 %.
- The countercyclical buffer requirement increased by 0.5 percentage points for exposures in Norway at the end of the quarter and the regulatory CET1 requirement increased from 17,4 % at the end of Q4-22 to 17.6 % at the end of Q1-23.

CET1 requirement per country and total

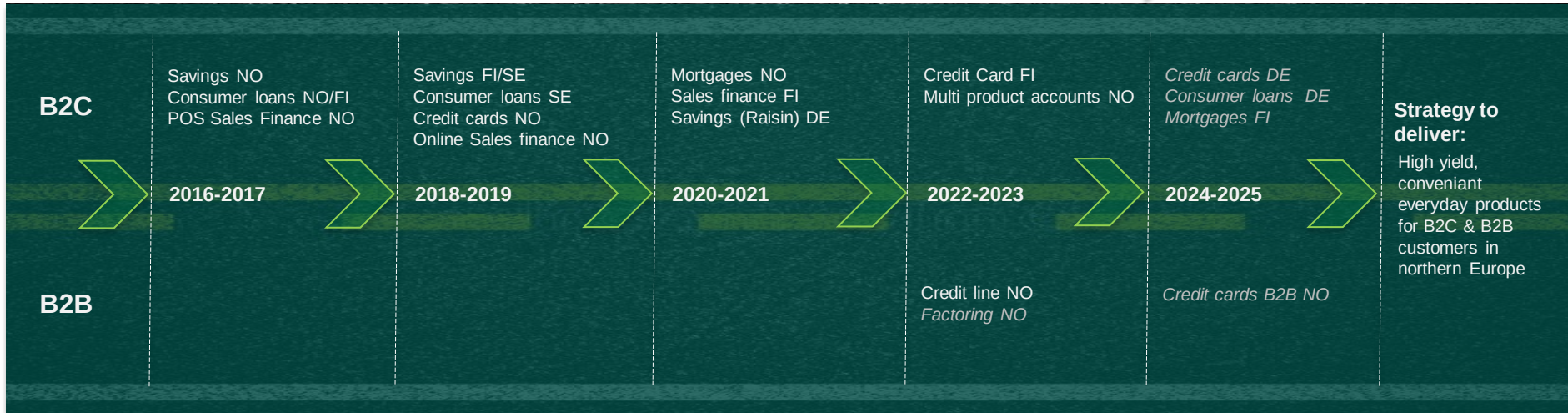


Product Strategy

From a specialised consumer finance bank

Diversification and scale up

To a focused commercial bank



- On track to launch SME credit line product in H2-23 - key management hired, systems being implemented
- Launch of credit cards in Finland and multi product accounts in Norway during H2-23 will further diversify Instabank's retail offering
- Ambitions to expand internationally in the 2024-2025 period

Financials

Profit after tax

Strong improvement in profits

Outlook 2023

~100 mill.

2023

Among the better

Strategic ambitions

>210 mill.

Mid term

Proof of success

ROE

Strong improvement in performance

>13 %

2023

Among the better

>19 %

Mid term

Proof of success

Gross loans

Growth is necessary to improve profits

>5.7 Bn.

2023

Growth shows direction

>8.5 Bn.

Mid term

Proof of growth capacity

Cost to income

Economies of scale reduce cost

< 40 %

2023

Heading in the right direction

~34 %

Mid term

Compares with industry leaders

Share price and ownership

Instabank is listed at Euronext Growth at Oslo Børs, ticker "INSTA"

Top 20 shareholders as of April 24th, 2023

#	Shareholders	# of shares	%
1	KISTEFOS AS	83,126,568	24.99%
2	HODNE INVEST AS	33,088,311	9.95%
3	VELDE HOLDING AS	29,291,116	8.81%
4	BIRKELUNDEN INVESTERINGSSKAP AS	18,305,911	5.50%
5	GOLDMAN SACHS BANK EUROPE SE	13,447,151	4.04%
6	BJELLA INVESTMENTS AS	13,112,021	3.94%
7	TORSTEIN TVENGE	10,000,000	3.01%
7	HUELLEGJERDE INVEST AS	9,161,000	2.75%
9	KRISTIAN FALNES AS	8,900,000	2.68%
10	LEKVOLLBAKKEN AS	8,500,000	2.56%
11	MOROAND AS	8,500,000	2.56%
12	Apollo Asset Limited	5,742,888	1.73%
13	SONSINVEST AS	5,108,195	1.54%
14	ALTO HOLDING AS	5,000,000	1.50%
15	LEIRIN HOLDING AS	4,333,333	1.30%
16	CAHE FINANS AS	3,501,000	1.05%
17	Skandinaviska Enskilda Banken AB	3,000,000	0.90%
18	BNP Paribas	2,302,489	0.69%
19	BNP Paribas	2,196,182	0.66%
20	LILL ANITA SKÅLBONES GRIMSTAD	2,070,000	0.62%
Sum Top 20		268,686,165	80.77%
Other shareholders		63,955,874	19.23%
Total		332,642,039	100.00%

Position	Name	# of shares	% of total
CEO	Robert Berg (Sonsinvest AS)	5,841,195	1.8 %
CCO	Eivind Sverdrup (Leirin Holding AS)	4,448,833	1.3 %
CTO	Jørgen Rui	1,407,864	0.4 %
CMO	Farzad Jalily	814,417	0.2 %
CFO	Per Kristian Haug	154,935	0.0 %
CRO	Kjetil Andre Weide Knudsen	123,028	0.0 %
COO	Anne Jørgensen	99,625	0.0 %
Sum management		12,889,897	3.9 %
Other employees		1,599,433	0.5 %
Board members		2,150,000	0.6 %
Total		16,639,330	5.0 %

Share price development last 12 months

Share price (NOK) and volume



Financial summary

P&L (NOK '000)

P&L	Q1-23	FY 2022	Q4-22	Q3-22	Q2-22	Q1-22
Total income:						
Interest income using the effective interest method	120 926	393 623	109 328	98 946	94 818	90 492
Interest expenses	37 130	73 890	27 952	18 456	15 234	12 248
Net interest income	83 796	319 734	81 376	80 490	79 584	78 244
Net other income	16 967	37 850	16 619	5 737	8 395	7 138
Total income	100 763	357 584	97 995	86 227	87 979	85 382
Operating expenses:						
Salary and other personnel expenses	15 199	55 498	11 592	14 048	12 567	17 291
Other administrative expenses, of which	18 406	77 690	19 293	18 658	21 965	17 775
- direct marketing cost	2 716	17 843	2 962	3 596	8 057	3 228
Other expenses	1 797	13 045	1 915	1 966	2 347	1 562
Depreciation and amortisation	2 947	7 789	3 260	3 338	3 366	3 082
Total operating expenses	38 350	154 023	36 059	38 009	40 244	39 711
Losses on loans	30 849	100 230	32 053	23 658	24 043	20 476
Operating profit before tax	31 564	103 331	29 884	24 560	23 692	25 195
Tax	7 891	21 091	4 480	6 140	5 923	4 548
Profit and other comprehensive income	23 673	82 240	25 403	18 420	17 769	20 647

Balance sheet (NOK '000)

Balance Sheet	31.03.23	31.12.22	30.09.22	30.06.22	31.03.22
Assets					
Loans and deposits with credit institutions	174 078	191 254	265 388	288 835	191 450
Loans to customers	5 115 359	4 674 030	4 479 970	4 389 273	3 988 389
Certificates and bonds	848 185	867 806	755 391	842 237	933 611
Other intangible assets	22 756	21 197	21 567	22 904	25 064
Fixed assets	3 623	3 645	4 247	4 791	5 390
Derivatives	4 002	1 773	19 158	1 644	4 105
Other receivables	36 735	39 527	889	16 030	7 793
Total assets	6 204 739	5 799 233	5 546 610	5 565 713	5 155 801
Liabilities					
Deposits from and debt to customers	5 234 665	4 852 281	4 702 782	4 741 687	4 344 527
Other debts	15 145	20 491	24 584	1 706	11 123
Accrued expenses and liabilities	13 461	17 844	17 979	16 154	18 729
Derivatives	3 361	543	2 188	2 643	1 231
Deferred tax	734	734	2 957	2 957	2 957
Tax payable	32 956	25 065	18 362	40 712	34 789
Subordinated loan capital	96 000	96 000	56 000	56 000	56 000
Total liabilities	5 396 323	5 012 958	4 824 853	4 861 859	4 469 356
Equity					
Share capital	332 642	332 642	332 642	332 642	332 642
Share premium reserve	178 192	178 192	178 192	178 192	178 192
Retained earnings	216 682	194 541	170 022	152 120	134 710
Additional tier 1 capital	80 900	80 900	40 900	40 900	40 900
Total equity	808 417	786 275	721 757	703 854	686 445
Total liabilities and equity	6 204 739	5 799 233	5 546 610	5 565 713	5 155 801

Thank You