



Instabank

Interim Presentation – 1H & Q2 2017

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Key highlights and developments Q2-2017

- ✓ **First quarter of profit with NOK 1.2 million**
Third full quarter after launch
- ✓ **Developed a full range of insurance products**
Launched July 6th
- ✓ **Loan portfolio reclassified**
Classified as mass market engagements as of July 1st
- ✓ **Started project to launch in the Finnish market**
Estimated to launch early 2018
- ✓ **Continued high loan growth**
Exceeding initial plans
- ✓ **Branding campaign on NRK**
Sponsoring various sports throughout the year

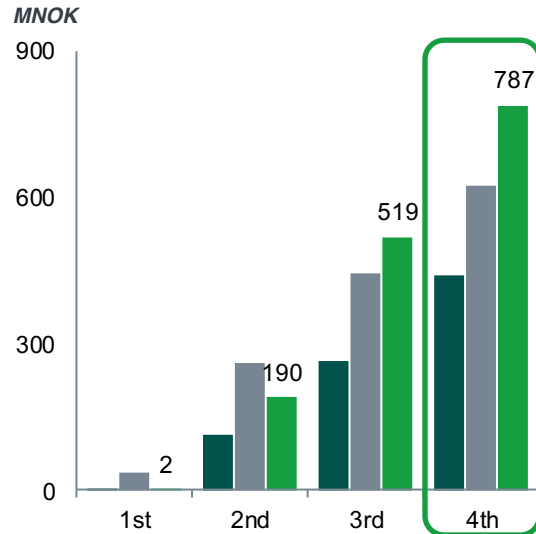
Key figures Q2-2017

- ✓ Quarterly growth in net loans of **NOK 268 million**
- ✓ Outstanding net loans of **NOK 787 million**
- ✓ Customer deposits of **NOK 760 million**
- ✓ Total income of **NOK 23.7 million**
- ✓ Net profit after tax of **NOK 1.2 million**
- ✓ Total equity of **NOK 235 million**
- ✓ Operating expenses and loan losses **developing as planned**

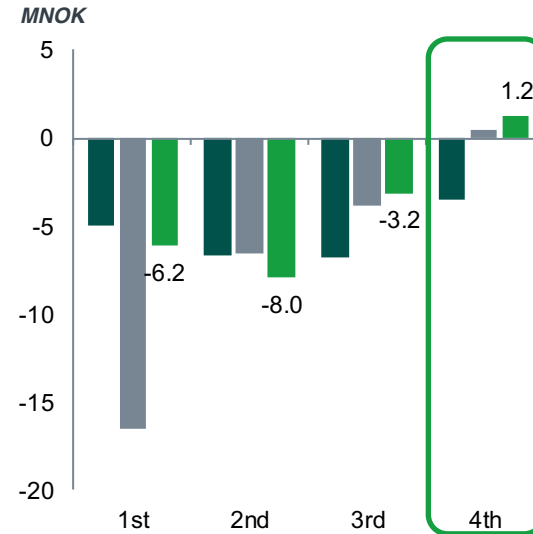


Strong start compared to peers

Outstanding loans first four quarters



Net result after tax first four quarters

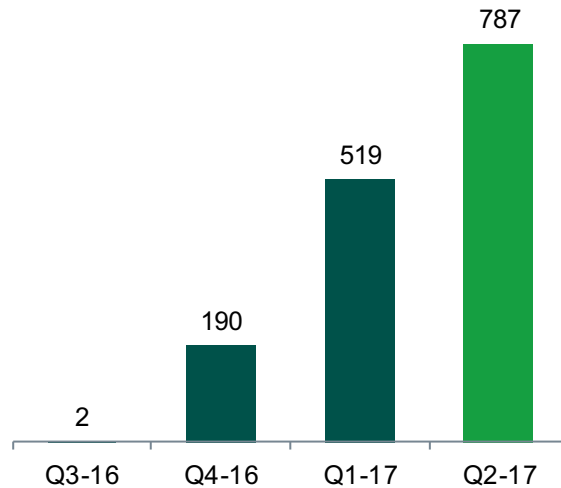


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Continued high loan growth

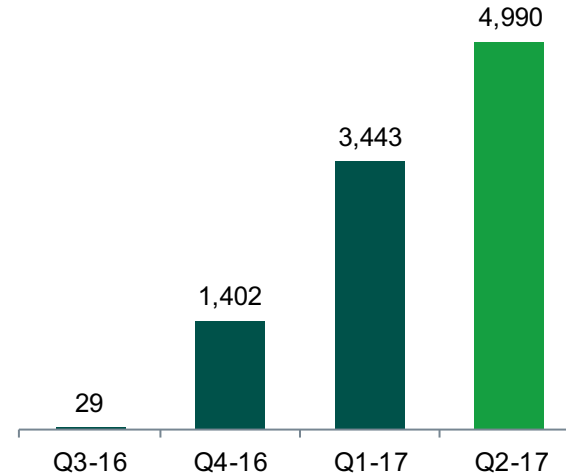
Net loans to customers

MNOK



Number of customers

#

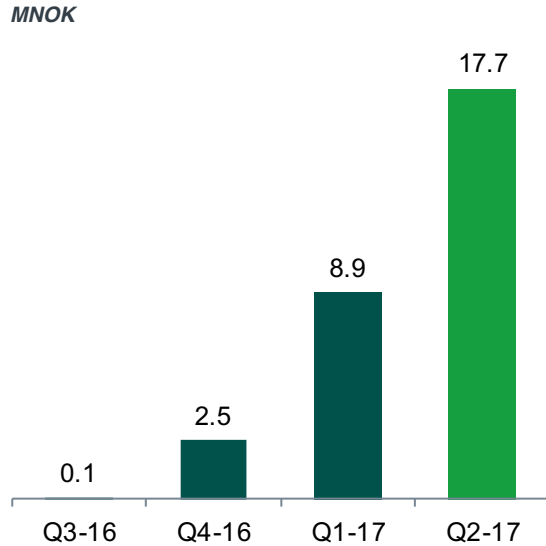


Key comments

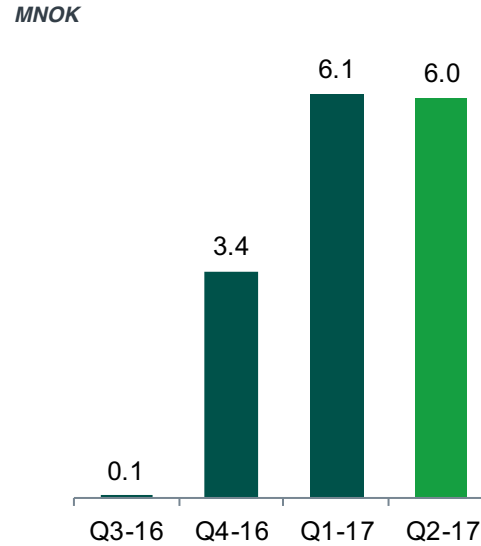
- Strong emphasis on marketing through 1H to strengthen brand awareness and to boost sales
- Started geographical expansion project to launch in the Finnish market in early 2018

Strong income development

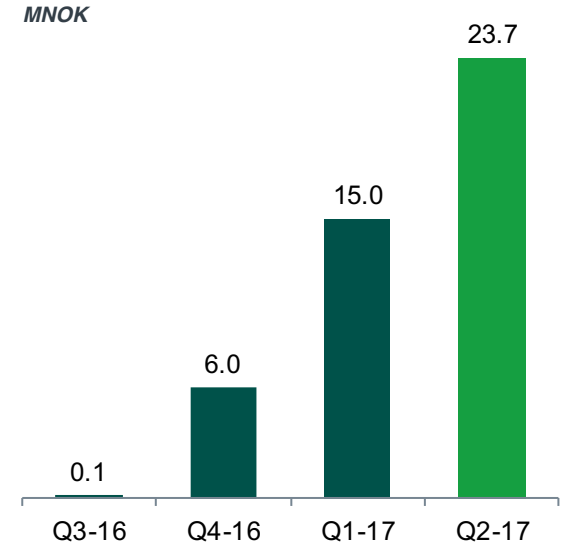
Net interest income



Net commission fees and other income

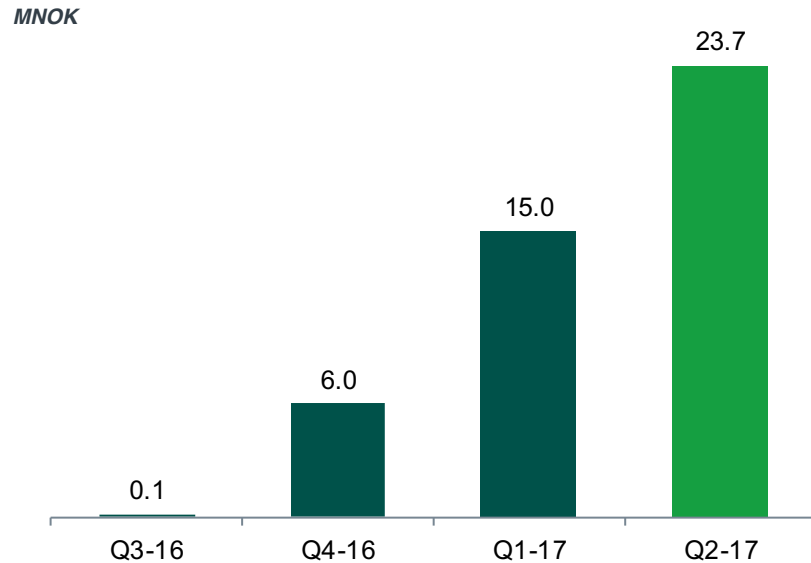


Total income

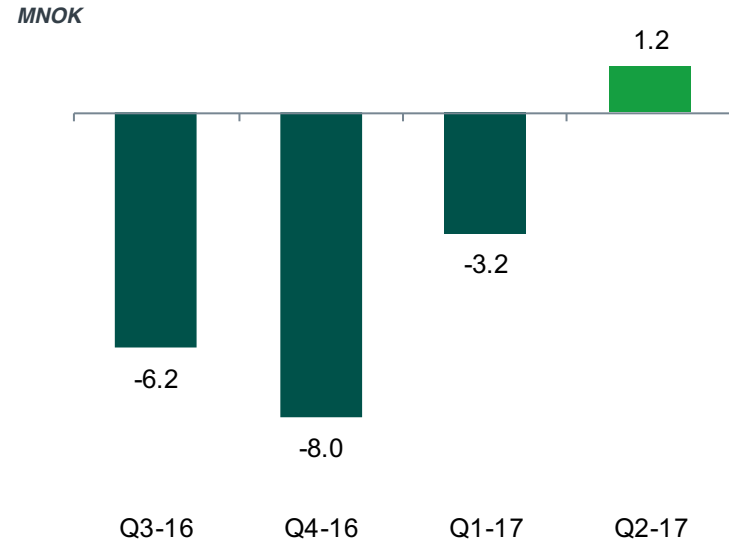


First quarter of profitability

Total income



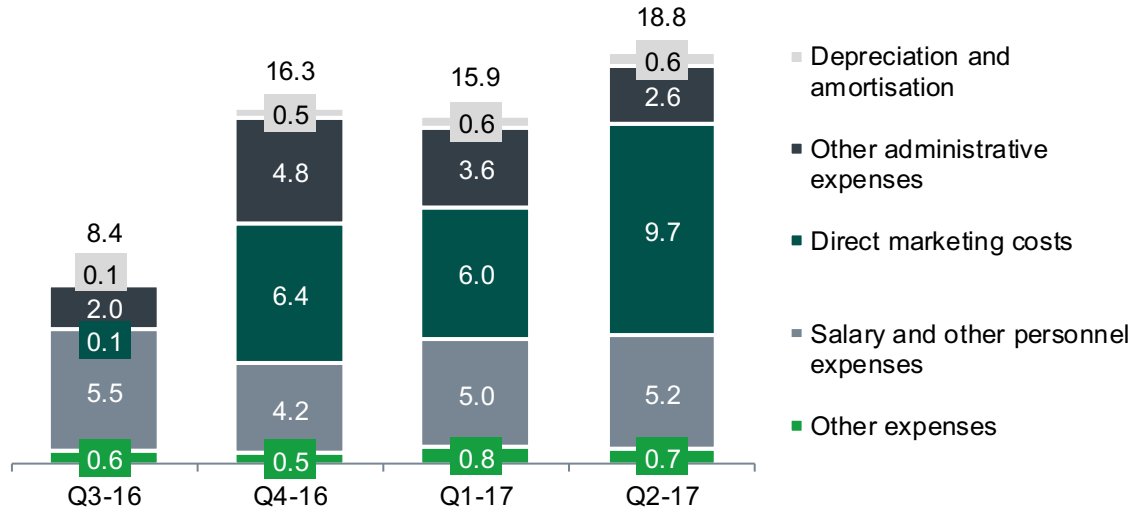
Net result after tax



Disciplined cost control

Operating expenses by category

MNOK

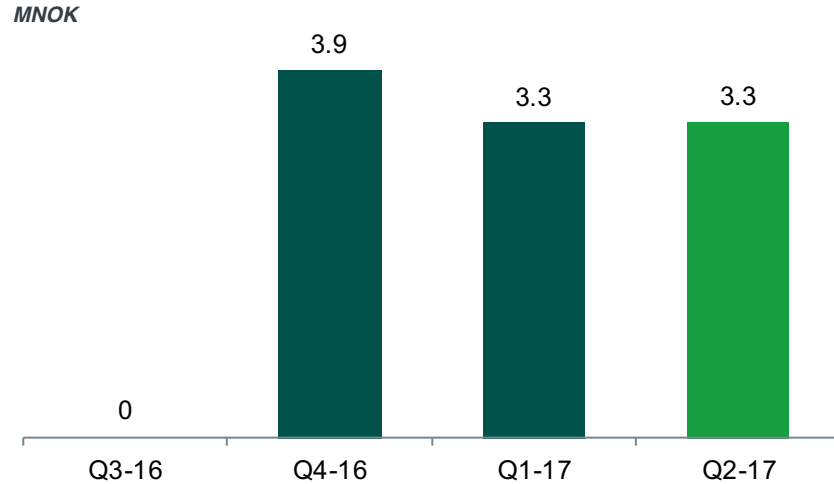


Key comments

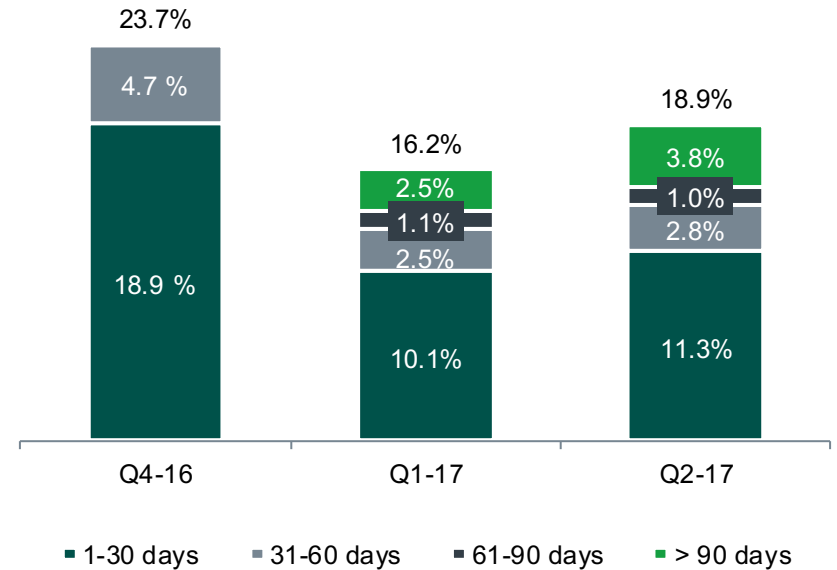
- Operating expenses developing according to plan
- Direct marketing costs increased due to high focus on strengthening brand awareness and distribution

Well balanced credit risk management

Impairment losses¹



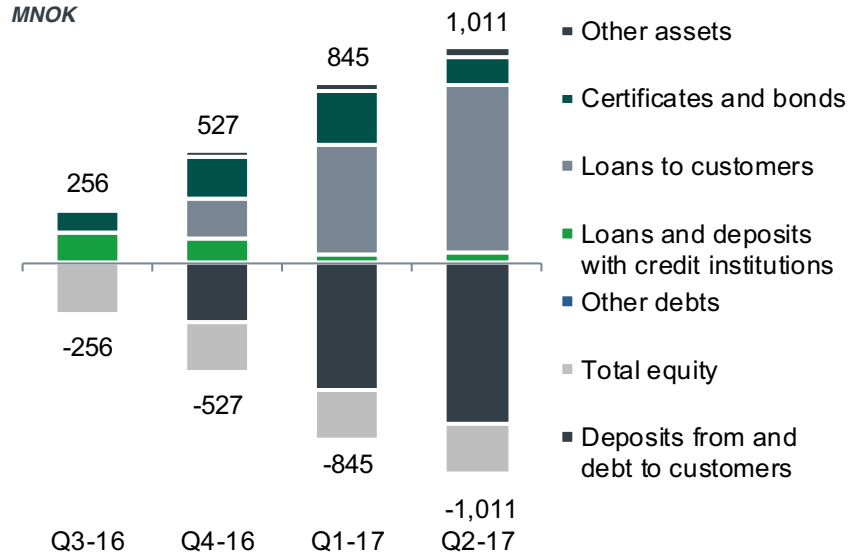
Past due days at end of quarter



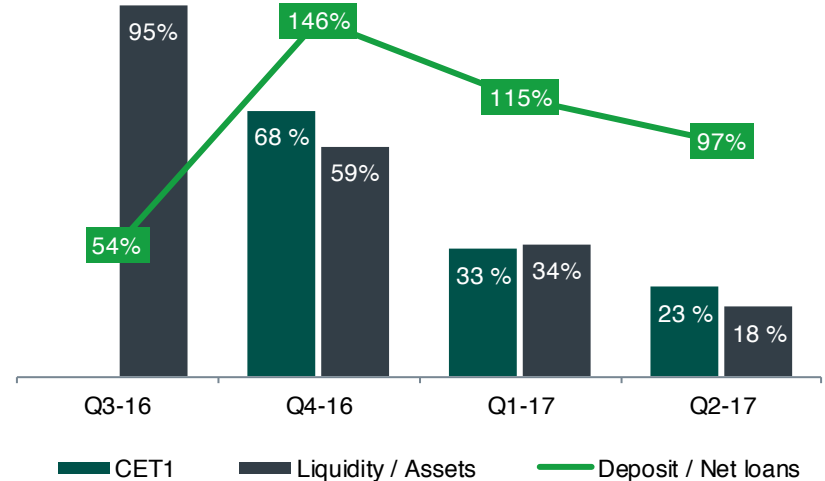
Note 1: Loan losses represents mainly provisions as actual losses are negligible

Balance sheet structure

Assets and liabilities & equity

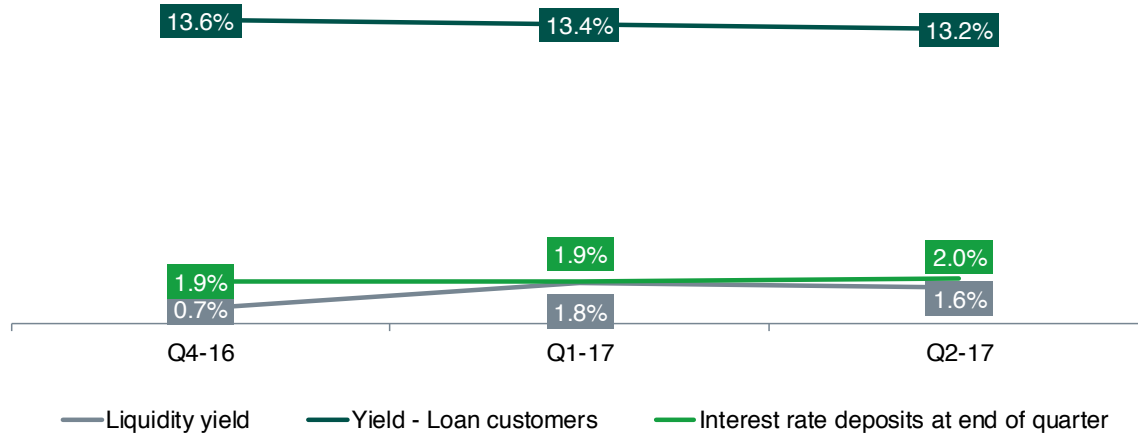


Key financial ratios



Stable funding costs and attractive yields

Development in yields and funding costs



Key comments

- Yield on loans in accordance with plan
- Stable funding cost
- Liquidity placed with low risk, dominated by bank deposits and funds investing in low risk bonds/treasury bonds



Near term outlook

- ✓ Exploring opportunities for further geographical expansion
- ✓ Distribution will still be the number one strategic, tactical and operational focus in near term
- ✓ Loan volume and profitability well ahead of plan – net loan balance approx. NOK 1,100 mill. by the end of 2017
- ✓ Continued focus on new product development, partnerships, and operational efficiency
- ✓ Well positioned to adapt to new regulations from the Financial Supervisory Authority



Appendix

Financial summary since start of operations

P&L (NOK '000)

Items	Q2-17	Q1-17	FY 2016	Q4-16	Q3-16
Operating income					
Interest income	20,939	11,107	3,147	3,018	103
Interest expenses	3,235	2,190	505	495	11
Net interest income	17,703	8,917	2,641	2,524	92
Net commission fees and other income	6,038	6,104	3,487	3,436	50
Total income	23,741	15,020	6,128	5,960	142
Operating expenses					
Salary and other personnel expenses	5,217	4,982	12,368	4,157	5,528
Other administrative expenses, of which	12,278	9,622	14,831	11,179	2,089
- direct marketing cost	9,671	6,024	6,414	6,360	54
Depreciation and amortisation	617	577	624	477	137
Other expenses	693	763	1,240	477	596
Total operating expenses	18,804	15,943	29,062	16,290	8,350
Losses on loans	3,312	3,296	3,852	3,852	0
Operating (loss)/profit before tax	1,624	(4,219)	(26,787)	(14,182)	(8,208)
Tax	406	(1,055)	(9,380)	(6,229)	(2,052)
Profit/loss after tax	1,218	(3,165)	(17,407)	(7,953)	(6,156)

Balance sheet (NOK '000)

Items	Q2-17	Q1-17	Q4-16	Q3-16
Assets				
Loans and deposits with credit institutions	50,887	39,133	109,542	142,595
Loans to customers	787,401	519,198	190,310	2,247
Certificates and bonds	130,626	249,758	199,817	100,000
Deferred tax assets	10,029	10,435	9,380	3,151
Other intangible assets	9,282	9,007	8,791	6,394
Fixed assets	1,124	1,217	1,309	1,303
Other receivables, of which:	21,571	16,623	7,756	198
- prepaid agent commissions	21,058	14,703	5,946	104
Total assets	1,010,918	845,371	526,905	255,888
Liabilities				
Deposits from and debt to customers	760,053	594,736	277,802	1,215
Other debts	8,290	10,257	7,360	6,218
Accrued expenses and liabilities	7,663	6,684	4,884	3,642
Total liabilities	776,006	611,677	290,046	11,076
Equity				
Share capital	254,266	254,266	254,266	254,266
Retained earnings	(19,353)	(20,571)	(17,407)	(9,453)
Total equity	234,913	233,695	236,859	244,813
Total liabilities and equity	1,010,918	845,371	526,905	255,888

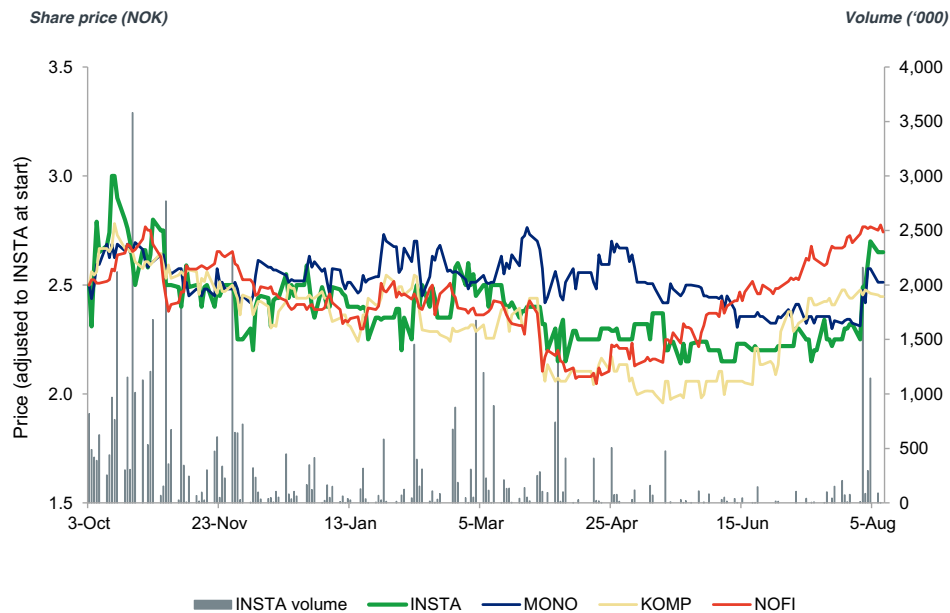
Share price and ownership

Top 20 shareholders as of 09.08.2017

#	Shareholders	# of shares	%
1	Hodne Holding AS	14,398,419	7.8%
2	Velde Holding AS	12,267,838	6.6%
3	Kjb Holding AS	10,362,021	5.6%
4	Leikvollbakken AS	8,500,000	4.6%
5	Moroand AS	8,500,000	4.6%
6	Kristian Falnes AS	8,000,000	4.3%
7	Apollo Asset Limited	7,000,000	3.8%
8	T. Sandvik AS	6,968,103	3.8%
9	Alto Holding AS	6,550,000	3.5%
10	Sonsinvest AS	5,000,000	2.7%
11	Leirin Holding AS	4,333,333	2.3%
12	Haugen Nichola Helen	3,666,667	2.0%
13	Hava Financials AS	3,047,678	1.6%
14	Grunnfjellet AS	3,010,000	1.6%
15	Cahe Finans AS	3,000,000	1.6%
16	Enzian AS	3,000,000	1.6%
17	Likholmen Invest AS	3,000,000	1.6%
18	Venadis AS	3,000,000	1.6%
19	Grimstad Lill Anita Skålbones	2,070,000	1.1%
20	Velcon AS	2,000,000	1.1%
Sum Top20		117,674,059	63.6%
Other shareholders		67,325,941	36.4%
Total		185,000,000	100.0%

Position	Name	# of shares	% of total
CEO	Robert Berg (Sonsinvest AS)	5,000,000	2.7%
CFO	Gard Haugen (Likholmen Invest AS)	4,700,000	2.5%
CFO	Eivind Sverdrup (Leirin Holding AS)	4,333,333	2.3%
CMO	Lauren Pedersen	1,200,000	0.6%
CTO	Farzad Jalily	666,667	0.4%
COO	Egil Botnen	500,000	0.3%
Sum mgmt		16,400,000	8.9%
Other employees		1,303,934	0.7%
Total		17,703,934	9.6%

Share price development since OTC listing in October



Thank You