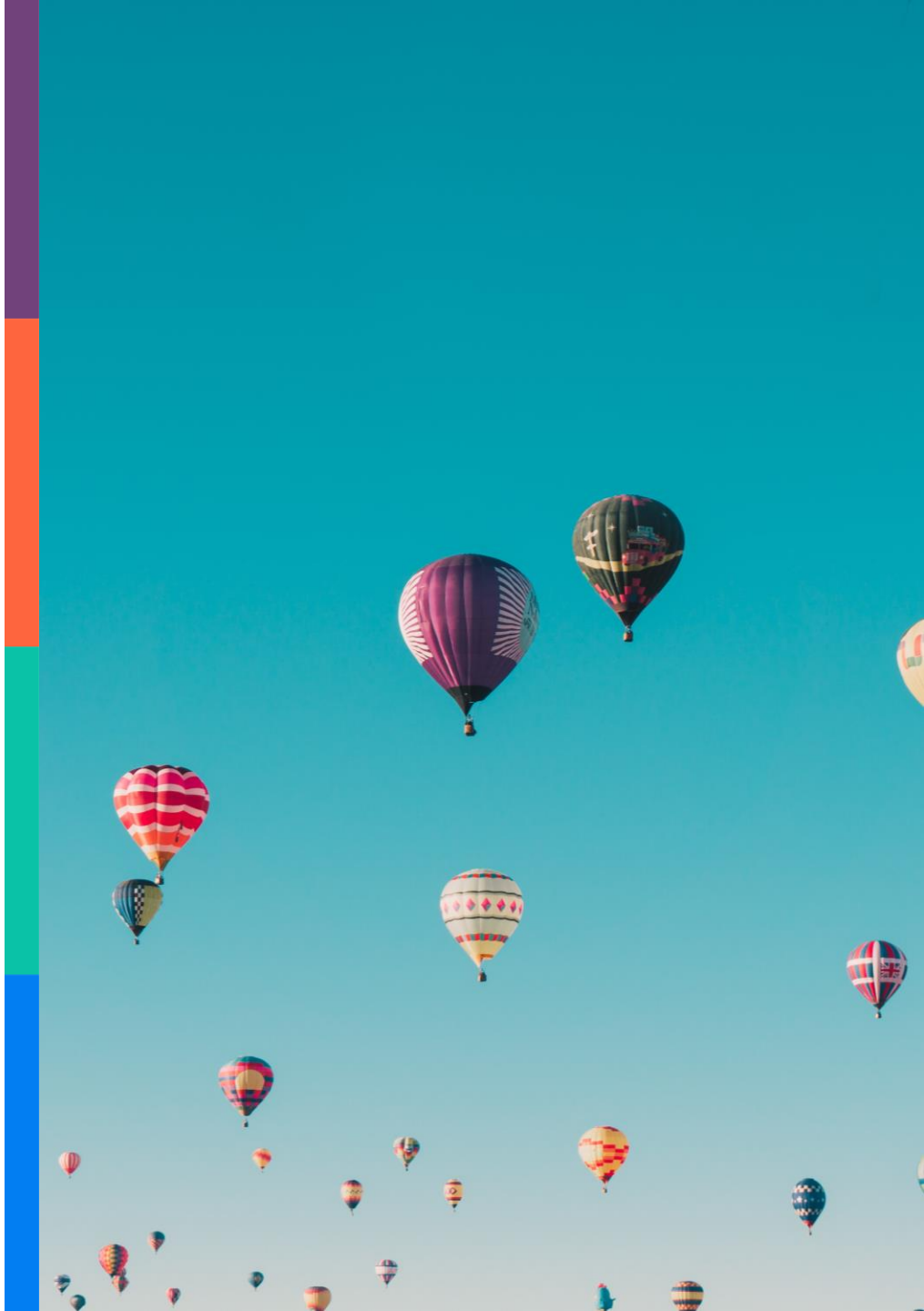


2nd quarter 2024 results presentation

Lea bank ASA

August 15th 2024

Lea
bank



Disclaimer

This Presentation from Lea bank ASA ("Lea bank" or the "Company") includes among other things forward-looking statements. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as "believe", "may", "will", "should", "would be", "expect" or "anticipate" or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans or intentions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources, reflect the current views with respect to future events and are subject to material risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Neither Lea bank nor any of its officers or employees provides any assurance as to the correctness of such forward-looking information and statements. The Company does not intend, and assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to its actual results.

By attending or receiving this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of Lea bank and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of Lea bank's business and the securities issued by Lea bank.

This Presentation speaks as of the date of the presentation. Neither the delivery of this Presentation nor any further discussions of Lea bank with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of Lea bank since such date.

The update on the redomiciliation process is based on current information and is subject to change. Completion of the project is inter alia dependent on approvals from the Board of Directors, General Meetings, Norwegian FSA, Swedish FSA, Nasdaq Stockholm, Euronext Oslo Børs and other authorities in Norway and Sweden.

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1 Highlights and development Q2

2 Financial results Q2

3 Update on redomiciliation project






Lea bank ASA at a glance

Digital niche bank with an international footprint

Consumer finance bank with a strong presence in the Nordic market...

- Focus on creating shareholder value through continuous profit generation, optimizing capital allocation and evaluation of growth versus dividends
- Listed on Euronext Growth at Oslo Børs, ~1,200 shareholders. Large shareholders include Braganza AB, Hjellegjerde Invest, Alfred Berg Norge/Aktiv, Skagerrak Sparebank and Fondsaveanse
- Established a Swedish subsidiary granted with a Swedish banking license – plan to redomicile to Sweden and re-list on Nasdaq Stockholm in 2025

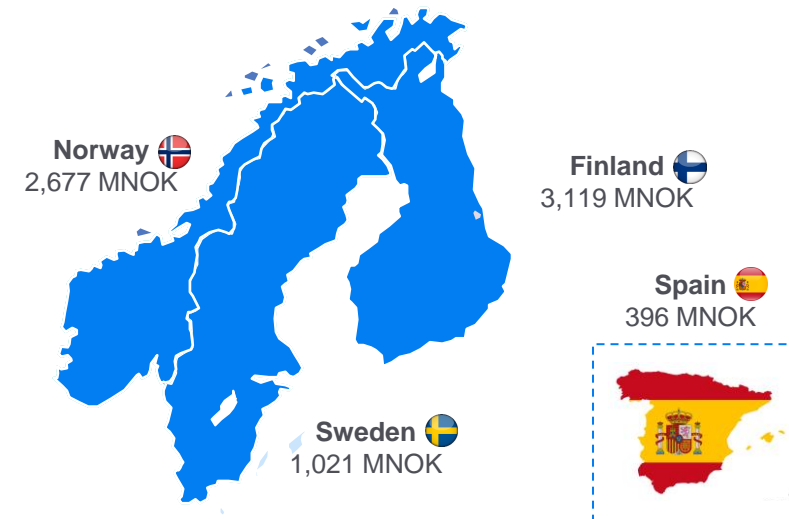
Product portfolio

Consumer loans	Deposits
 Short term financing	 Savings accounts with attractive terms in NOK, SEK and EUR
 Debt consolidation	

...leveraged by a scalable digital platform

- Lea bank has a fully digital bank offering focusing on unsecured loans and deposits
- Scalable operation model on the back of leading technological solutions, cross-border operations and industry leading cost efficiency
- Proven value chain with inhouse credit analysis and operations, and broad distribution network
- Focus on core markets in the Nordics and Spain

Gross loans 7,213 MNOK – geographical mix Q2 2024



Q2 2024 highlights

Swedish banking license granted

Q2 financials



- Profit before tax 23.7 MNOK (profit after tax 19.2 MNOK)
- Impacted by credit losses, margin pressure and building new strategic platform

Credit risk



- Still financial pressure on households, leading to higher loan losses
- Credit policy has been tightened in all markets

Capital



- New Pillar 2 requirement from Norwegian FSA from 6.5 % to 5.1 %, the FSA also expects a capital buffer of 2%
- 100 % of the requirement must be covered with Core Equity Tier 1 (CET1)

Core business focus



- Navigate uncertain macro conditions through prudent credit risk management
- Secure operational continuity in transition to Sweden

Key financial figures, MNOK

	Q2-24	2024 YTD	2023
Interest income	204.6	404.6	712.3
PBT	23.7	55.1	140.1
- Dividend			52.4
ROE, annualized	5.6%	6.3%	8.0%
EPS, annualized	0.80	0.90	1.12
EPS pre-tax, annu.	0.99	1.16	1.47
C / I	30.6%	30.0%	28.9%
Gross loans	7,213	7,213	6,913
Equity¹	# of shares	BVPS	
1,387	95,449,132	14.54	

If not otherwise stated, all figures in this presentation is for Lea bank ASA, excluding Swedish subsidiaries

Note on key figures: PBT: Profit before tax, ROE: Annualized Return On Equity (excluding tier-1 capital), EPS: Annualized Earnings per share, C/I: Cost to income

1) Equity excluding tier 1 capital and reduced by proposed dividend

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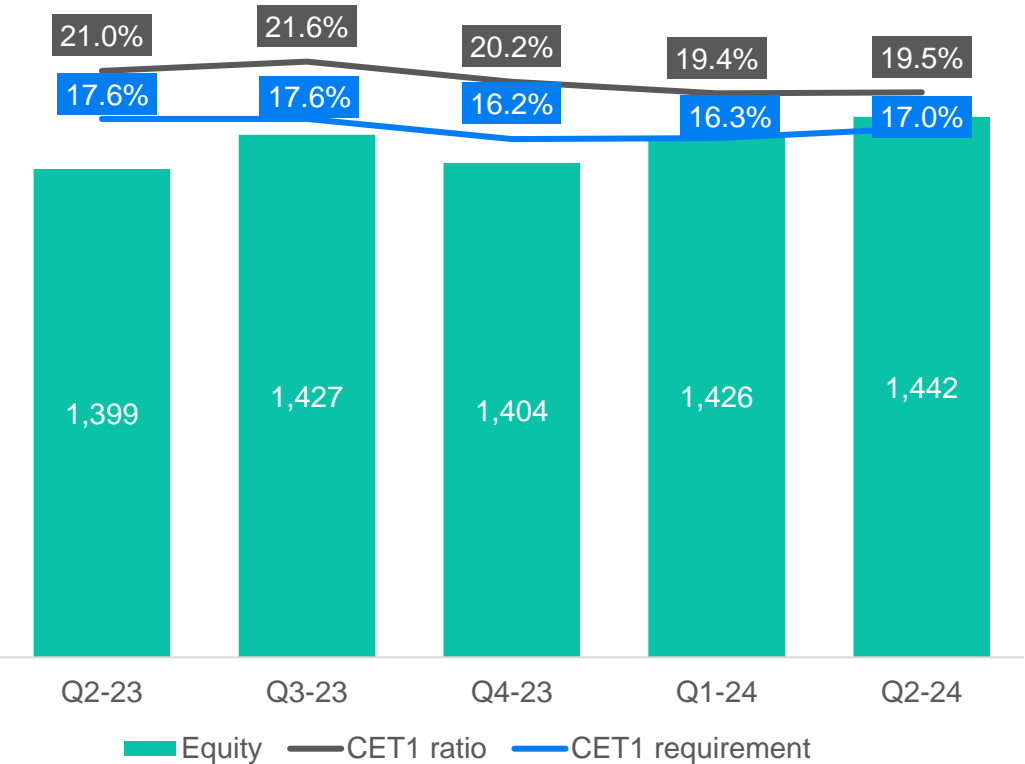
3 Update on redomiciliation project



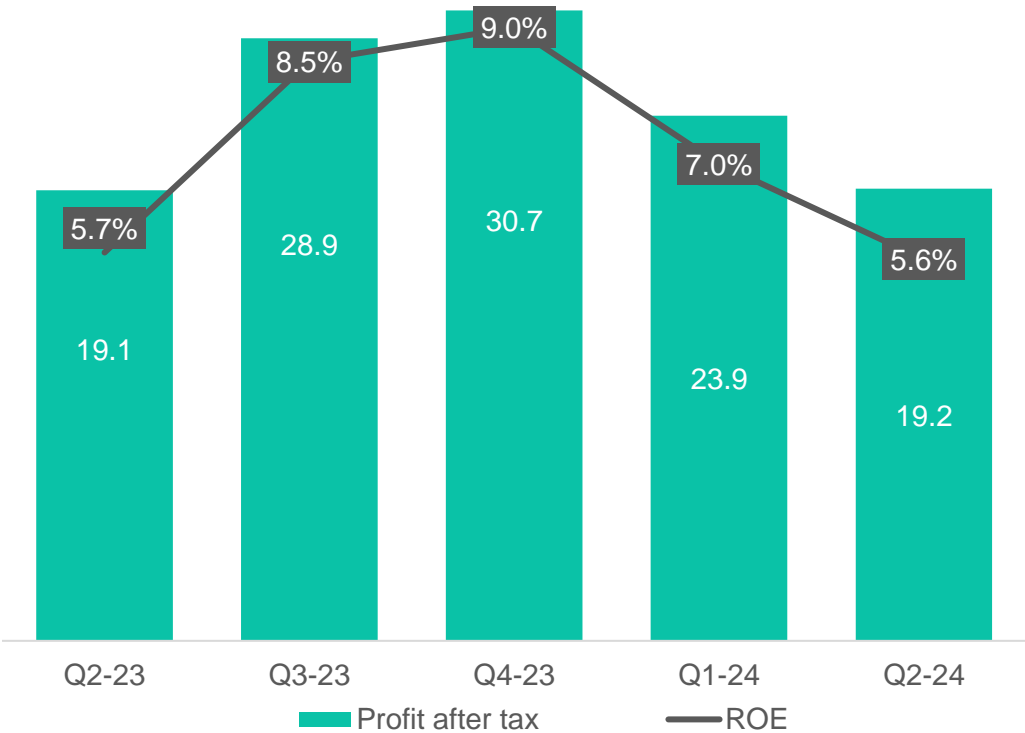
Continued profit generation

Currency fluctuations impacting CET 1 ratio and growth capabilities

Equity (MNOK) and CET1 ratio^{1, 2}



Profit after tax (MNOK) and Return on Equity



1) CET1 ratios for Q1, Q2 and Q3 include YTD unaudited profit. From Q2 2024: Including updated SREP with 2% expected capital buffer
2) Equity reduced by annual dividend accrual in Q4-2023

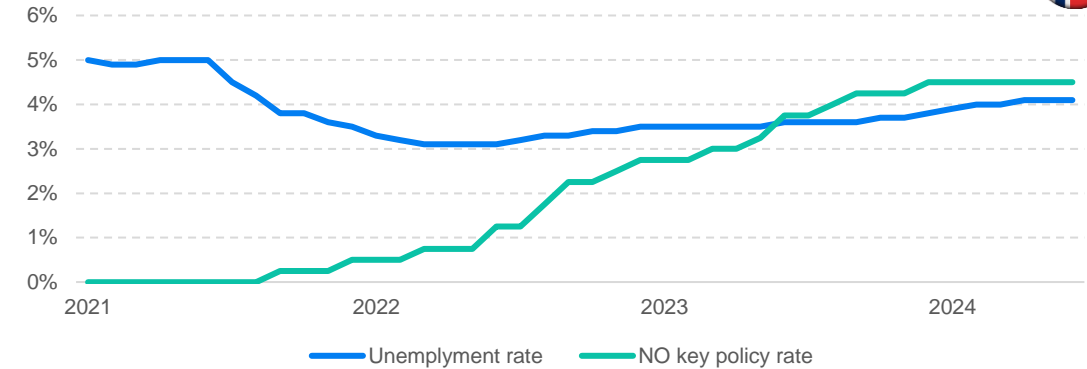
Macro environment has impacted credit losses

Modest optimism in all markets

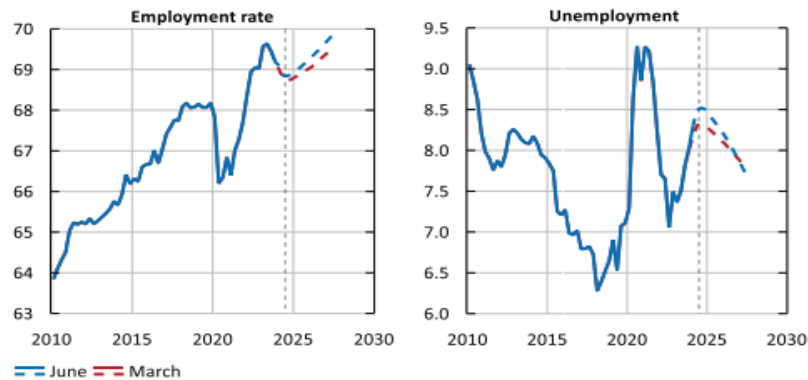
Signs of recovery after a period of recession in Finland¹



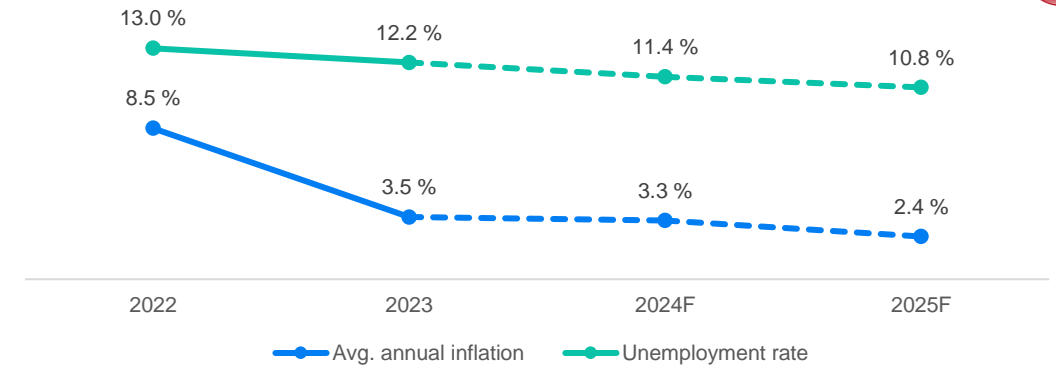
Unemployment low in Norway despite higher interest rate²



Unemployment rate expected to decrease in Sweden³



Modest optimism for the Spanish economy⁴



1) Source: Statistics Finland and Bank of Finland

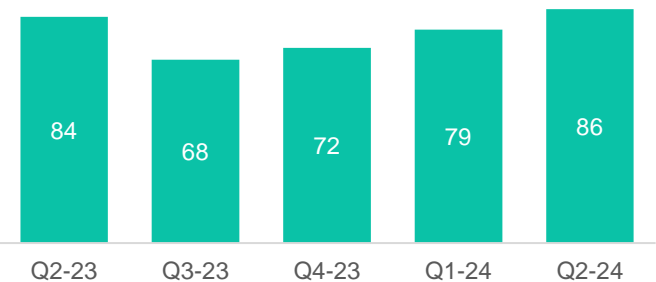
2) Source: SSB

3) Source: Statistics Sweden and Riksbanken

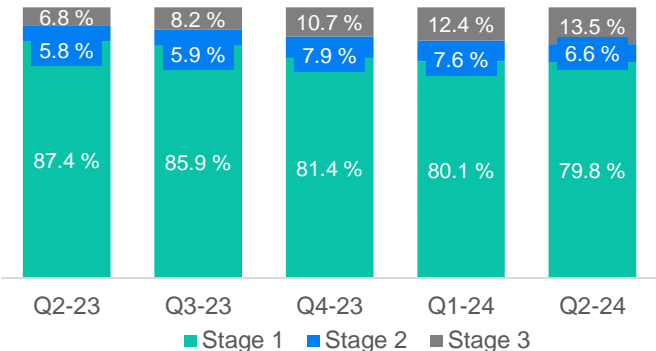
4) Source: BBVA research, based on data from INE and Bank of Spain

Credit quality overview

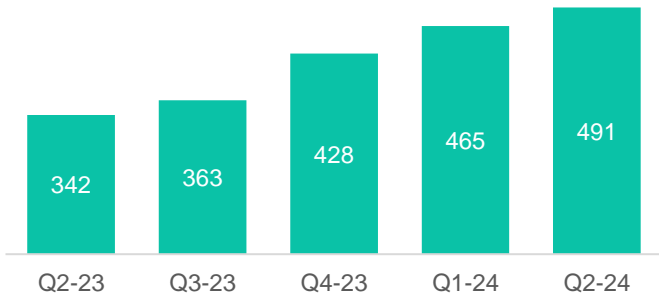
Loan losses, MNOK



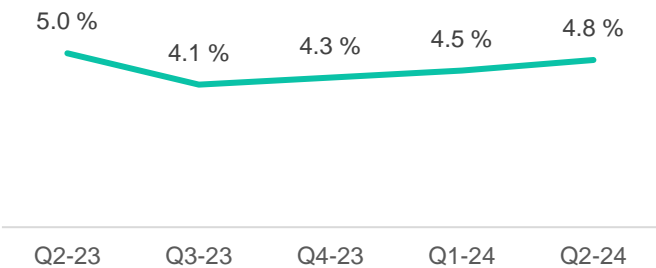
Stage allocation



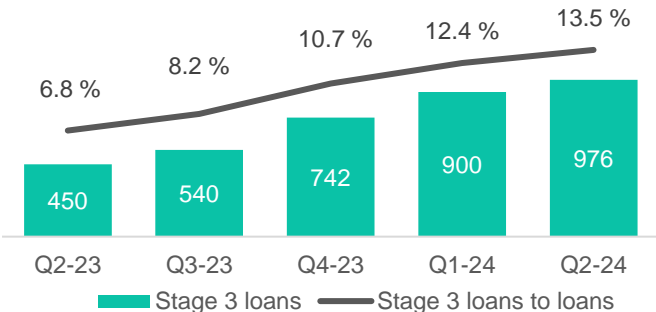
Provisions, MNOK



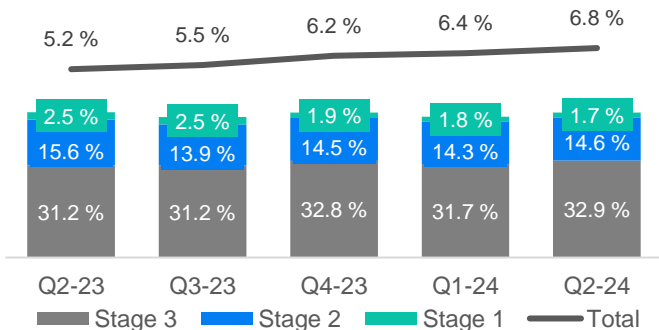
Loan loss ratio¹



Non-performing loans², MNOK



Total provision ratio³



1) Loan loss ratio = monthly loan losses p.a / monthly avg. gross loans

2) Non-performing loan ratio = stage 3 ratio

3) Total = Total provision / Gross loans

Income statement

Lea bank ASA

NGAAP				
<i>Income Statement (Amounts in thousands)</i>	Q2-2024	Q2-2023	2024 YTD	2023
Interest income	204,643	177,777	404,572	712,253
Interest expense	-65,982	-40,912	-130,074	-175,625
Net interest income	138,661	136,865	274,498	536,628
Commission and fee income	10,164	7,481	21,082	33,791
Commission and fee expenses	-1,264	-1,144	-2,507	-4,628
Net change in value on securities and currency	10,764	6,056	19,396	29,302
Other income	426	72	2,589	796
Net other income	20,090	12,466	40,560	59,261
Total income	158,751	149,331	315,058	595,889
Salary and other personnel expenses	-19,049	-15,999	-37,308	-63,841
Other administrative expenses	-22,704	-18,500	-43,930	-82,507
- of which marketing expenses	-3,148	-911	-5,884	-6,866
Depreciation	-4,031	-3,551	-7,938	-14,786
Other expenses	-2,846	-2,673	-5,407	-11,170
Total operating expenses	-48,630	-40,724	-94,583	-172,303
Profit before loan losses	110,120	108,607	220,476	423,586
Loan losses	-86,392	-83,552	-165,340	-283,505
Profit before tax	23,728	25,055	55,135	140,081
Tax	-4,533	-5,927	-12,036	-33,835
Profit after tax	19,195	19,128	43,099	106,245

Comments on income statement

- Profit before tax Q2-24 of 23.7 MNOK, compared to 25.1 MNOK last year
- Interest income in Q2-24 of 204.6 MNOK, compared to 177.8 MNOK last year – driven by higher volumes and interest rate
- Interest expense in Q2-24 of 66.0 MNOK, compared to 40.9 MNOK last year – driven by higher funding cost and volumes
- Net other income in Q2-24 of 20.1 MNOK, compared to 12.5 MNOK last year – driven by stronger yield on liquidity balance and increased commission income
- OPEX in Q2-24 of 48.6 MNOK, compared to 40.7 MNOK last year due to:
 - diversification of the banks funding structure
 - costs related to support of the strategic plan to redomicile the bank
- C/I in Q2-24 of 30.6% compared to last year of 28.7%.
- Loan losses in Q2-24 of 86.4 MNOK compared to 83.6 MNOK last year, reflecting annualized loss ratio of 4.8% compared to 5.0% Q2-23

Note: Please see appendix for Group figures

Balance sheet

Lea bank ASA

NGAAP			
Balance sheet (Amounts in thousands)	30.06.2024	30.06.2023	31.12.2023
Assets			
Cash and deposits with the central bank	52,947	51,021	51,931
Loans and deposits with credit institutions	608,366	437,415	350,786
Gross loans to customers	7,212,794	6,618,508	6,913,256
Loan loss provisions	-491,159	-342,225	-427,542
Certificates, bonds and other securities	906,972	1,044,304	839,681
Deferred tax asset	45,884	77,010	57,920
Other intangible assets	46,055	30,206	41,219
Fixed assets	12,254	6,876	5,133
Other assets	217,931	33,498	21,258
Total assets	8,612,042	7,956,614	7,853,642
Equity and liabilities			
Loan from central bank	0	0	0
Deposits from customers	7,014,392	6,393,293	6,239,373
Other liabilities	73,591	82,312	128,307
Tier 2 capital	82,253	81,914	82,084
Total liabilities	7,170,235	6,557,520	6,449,764
Share capital	190,898	190,348	190,438
Share premium reserve	663,327	662,360	662,638
Tier 1 capital	54,424	54,217	54,321
Other paid-in equity	11,456	14,115	14,556
Other equity	521,701	478,053	481,925
Total equity	1,441,808	1,399,094	1,403,878
Total equity and liabilities	8,612,042	7,956,614	7,853,642

Comments on balance sheet

- Gross loans of 7,213 MNOK 30.06.2024 compared to 6,619 MNOK 30.06.2023 and 6,913 MNOK 31.12.2023 driven by underlying growth and currency effects
- Liquidity balance of 1,569 MNOK 30.06.2024 compared to 1,532 MNOK 30.06.2023, and 1,242 MNOK 31.12.2023
- Deferred tax assets of 45.9 MNOK (originated from tax losses carried forward prior to the merger in Q4 2020)
- Solid capital base - CET1 of 19.5 % (incl. 2024 profit), compared to 30.06.2023 of 21.0 %
- Total equity of 1,442 MNOK, BVPS (ex. T1 capital) of 14.54 NOK.

Note: Please see appendix for Group figures

Update on the redomiciliation project

Lea bank ASA

August 15th 2024

Lea
bank



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1 Background & recent progress

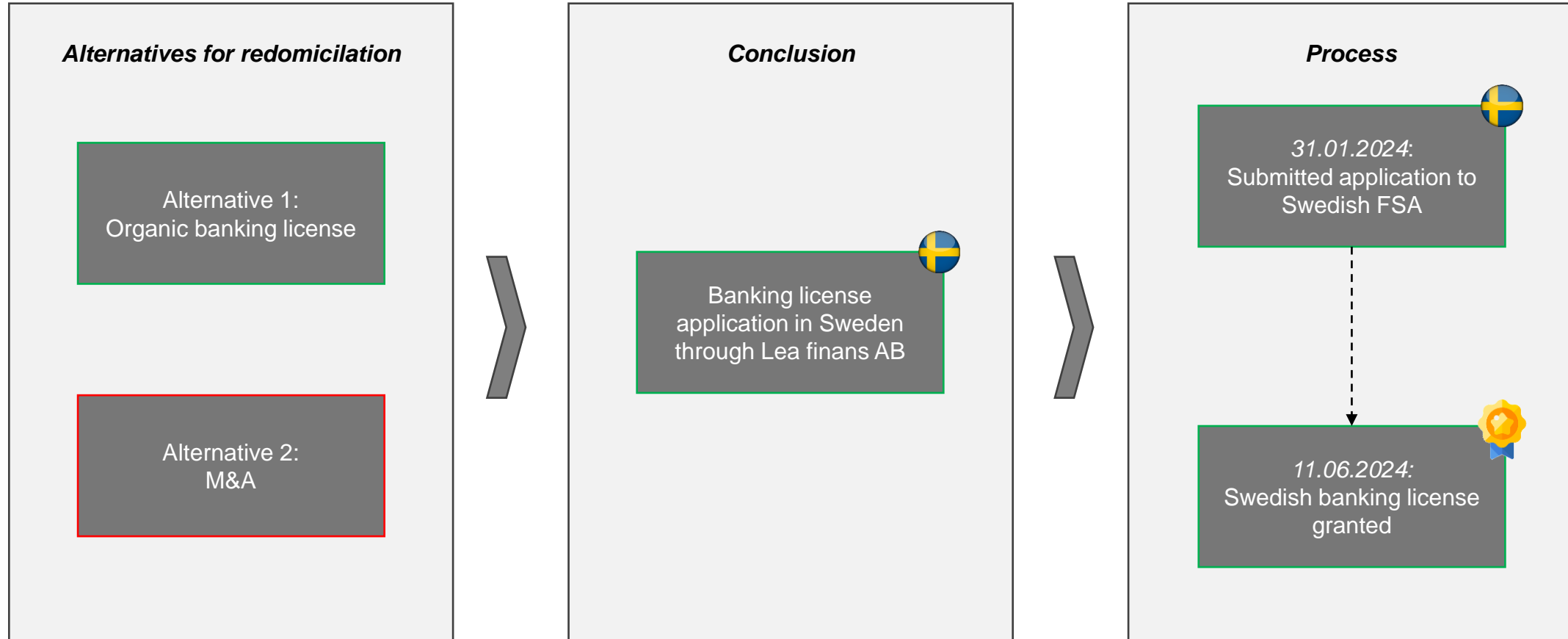
2 Project execution – creating Lea bank 2.0

3 Outlook



Background

Building a new strategic platform – redomicile Lea bank



Response from the Swedish FSA

Banking license application

High quality application leading to an efficient process with FI

- The application was submitted to Finansinspektionen (FI, the Swedish FSA) through a newly-established Swedish subsidiary
- Handling time shorter than anticipated due to high quality of the application and documented track record
- The handling process and dialogue with FI have been positive and professional

Approvals granted by FI

- The banking license has been granted subject to the following conditions:
 - The license must be activated within 12 months – June 2025
 - There must be a minimum equity of 5 million EUR on activation date
 - The approval is based on the information provided in the application
- As a part of being granted the Swedish banking license, FI simultaneously conducted a fit and proper evaluation of the Board of directors and CEO (No: egnethetsvurderinger)

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This is Lea bank 2.0

A Swedish consumer bank with international presence

EU banking license

1

- Fully in line with EU regulations

HQ in Gothenburg

2

- Increased competitiveness and attractiveness

International distribution

3

- Cross-border distribution platform in four geographical markets

Listed on Nasdaq Stockholm

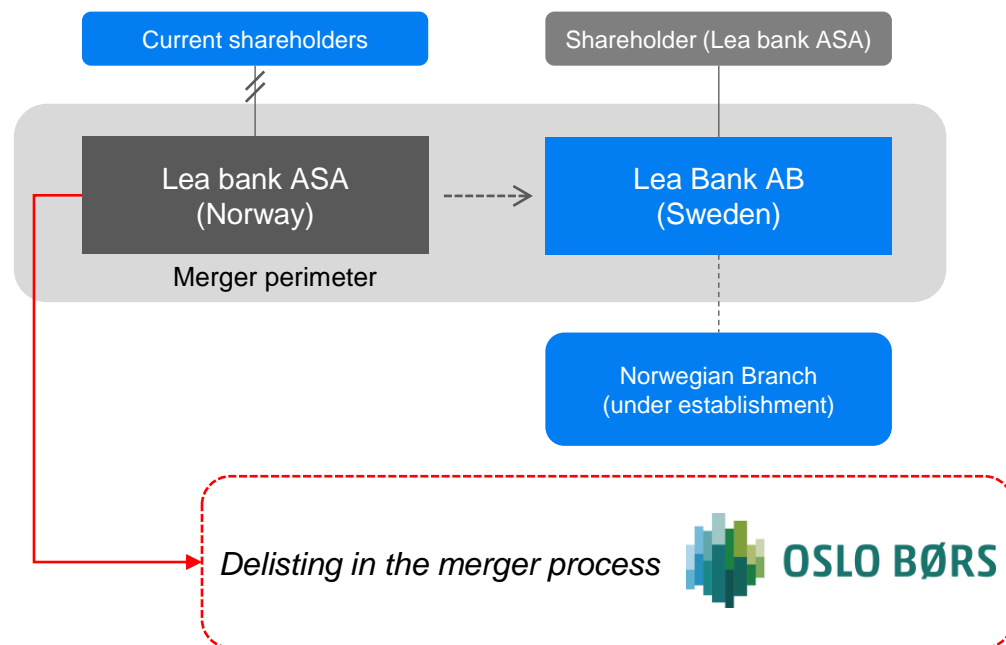
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- Increased access to investor market

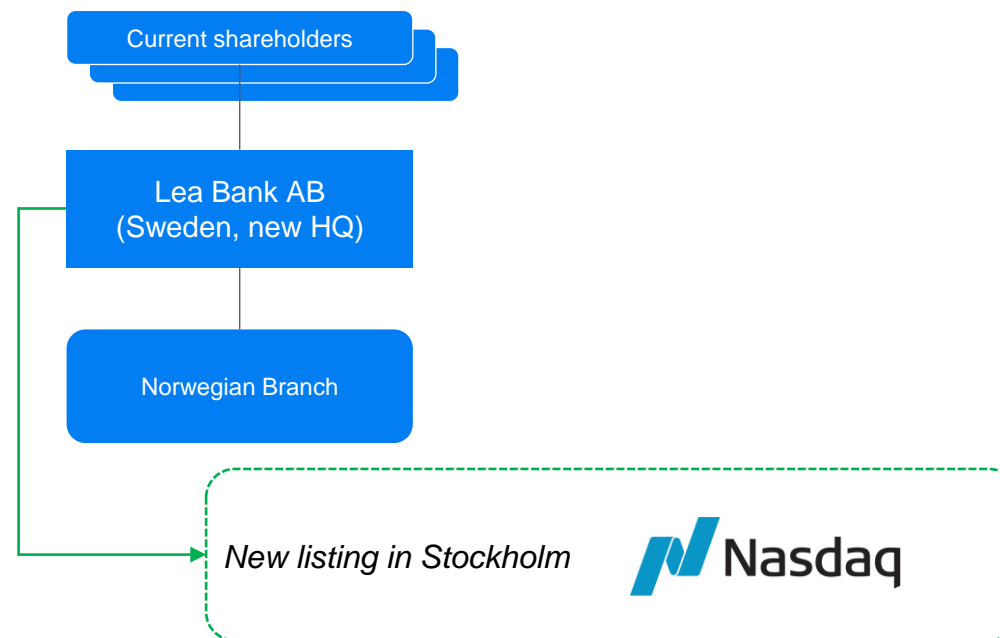
Transaction structure to carry out redomicilation

Overview

Transaction structure



Post merger structure

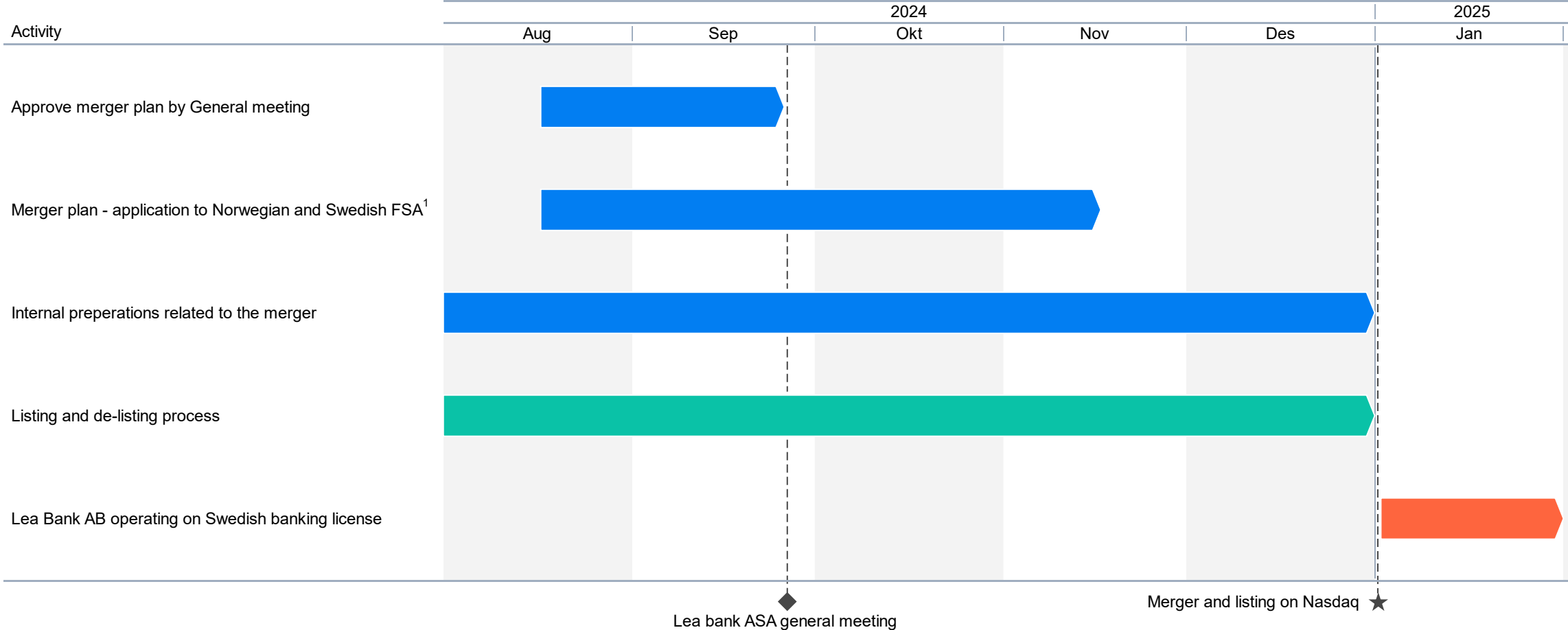


- Share merger with 1:1 exchange rate – existing shareholders will maintain pro-rata ownership post merger
- Company name of the Swedish subsidiary is currently Lea finans AB, but will be rebranded to Lea Bank AB

Note: Captum Group will be merged into Lea Bank AB

Tentative timeline

Merger and listing process



1) By law, the Norwegian FSA has a maximum handling time of 6 months for merger plans. However, the Norwegian FSA has a target of a 3-month handling time

Key workstreams

Requirements across the company to become a Swedish bank

Workstreams	Comments
Obtain necessary approvals	General meeting, FSA and other regulatory bodies
New HQ and Norwegian branch	Building sufficient presence in Gothenburg, ongoing hiring process for key personnel. Establish principles and processes for internal transfer pricing
Execute a successful re-listing	Ongoing process with Nasdaq and Certified Adviser. Compliance with Nasdaq regulations. Preparation of marketing materials and roadshow
Tax implications	Tax assessment on company, shareholder and employee level
Connect to Swedish general payment system	Establish credit card solution - application process for VISA principal membership in process
Make necessary amendments to existing agreements	Transfer all agreements to new legal entity
Other	Comply with Swedish regulations, including regulatory reporting, rebranding and more

Planned listing on Nasdaq Stockholm

Requirements and process

Listing on Nasdaq Stockholm

- Planned listing on First North Premier Growth, regulated as a multilateral trading facility (MTF), similar to Euronext Growth
 - Lea bank has a good fit with First North Premier Growth (Premier) in terms of size and company characteristics
- Premier is to a large extent regulated as the Main Market listing, and serves as a steppingstone for companies that later wish to list on the Main Market
- Companies on Premier must follow MAR, the Swedish Corporate Governance Code and IFRS reporting
- Certified adviser and 'emissionsinstitut' is engaged to support listing process

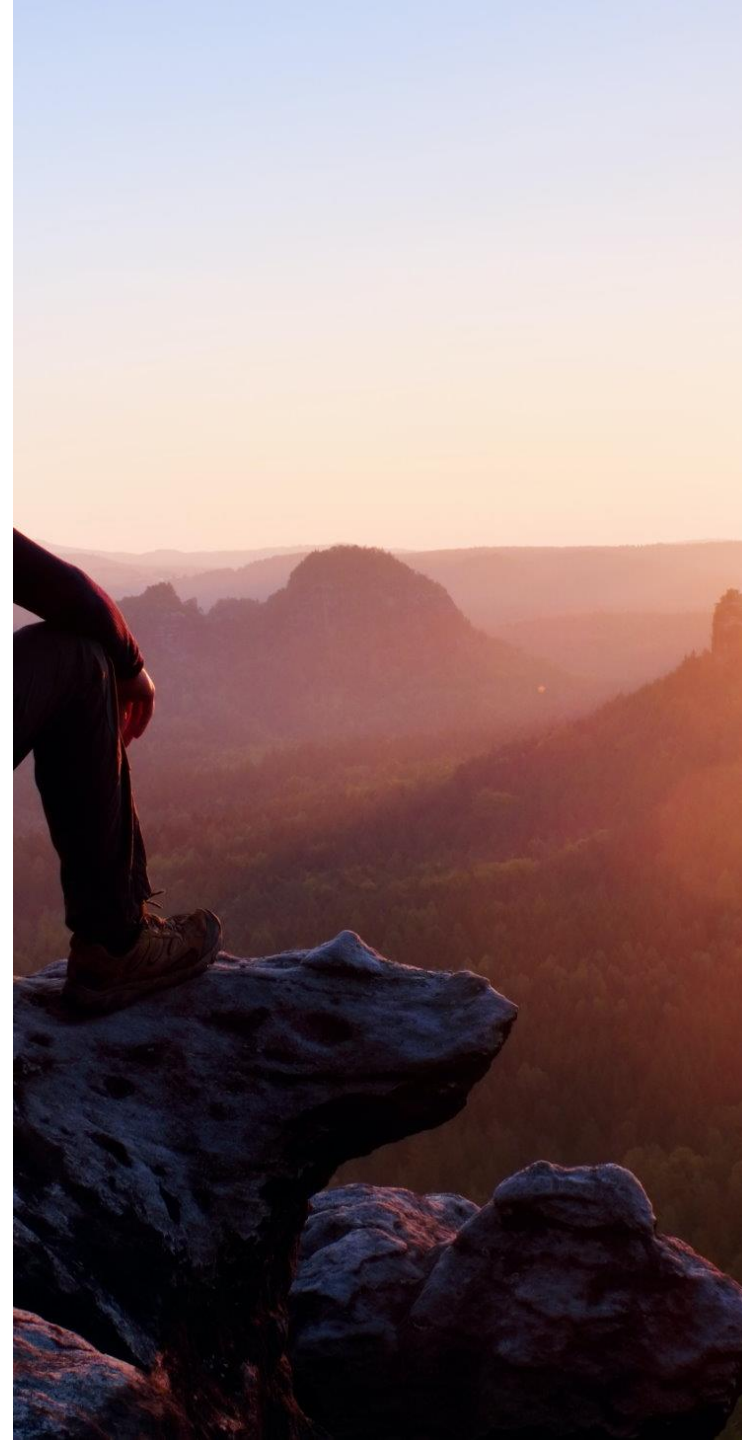


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Outlook

Transition to Lea bank 2.0

1

Phase 1 – Migration

- Complete merger and relisting to Nasdaq Stockholm
- Gradual build-up of HQ in Sweden and establishment of Norwegian Branch
- Migrate to Swedish banking setup, including reporting and compliance

2

Phase 2 – Positioning

- Further develop a cost-efficient consumer bank utilizing a Swedish setup
- Strengthen distribution model and partnerships
- Optimize balance sheet structure and capital allocation

3

Phase 3 – Attractive profitability

- Develop attractive profitability with increased ROE
- Balancing dividend payments and profitable growth

A

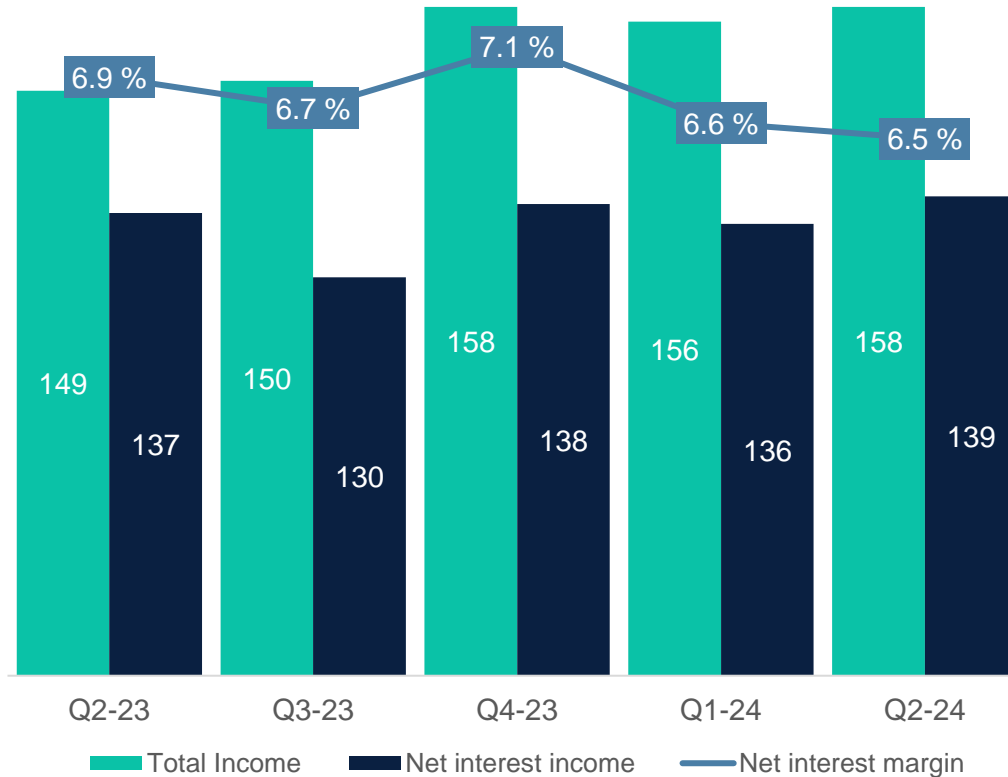
Appendix

Margin development

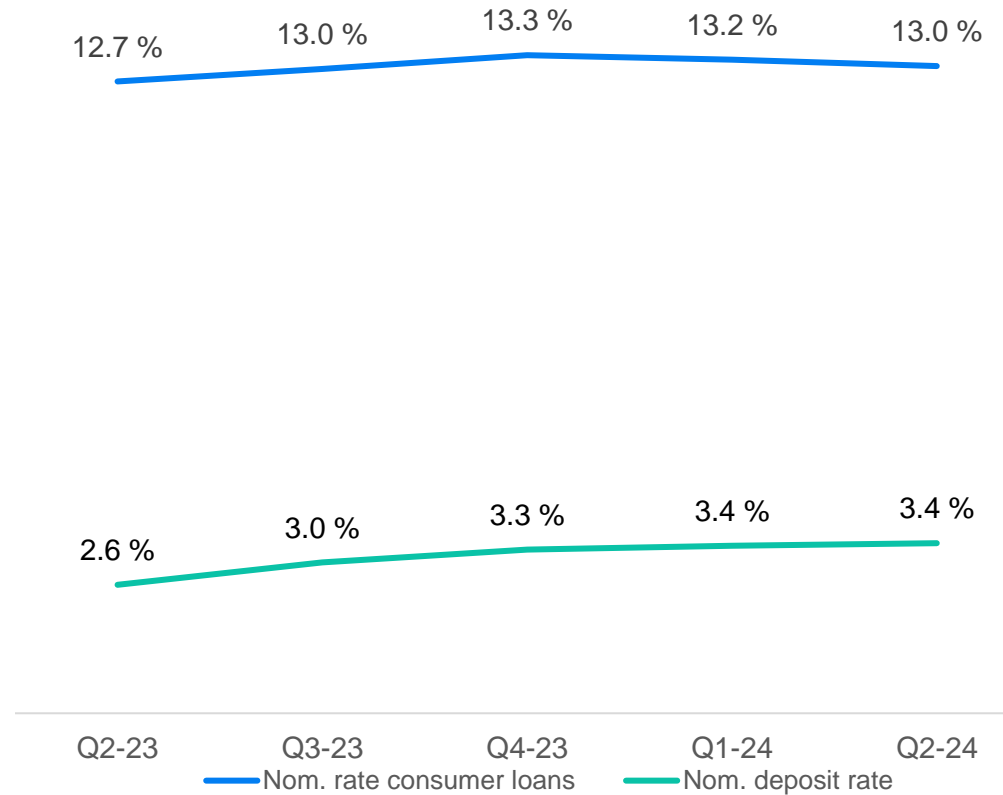
Increased funding cost not fully offset by lending yield

Net interest income and net interest margin of total assets

MNOK / % of total assets



Yields end of quarter¹

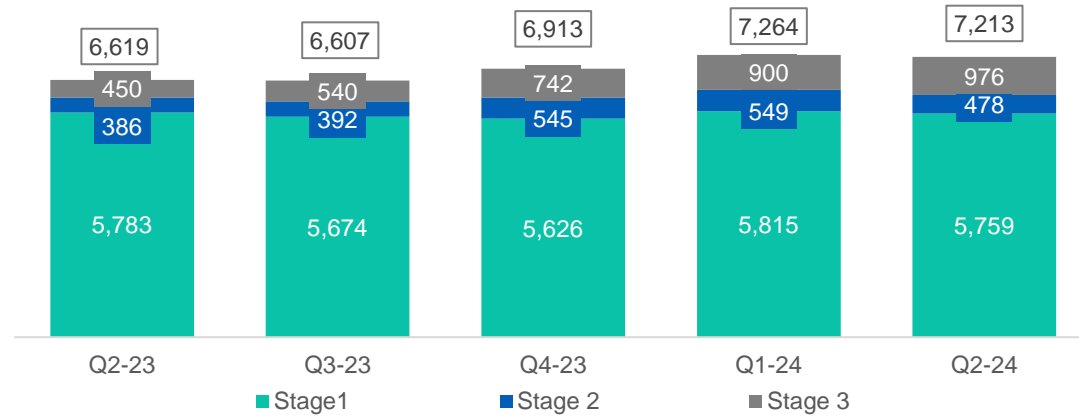


1) All figures are end of quarter and nominal

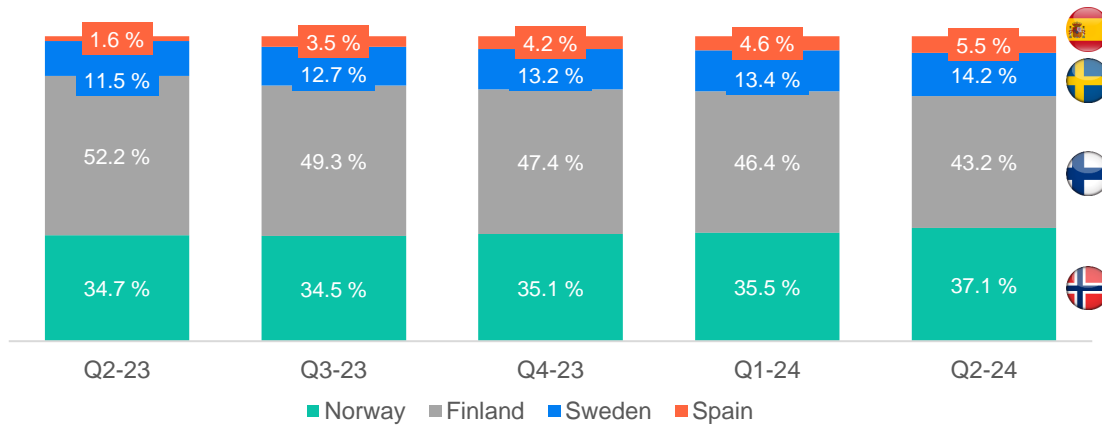
International consumer finance bank

Lending overview

Gross lending, MNOK



Geographical mix, gross loans



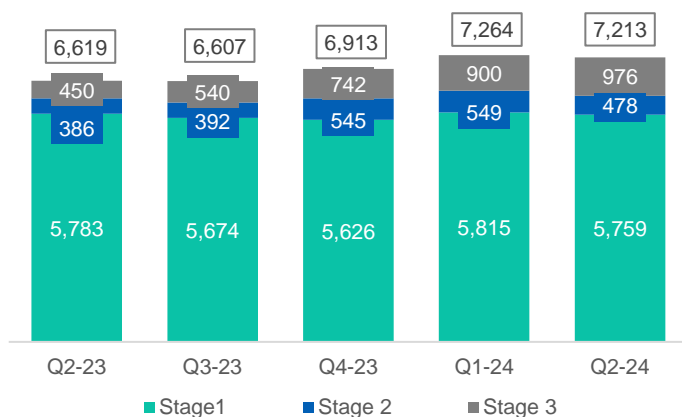
Comments

- Four fully operating markets enable distribution flexibility and growth opportunities
- Focus on margins to absorb increased funding cost and credit risk on new volumes
- Focus on building portfolio in Spain with a step-by-step approach with prudent credit risk management

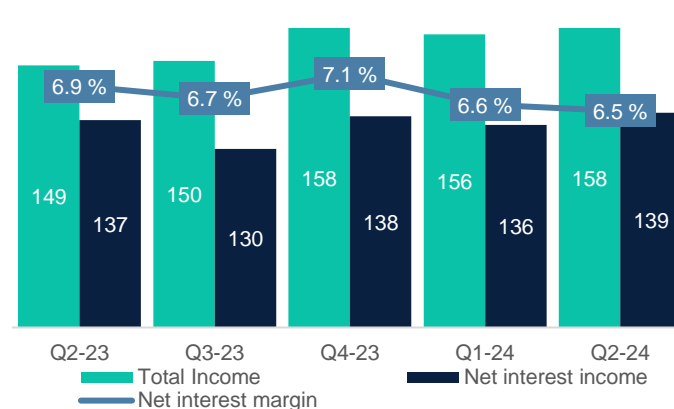
Financial overview

Figures in MNOK

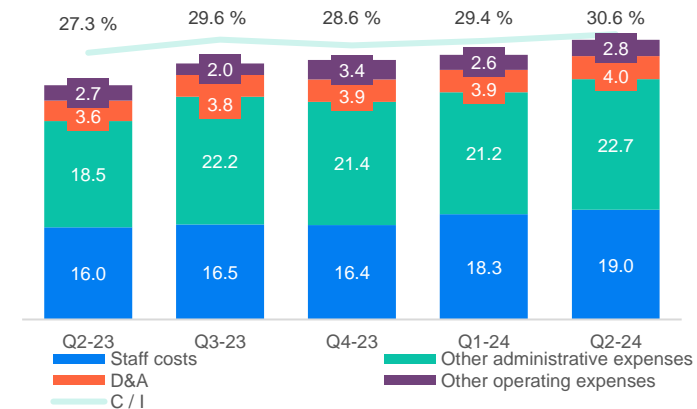
Gross lending



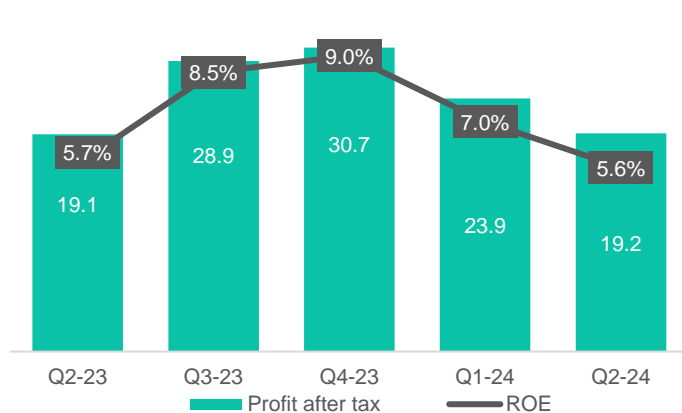
Net income and net interest margin



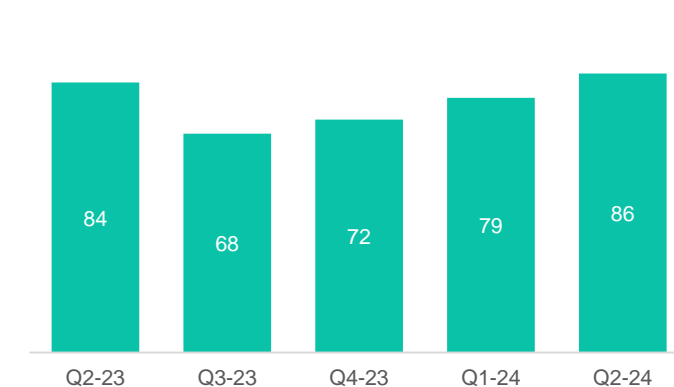
Opex and Cost / Income



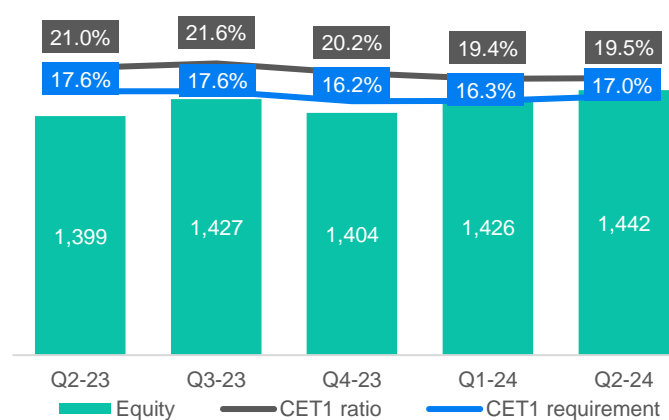
Profit after tax and ROE



Loan losses



Equity and CET1 ratio¹

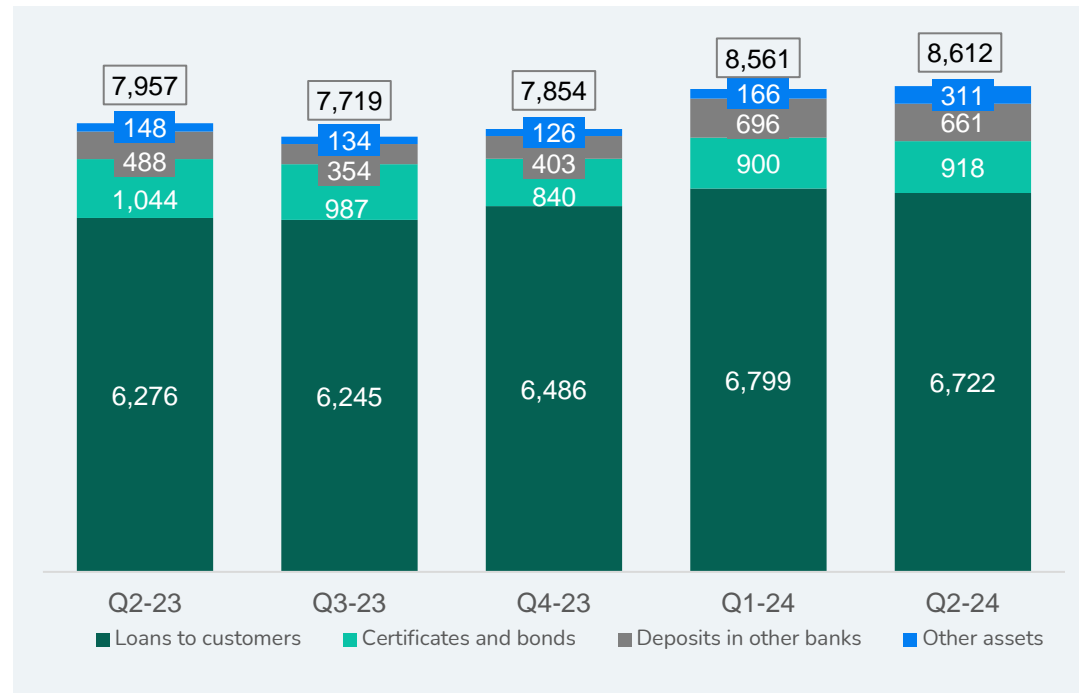


1) CET1 ratios for Q1, Q2 and Q3 include YTD unaudited profit. From Q2 2024: Including updated SREP with 2% expected capital buffer

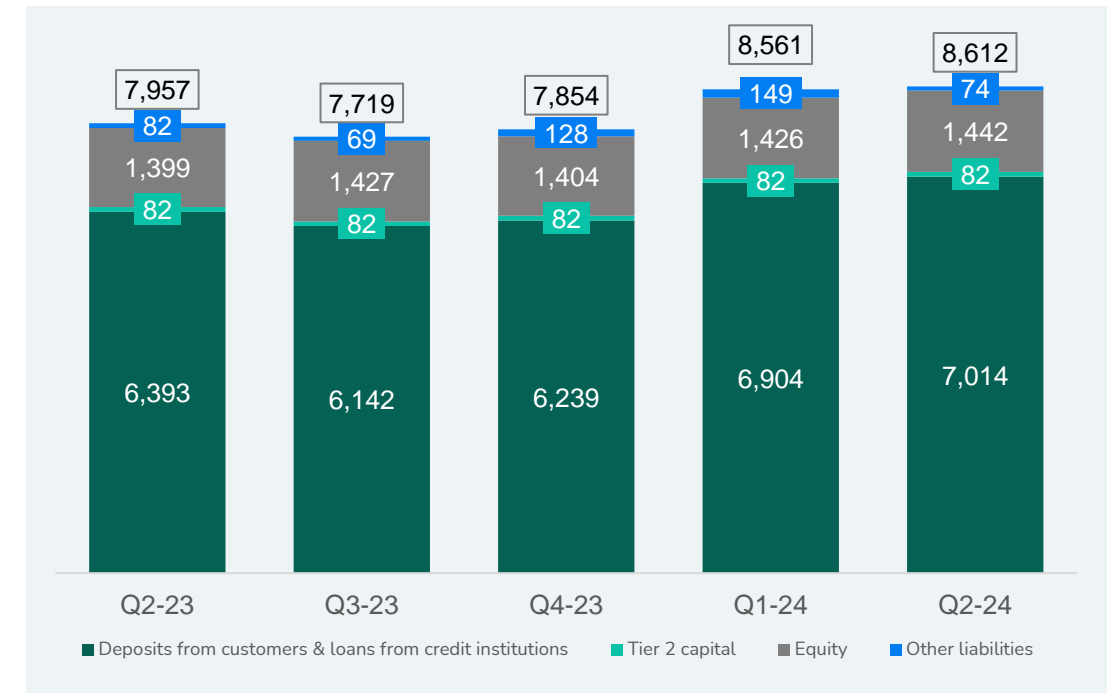
Balance sheet structure

Strong funding and liquidity position

Total assets, MNOK



Equity and liabilities, MNOK



- Deposit ratio: 104%
- Liquidity coverage ratio: 767% total (2,063% NOK, 232% EUR, 213% SEK)
- Net stable funding ratio: 151% total

Income statement

Lea bank Group figures

	Parent	Parent	Parent	Parent	Group	Group
(Amounts in NOK 1 000)	Q2-24	Q2-23	YTD-24	YTD-23	Q2-24	YTD-24
Interest income	204,643	177,777	404,572	338,482	206,102	406,031
Interest expense	-65,982	-40,912	-130,074	-70,105	-65,987	-130,079
Net interest income	138,661	136,865	274,498	268,377	140,114	275,952
Commission and bank services income	10,164	7,481	21,082	16,207	10,164	21,082
Commission and bank services expenses	-1,264	-1,144	-2,507	-2,224	-1,292	-2,536
Net changes in value on securities and currency	10,764	6,056	19,396	5,293	10,748	19,381
Other income	426	72	2,589	84	423	2,587
Net other operating income	20,090	12,466	40,560	19,360	20,044	40,514
Total income	158,751	149,331	315,058	287,737	160,158	316,466
Personnel expenses	-19,049	-15,999	-37,308	-30,934	-20,384	-38,643
General administrative expenses	-22,704	-18,500	-43,930	-38,921	-23,500	-44,726
- hereof marketing expenses	-3,148	-911	-5,884	-1,822	-3,158	-5,893
Depreciation and impairment	-4,031	-3,551	-7,938	-7,017	-4,444	-8,351
Other operating expenses	-2,846	-2,673	-5,407	-5,805	-3,282	-5,843
Total operating expenses	-48,630	-40,724	-94,583	-82,676	-51,611	-97,563
Profit before loan losses	110,120	108,607	220,476	205,061	108,547	218,903
Provision for loan losses	-86,392	-83,552	-165,340	-143,625	-87,756	-166,704
Profit before tax	23,728	25,055	55,135	61,436	20,791	52,198
Tax charge	-4,533	-5,927	-12,036	-14,746	-4,533	-12,036
Profit after tax	19,195	19,128	43,099	46,690	16,258	40,162

Balance sheet

Lea bank Group figures

	Parent	Parent	Parent	Group
(Amounts in NOK 1 000)	30.06.2024	30.06.2023	31.12.2023	30.06.2024
Assets				
Cash and deposits with the central bank	52,947	51,021	51,931	52,947
Loans and deposits with credit institutions	608,366	437,415	350,786	638,565
Loans to customers	6,721,635	6,276,283	6,485,714	6,878,513
Certificates and bonds	906,972	1,044,304	839,681	906,972
Deferred tax asset	45,884	77,010	57,920	46,293
Other intangible assets	46,055	30,206	41,219	48,621
Fixed assets	12,254	6,876	5,133	12,438
Other assets	217,931	33,498	21,258	41,412
Total assets	8,612,042	7,956,614	7,853,642	8,625,760
Liabilities and equities				
Debt to the central bank	0	0	0	0
Deposits from customers	7,014,392	6,393,293	6,239,373	7,014,392
Other liabilities	73,591	82,312	128,307	87,309
Subordinated loans	82,253	81,914	82,084	82,253
Total liabilities	7,170,235	6,557,520	6,449,764	7,183,953
Share capital	190,898	190,348	190,438	190,898
Share premium	663,327	662,360	662,638	663,627
Tier 1 capital	54,424	54,217	54,321	54,424
Other paid-in equity	11,456	14,115	14,556	11,456
Other equity	521,701	478,053	481,925	521,701
Total equity	1,441,808	1,399,094	1,403,878	1,441,808
Total liabilities and equity	8,612,042	7,956,614	7,853,642	8,625,760

Lea bank ASA shareholders

Top 20 shareholder list as of August 12th 2024

	Investor	Shares	Ownership
1	DNB Bank ASA ¹	10,415,351	10.9 %
2	Braganza AB	10,383,899	10.9 %
3	Hjellegjerde Invest AS	7,600,000	8.0 %
4	Skagerrak Sparebank	4,409,380	4.6 %
5	Fondsavanse AS	3,371,048	3.5 %
6	Verdipapirfondet Alfred Berg Norge	3,088,045	3.2 %
7	Verdipapirfondet Alfred Berg Aktiv	2,719,589	2.8 %
8	Vida AS	2,581,654	2.7 %
9	Shelter AS	1,945,486	2.0 %
10	Jenssen & Co AS	1,845,879	1.9 %
11	Lindbank AS	1,838,007	1.9 %
12	Verdipapirfondet Alfred Berg Norge	1,700,000	1.8 %
13	MP Pensjon PK	1,637,767	1.7 %
14	Umico - Gruppen AS	1,565,228	1.6 %
15	Carnegie Investment Bank AB	1,500,000	1.6 %
16	Varde Norge AS	1,260,000	1.3 %
17	Krogsrud Invest AS	1,125,000	1.2 %
18	Sober Kapital AS	1,121,922	1.2 %
19	Thon Holding AS	1,081,211	1.1 %
20	Bara Eiendom AS	883,179	0.9 %
Total top 20 shareholders		62,072,645	65.0 %
Other shareholders		33,444,743	35.0 %
Total number of shares		95,517,388	100.0 %

Comments

- ~1,200 shareholders as of August 12th 2024
- The Lea bank share (ticker LEA) is listed on Oslo Børs Euronext Growth
- Management holds a total of 1,202,014 shares, corresponding to 1.2% of shares
- Members of the board holds a total of 170,295 shares, corresponding to 0.2%
- Current market capitalization of ~770 MNOK

1) Nominee account

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Lea
bank

