Quarterly report Q3 2024

Lea bank ASA

Table of Contents

About Lea bank ASA

Lea bank is a leading digital niche bank with an international distribution platform. The strategy is to deliver attractive terms to customers, leading technological solutions, cost-effective operations, prudent credit risk management, and optimized capital utilization.

Lea bank offers unsecured loans and deposit products to the consumer market. The bank has lending operations in Finland, Norway, Sweden and Spain, and offers deposit products in Sweden, Norway, Germany, Spain, Austria, and France.

Lea bank has a scalable European operation model and leading cloud-based IT solutions with a focus on delivering superior customer experiences.

By using automated loan processing and user-friendly digital products, Lea bank has gained a solid position among Nordic niche banks. The bank has developed a proprietary credit model and offers risk-based pricing to defined customer segments to optimize return on equity.

Lea bank is an independent bank with approximately 1,200 shareholders and is listed on Euronext Growth Oslo with the ticker symbol LEA.

Lea bank is a member of The Norwegian Banks' Guarantee Fund, Finance Norway (trade and employers' association for the financial industry in Norway), and The Association of Norwegian Finance Houses. Deposits up to NOK 2 million are covered by the guarantee scheme fund. Deposits outside Norway are covered up to EUR 100,000.

The bank's headquarter is located at Holbergs gate 21 in Oslo - Norway.

Redomiciliation to Sweden

Lea bank applied for a Swedish banking licence 31.01.2024 through its 100% owned subsidiary Lea Bank AB. On 11.06.2024 the bank was notified by the Swedish Financial Supervisory Authority ("FSA") that a Swedish banking licence had been granted subject to the following conditions:

- The licence must be activated within 12 months
- There must be a minimum equity of 5 million EUR on activation
- The approval is based on the information provided in the application

Lea bank ASA aims to complete the redomiciliation to Sweden through a merger between Lea bank ASA and Lea Bank AB, with Lea Bank AB as the surviving entity. The bank's headquarter will be in Gothenburg. Lea bank's operations in Norway will be organized through a branch of Lea Bank AB.

The merger plan was approved by the bank's shareholders at the extraordinary general meeting held on 26 September 2024, and by the Norwegian FSA on 22 October 2024. The merger plan is awaiting approval from the Swedish FSA. The merger is expected to take place 2 January 2025, pending approval from the Swedish FSA.

Subsequently, the combined company is planned to be listed on Nasdaq Stockholm. The change of listing from Oslo Stock Exchange to Nasdaq Stockholm is expected to take place early in January 2025.

Reporting of subsidiaries

On 22.12.2023 the bank announced that it would enter into strategic partnership with Stena Group in Sweden and acquires its consumer credit business, Captum Group AB. The transaction was completed 01.05.2024 when Captum Group became a 100% owned subsidiary of Lea bank ASA. As a result of this, and and the 100% ownership in Lea Bank AB, Lea bank ASA is reporting Group numbers in addition to the numbers of the parent company Lea bank ASA from Q2 2024. Captum Group AB is expected to be merged into Lea Bank AB on 2 January 2025.

Income statement for Q3 2024 – Lea bank ASA (parent company)

Profit before tax for Q3 2024 was NOK 35.0 million, compared to NOK 38.0 million in Q3 2023. Profit after tax was NOK 26.4 million, compared to NOK 28.9 million in Q3 2023.

Net interest income for the quarter was NOK 135.5 million, an increase of NOK 5.1 million compared to Q3 2023, and a decrease of NOK 3.1 million compared to the previous quarter.

Net other income for the quarter was NOK 21.2 million, an increase of NOK 1.4 million compared to Q3 2023, and an increase of NOK 1.2 million compared to the previous quarter.

Total income was NOK 156.8 million, compared to NOK 150.3 million in the same quarter of 2023 and 158.8 in the previous quarter.

Total operating expenses were NOK 48.1 million compared to NOK 44.5 million in Q3 2023 and NOK 48.6 million in the previous quarter. Increase in operating expenses compared to last year is mainly related to the following:
-increased marketing and IT spend related to new deposit offerings in Sweden and Finland
-the remaining cost increase is related to support of the strategic plan to redomicile the bank

Losses on loans were NOK 73.6 million compared to NOK 67.8 million in Q3 2023 and a decrease of NOK 12.8 million compared to the previous quarter. Annualized loan losses for the quarter were 4,0%, a decrease of 0.1 percentage points compared to same quarter last year and a decrease of 0.8 percentage points compared to previous quarter.

Balance sheet as of 30.09.2024 – Lea bank ASA (parent company)

Loan development has an underlying stable development throughout the quarter, as gross loans increased by NOK 140 million, adjusted for currency effects gross loans decreased by NOK 10 million. Gross loans amounted to NOK 7,353 million as of 30.09.2024, compared to NOK 7,213 million in the previous quarter and NOK 6,607 million as of 30.09.2023.

Total assets amounted to NOK 8,672 million as of 30.09.2024, compared to NOK 7,719 million as of 30.09.2023.

Deposits to customers amounted to NOK 7,058 million as of 30.09.2024, compared to NOK 6,142 million as of 30.09.2023. The deposit growth in the quarter was NOK 44 million.

Total equity amounted to NOK 1,468 million, compared to NOK 1,427 million as of 30.09.2023. See note 4 for information on capital adequacy.

Deposits with other banks and liquid assets amounted to NOK 1,480 MNOK. Liquid assets were invested in the Central Bank of Norway, other Norwegian banks, certificates and government bonds, and funds invested in preferred stock bonds and liquidity funds.

The total capital adequacy ratio (tier 2) was 20.50%, the tier 1 capital adequacy ratio (tier 1) was 19.29%, and common equity capital adequacy ratio (CET 1) was 18.49% at the end of the quarter. The interim financial statement has not been audited. Including the profit for the quarter, the capital adequacy ratios would have been 21.52%, 20.31%, and 19.51%, respectively.

The Liquidity Coverage Ratio (LCR) was 683% (1447% in NOK, 270% in EUR and 172% in SEK) and the Net Stable Funding Ratio (NSFR) was 150% as of 30.09.2024.

The bank had a solid liquidity position at the end of the quarter, which is expected to continue.

Group consolidated accounts

Profit before tax for Q3 2024 was NOK 29.8 million, and Profit after tax was NOK 21.2 million. Group financial profits were affected by scaling up the Swedish presence through the setup of Lea Bank AB as well as the business setup of Captum Group AB.

Total assets amounted to NOK 8,678 million as of 30.09.2024. The Group subsidiaries are funded through Lea bank ASA, and subsidiaries loan balance amounted to NOK 155 million as of 30.09.2024.

The total capital adequacy ratio (tier 2) was 20.92%, the tier 1 capital adequacy ratio (tier 1) was 19.69%, and common equity capital adequacy ratio (CET 1) was 18.88% at the end of the quarter. The interim financial statement has not been audited. Including the profit for the quarter, the capital adequacy ratios would have been 21.83%, 20.60%, and 19.79%, respectively.

Outlook

The bank will continue its strategy of becoming a leading digital niche bank with consumer financing offering in attractive geographical markets. Lea bank has lending operations in Finland, Norway, Sweden, Spain, and a scalable international operation model.

The focus is to deliver attractive returns for the shareholders, efficient operations, an exciting workplace for the bank's employees, and offer superior customer experiences for the bank's customers and partners.

Focus areas going forward is:

1. *Core business*
   - More optimistic outlook for consumer finance driven by lower interest and lower pressure on households
   - Adapting risk appetite and growth in line with market conditions
   - Continue to closely monitor customer behaviour and supporting customers through temporary challenges
2. *Migration from Norway to Sweden*
   - Obtain necessary approvals from the Swedish FSA, and Nasdaq
   - Positioning the bank for activation of Swedish banking license from early 2025
   - Build Lea Bank 2.0 as a leading consumer bank – balancing growth and dividends

There is general uncertainty related to future conditions, regulatory framework and development that may affect the bank's economic development.

Comprehensive income statement

(Amounts in NOK 1 000)	Note	Parent Q3-24	Parent Q3-23	Parent YTD-24	Parent YTD-23	Group Q3-24	Group YTD-24
Interest income		204,434	180,386	609,006	518,868	206,832	616,222
Interest expense		-68,906	-49,948	-198,980	-120,053	-68,906	-202,341
Net interest income		**135,528**	**130,438**	**410,026**	**398,815**	**137,926**	**413,881**
Commission and bank services income		10,420	8,083	31,502	24,290	10,420	31,502
Commission and bank services expenses		-1,029	-1,079	-3,537	-3,303	-1,082	-3,618
Net changes in value on securities and currency		11,694	12,841	31,090	18,134	10,306	29,684
Other income		177	51	2,767	136	178	2,765
Net other operating income		**21,262**	**19,897**	**61,822**	**39,257**	**19,822**	**60,333**
Total income		**156,790**	**150,335**	**471,848**	**438,072**	**157,748**	**474,214**
Personnel expenses		-18,806	-16,542	-56,114	-47,475	-21,428	-60,071
General administrative expenses		-22,473	-22,180	-66,403	-61,101	-23,899	-68,625
- hereof marketing expenses		*-1,382*	*-2,708*	*-7,266*	*-4,530*	*-1,382*	*-7,276*
Depreciation and impairment		-4,178	-3,822	-12,115	-10,839	-3,788	-12,140
Other operating expenses		-2,670	-1,949	-8,077	-7,754	-3,532	-9,375
Total operating expenses		**-48,127**	**-44,492**	**-142,710**	**-127,168**	**-52,646**	**-150,210**
Profit before loan losses		**108,663**	**105,843**	**329,138**	**310,904**	**105,102**	**324,005**
Provision for loan losses	2	-73,613	-67,823	-238,954	-211,449	-75,259	-241,963
Profit before tax		**35,049**	**38,019**	**90,184**	**99,455**	**29,843**	**82,041**
Tax charge		-8,644	-9,133	-20,680	-23,878	-8,644	-20,680
Profit after tax		**26,405**	**28,886**	**69,504**	**75,577**	**21,198**	**61,361**
Earnings per share (NOK)		**0.28**	**0.30**	**0.73**	**0.79**	**0.22**	**0.64**
Diluted earnings per share (NOK)		**0.25**	**0.29**	**0.67**	**0.77**	**0.20**	**0.59**
Comprehensive income							
Profit after tax		26,405	28,886	69,504	75,577	21,198	61,361
Other comprehensive income		-	-	-		-	-
Comprehensive income for the period		**26,405**	**28,886**	**69,504**	**75,577**	**21,198**	**61,361**

Balance sheet

(Amounts in NOK 1 000)	Note	Parent 30.09.2024	Parent 30.09.2023	Parent 31.12.2023	Group 30.09.2024
Assets					
Cash and deposits with the central bank		53,481	51,448	51,931	53,481
Loans and deposits with credit institutions		500,636	302,452	350,786	587,686
Loans to customers	2	6,822,254	6,244,695	6,485,714	6,970,344
Certificates and bonds		926,229	987,251	839,681	926,329
Deferred tax asset		37,240	67,877	57,920	37,598
Other intangible assets		49,676	34,647	41,219	49,676
Fixed assets		11,228	5,559	5,133	11,401
Other assets		271,221	25,462	21,258	41,904
Total assets		**8,671,965**	**7,719,392**	**7,853,642**	**8,678,419**
Liabilities and equities					
Debt to the central bank		0	0	0	0
Deposits from customers		7,057,856	6,141,604	6,239,373	7,057,856
Other liabilities	6	64,180	68,829	75,937	70,635
Subordinated loans	3	82,338	81,999	82,084	82,338
Total liabilities		**7,204,374**	**6,292,432**	**6,397,394**	**7,210,829**
Share capital		191,035	190,425	190,438	191,035
Share premium		663,710	662,599	662,638	663,710
Tier 1 capital		54,477	54,269	54,321	54,477
Other paid-in equity		11,946	14,356	14,556	11,946
Other equity		546,424	505,311	534,296	546,424
Total equity	**4,5,7**	**1,467,591**	**1,426,960**	**1,456,249**	**1,467,591**
Total liabilities and equity		**8,671,965**	**7,719,392**	**7,853,642**	**8,678,419**

Statement of changes in equity

Amounts in NOK 1 000	Share capital	Share premium	Tier 1 capital	Other paid-in capital	Other equity	Total
Equity per 30.06.2024	**190,898**	**663,327**	**54,943**	**10,938**	**521,701**	**1,441,808**
Cost Tier 1 capital	-	-	-	-	-1,630	-1,630
Changes Tier 1 capital	-	-	52	-	-52	-
Share issue	137	382	-519	-	-	0
Share options				1,008	-	1,008
Profit after tax	-	-	-	-	26,405	25,322
Dividend	-	-	-	-		-
Equity per 30.09.2024	**191,035**	**663,710**	**54,477**	**11,946**	**546,424**	**1,467,591**

Cashflow statement

Cash flow In thousand NOK	Parent Q1-Q3 2024	Parent Q1-Q3 2023	Parent 2023	Group Q1-Q3 2024
Cash flow from operating activities				
Profit/(loss) before tax	90,184	109,412	140,081	82,041
Depreciation	12,115	10,839	14,786	12,115
Change in gross loans to customers	-259,214	-97,038	-376,919	-304,388
Effects of currency on loans to customers	-180,242	-223,284	-249,413	-180,242
Change in deposits from and debt to customers	586,033	62,369	164,848	586,033
Effects of currency on deposits from and debt to customers	232,450	287,901	283,192	232,450
Change in accruals and other adjustments	51,254	-90,730	-5,684	-64,808
Net cash flow from operating activities	**532,581**	**59,469**	**-29,110**	**363,201**
Net cash from investing activities				
Payments for investments in fixed assets	-227	-164	-247	-227
Payments for investments in intangible assets	-16,720	-14,138	-21,546	-16,720
Payments for subsidiary	-253,201			-
Payments certificates and bonds	-278,417	-536,965	-562,041	-278,417
Sale of certificates and bonds	234,071	556,908	731,602	234,071
Net cash flow from investing activities	**-314,493**	**5,640**	**147,767**	**-61,292**
Cash flow from financing activities				
Lease payments	-3,228	-3,708	-4,752	-
Payment to AT2 capital investors	-6,216	-5,530	-7,593	-6,216
Payment to AT1 capital investors	-4,873	-4,393	-6,016	-4,873
Dividend payment	-52,371	-70,182	-70,182	-52,371
Net cash flow from financing activities	**-66,687**	**-83,813**	**-88,543**	**-63,459**
Effects of currency on loans and deposits with credit institutions in the period	151,400	-18,704	30,115	238,450
Cash and cash equivalents at the start of the period	402,717	372,603	372,603	402,717
Cash and cash equivalents at the end of the period	**554,118**	**353,899**	**402,717**	**641,167**
Of which:				
Loans and deposits with credit institutions	*554,118*	*353,899*	*402,717*	*641,167*

Note 1 – General accounting principles

1.1 Company information

Lea bank ASA is a Norwegian public limited company with a business address at Holbergs gate 21, 0166 Oslo - Norway.

Lea bank is a leading digital niche bank with an international distribution platform. The bank offers unsecured loans and deposit products to the consumer market and has lending activities in Finland, Norway, Sweden, and Spain.

Lea bank ASA owns 100% of the shares in Lea Bank AB and Captum Group AB.

1.2 Basis for preparation of the financial statements

The financial statements for Lea Bank ASA have been prepared in accordance with IFRS® Accounting Standards as approved by the EU.
The condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

Unless otherwise stated, amounts in the notes are given in thousands of Norwegian kroner.

The Bank acquired 100% of the shares in Captum Group AB 1st May 2024. Group consolidated numbers include Lea bank ASA and its subsidiaries Captum Group AB and Lea Bank AB.

The interim financial statement is not audited.

1.3 Summary of the main accounting principles

1.3.1 Revenue recognition

Interest income is recognized using the effective interest method. This involves recognizing interest income on an ongoing basis, with the addition of amortization of establishment fees. The effective interest rate is determined by discounting contracted cash flows within expected maturity. Cash flows include establishment fees, as well as any residual value at the end of the expected maturity.

Revenue recognition of interest using the effective interest method is used for balance sheet items that are valued at amortized cost. For interest-bearing balance sheet items that are valued at fair value through profit or loss, the nominal interest is recognized on an ongoing basis, while other changes in value are presented as "Net change in value and gains/losses on currency and financial instruments." Interest income on engagements that are credit impaired is calculated using the effective interest rate on the written down value. Interest income on engagements that are not credit impaired is calculated using the gross effective interest rate (amortized cost before provision for expected losses).

The effective interest rate is the rate that makes the present value of future cash flows within the expected maturity of the loan equal to the book value of the loan at initial recognition. Cash flows include establishment fees, as well as any residual value at the end of the expected maturity.

Fees and commissions are recognized as revenue as the service is provided. Fees for the establishment of loan agreements are included in cash flows when calculating amortized cost and recognized as revenue under net interest income using the effective interest method. Payment of fees to loan intermediaries for consumer loans is spread over the expected maturity.

Dividends from investments are recognized at the time the dividend is approved at the general meeting.

1.3.2 Financial Instruments

Recognition and derecognition of Financial Instruments
Financial assets and liabilities are recognized on the balance sheet at the time the bank becomes a party to the contractual terms of the instrument. Common purchases and sales of investments are recorded t the time of agreement. Financial assets are removed from the balance sheet when the rights to receive cash flows from the investment cease or when these rights have been transferred and the bank has substantially transferred the risks and entire profit potential of ownership. Financial liabilities are derecognized when the rights to the contractual terms have been fulfilled, cancelled or expired.

Classification and Subsequent Measurement of Financial Instruments
Financial instruments are classified into one of the following measurement categories upon initial recognition.

Financial assets:
amortized cost (AC)
fair value through profit or loss (FVPL) or;

Financial assets are classified based on an assessment of the bank's business model for managing assets and the contractual cash flow characteristics of the instrument. Financial assets with contractual cash flows that are solely payments of principal and interest on specified dates and held in a business model whose objective is to collect contractual cash flows are measured at amortized cost. Other financial assets are measured at fair value through profit or loss. Based on this, "Cash and cash equivalents", "Loans and receivables from credit institutions and financing companies" and "Loans from customers" are measured at amortized cost, but the bank's holdings of "Interest-bearing securities" and "Shares, and other equity instruments" are measured at fair value through profit or loss.

Financial liabilities:
Amortized cost

This category consists of “Deposits from customers”.

Measurement at fair value
Financial assets and liabilities that are measured at fair value through profit or loss are recognized at fair value upon acquisition and transaction costs are recognized in profit or loss. The items are subsequently measured at fair value in subsequent periods.

The fair value of financial instruments traded in active markets is based on market prices on the balance sheet date.
The fair value of financial instruments not traded in an active market is determined using valuation techniques.

Measurement at amortized cost
All financial assets not measured at fair value are initially recognized at fair value with transaction costs added, and other liabilities recognized at amortized cost are initially recognized at fair value with transaction costs deducted.
Amortized cost is determined by discounting the contractual cash flows over the expected life. The cash flows include establishment fees and direct, marginal transaction costs not directly paid by the customer, as well as any residual value at the end of the expected life. Amortized cost is the present value of such cash flows, discounted at the effective interest rate, with an allowance for expected losses.

Impairment of financial assets
Under IFRS 9, impairment losses are recognized based on expected credit losses.
The measurement of the provision for expected losses in the general model depends on whether the credit risk has increased significantly since initial recognition. At initial recognition and when the credit risk has not increased significantly since initial recognition, the provisions are based on 12-month expected credit losses ("stage 1"). 12-month expected credit losses are the losses expected to occur over the life of the instrument but that can be attributed to events occurring in the first 12 months.
If the credit risk, assessed as the probability of default over the remaining life of an asset or group of assets, is considered to have increased significantly since initial recognition, a provision for expected losses equal to the present value, determined using the effective interest rate, of the expected loss over the entire expected life of the instrument must be made, and the asset must be reclassified to stage 2. If a credit event occurs, the instrument is moved to stage 3.
The bank has defined expected life as the expected time horizon associated with the first occurrence of default or full payment of interest and principal on the claim. The bank looks at changes in the risk of default since initial recognition to determine if an asset has experienced a significant increase in credit risk. The bank considers a commitment to be impaired/defaulted when the loan is more than 90 days past due, the customer has been transferred to a debt collection agency for recovery of the claim, there is a death, or cases where there is suspicion of fraud.
In the event of bankruptcy or a court judgment, the bank records commitments affected by such circumstances as incurred losses (write-offs). This also applies in cases where the bank has otherwise ceased recovery or waived parts of or the entire commitment.

Model Characteristics
The bank uses a loss model to calculate loss provisions. The model includes, among other things, the probability of default (PD), discount rate, exposure at default (EAD), and loss given default (LGD).

The bank uses various indicators to assess whether an asset has had a significant increase in the risk of default. This information is based on the actual behavior of customers, and the bank has established a range of rules that it has identified as triggers for a significant increase in credit risk.

The models provide an estimate of PD, which involves separate LGD loss models that run both before and after default. The bank uses models for exposures at the time of default. Triggers are used to classify accounts into three stages:

Stage 1: "12-month expected loss"

Stage 2: "Significant increase in credit risk compared to initial recognition"
Stage 3: "Credit-impaired"

All defaulted engagements are placed in stage 3 of the model. Engagements that have had a significant increase in credit risk since initial recognition are allocated to stage 2. The remaining engagements are included in stage 1.

Default is defined as engagements that are more than 90 days past due according to the agreed payment plan and the overdue amount is at least € 100 in the respective local currency. On December 31, 2022, the bank switched to a new definition of default, which is in line with the definition used by the EBA (Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013). The "last in, first out" (LIFO) principle is applied, where the most recent overdue invoice is covered first. This is different from the previous default definition where the oldest overdue invoice was covered first. This new principle means that a customer who consistently falls 30 days behind schedule will roll over into default.

To assess whether an engagement has had a significant increase in credit risk and should be transferred from stage 1 to stage 2 in the model, two main tests are conducted. The first test, the PD test, checks whether two criteria are met for an engagement to be considered to have had a significant increase in credit risk (SICR). The first criterion is a relative measurement of PD, which means that the observed PD on the reporting date must be at least three times higher than the expected PD calculated on the recognition date. The second criterion measures the absolute change in PD and requires it to be at least three percentage points higher, if the increase in credit risk is to be considered significant. Both criteria in the first test must be met for the engagement to be considered to have had a significant increase in credit risk. The second test serves as a backstop and involves moving the engagement to stage 2 if it is at least 30 days overdue, regardless of the result in the first test to stage 2.

In addition to the two tests, the bank also used information regarding approved payment relief (forbearance), as well as information regarding defaults on other products, to assess whether an engagement has had a significant increase in credit risk. Engagements with forbearance where the present value of future cash flows is reduced by more than 1% or there are multiple forbearance events are reported in stage 3. The volume of engagements with forbearance flag at the reporting date is specified in the loan note in the corresponding overview showing changes in gross loans.

A loan that has migrated to stage 2 can migrate back to stage 1, provided it no longer meets any of the criteria or conditions described in the paragraphs above. There is no explicit quarantine before a loan can migrate from stage 2 to stage 1. Loans in default (stage 3) will migrate to stage 1 or 2 when they are no longer classified as defaults, unless they are purchased defaulted loans or loans originally assessed as credit-impaired.

The bank has developed models for the expected lifetime of all unsecured loans per country, measured against repayment agreements and current repayment patterns. The chosen methodology for each model is based on the respective maturity of the portfolio as well as the availability of data in the respective markets. The models are continuously validated. This includes validation on out of time sample.

The PD, LGD, and EAD models use an adjustment factor based on macro assessments for each product and country. Through simulations, an expected, an upper, and a lower scenario for expected losses are established where the model weights in the management's assessment of the likely macro picture. Significant macro variables are defined as GDP, unemployment, and interest rates. For engagements with SME and mortgage customers, the portfolio is of insignificant size, and the bank has therefore not applied a quantitative model.

The bank segments the portfolio into groups of loans with common risk characteristics and calculates expected credit losses (ECL) for each segment. The expected credit loss (ECL) is calculated as a product of a defined set of parameters tailored to the characteristics of each segment. The formula used is: ECL = PD * EAD * LGD.

The bank’s Swedish and Spanish portfolios currently lack sufficient historical data to develop PD, LGD or SICR factors. For these countries, the bank has opted to use application-based PD to estimate PD for all engagements in stage 1. For engagements in stage 2, PD values are distributed across days overdue, indicating the likelihood that the customer will transition to stage 3 within the next 12 months. The LGD rates for these two portfolios are based on observed rates in other countries where the bank operates, combined with prices obtained from the respective markets. In these markets, the bank does not operate with SICR factors, and only a back-stop mechanism leads to contract migration from stage 1 to stage 2.

Cash and deposits with the central bank
The bank's credit risk related to "Cash and balances with central banks" is exclusively towards Norges Bank. Norges Bank is rated Aaa by Moody's and AAA/A-1+ by S&P, and therefore has low credit risk. The bank assesses that the presumption of low credit risk is fulfilled and does not make any provisions for losses related to this balance item.

Loans and deposits with credit institutions
"Loans and deposits with credit institutions" are towards Norwegian financial institutions with good ratings and are thus considered to meet the presumption of low credit risk under the standard. The bank assesses that this, combined with LGD, will result in insignificant provisions for losses, and therefore has not made any provisions for losses related to this balance item.

1.3.3 Fixed assets and intangible assets

Fixed assets and intangible assets are recorded on the balance sheet at acquisition cost, less accumulated ordinary depreciation and any impairment losses.

Ordinary depreciation is based on acquisition cost and is linearly distributed over the estimated economic life of the asset. There have been no changes to the depreciation schedules.

If the fair value of a property, plant and equipment asset is significantly lower than the book value and the impairment is not expected to be temporary, the asset is written down to fair value.

The bank's lease agreement for office space falls under IFRS 16. At initial recognition, the lease liability and the right-of-use asset are measured at the present value of future lease payments and are amortized in the accounts.

1.3.4 Currency
Losses or gains due to foreign exchange rates that arise from payments made to foreign countries are recognized as income or expenses at the time of the transaction in NOK.

1.3.5 Taxes

Deferred tax and deferred tax assets are recognized in accordance with NRS (F) on income tax. The tax expense in the income statement includes both the current payable tax and the change in deferred tax. The change in deferred tax is related to the tax effect of temporary differences in results and changes in losses carried forward.

Deferred tax assets in the balance sheet can only be recognized as an asset in the balance sheet if it can be held to be more likely than not that the company will have a taxable income in a future accounting year that makes it possible to utilize the benefit.

1.3.6 Financial derivatives

The estimated value of options is expensed continuously in the income statement in line with the accrual, with the offset recorded in other contributed equity in the balance sheet.

Freestanding subscription rights are recognized as an intangible asset with the offset recorded in other contributed equity. The asset is depreciated on a straight-line basis over five years.

In cases where the bank has entered into forward flow agreements for defaulted loans, these agreements are defined as financial derivatives. The bank has concluded that the value of the financial derivatives is not material and therefore the agreement is not recognized in the balance sheet. This assessment is based on a comparison of the LGD rates that the bank realizes with the forward flow agreement compared to the LGD rates observed in the market for comparable banks with comparable products.

1.3.7 Pension

The bank is subject to the Mandatory Occupational Pension Act and has a deposit-based pension scheme that covers all employees. Contributions to the scheme are made continuously, and the bank has no obligations beyond the ongoing contributions to the scheme.

1.3.8 Assessments and estimates

In preparing the financial statements, management has made judgments, estimates, and assumptions that affect the application of the bank's accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed continuously. Changes in estimates are recognized as they arise.

Information about judgments made in the application of accounting policies that have the most significant effect on the amounts presented in the financial statements is included in the following notes:

Note 2: including establishing the criteria for when a significant increase in credit risk has occurred since initial recognition, determining the methodology for incorporating forward-looking information in the measurement of ECL (Expected Credit Loss), and choosing the models used to measure ECL.

Note 2 – Gross loans and loan loss provisions

2.1 Gross loans, undrawn credit lines, and expected credit losses

Gross loans, undrawn credit lines, and expected credit losses per product and country - 30.09.2024 (Lea bank – parent company)

				Gross loans				Loan loss provisions (ECL)				Net loans			
	Gross loans	Of which agent-comm/ fees	Off-balance	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Consumer loans															
Norway	2,727,675	74,175	99,371	2,216,877	220,338	290,461	2,727,675	29,829	27,781	105,236	162,846	2,187,048	192,557	185,224	2,564,829
Finland	3,014,114	29,563	81,814	2,316,830	239,974	457,310	3,014,114	34,554	33,532	133,218	201,304	2,282,276	206,442	324,092	2,812,810
Sweden	1,145,656	31,496	26,961	848,798	35,158	261,700	1,145,656	16,649	6,383	82,459	105,491	832,148	28,775	179,241	1,040,165
Spain	444,303	14,037	3,146	377,420	12,797	54,086	444,303	10,492	6,534	40,274	57,301	366,929	6,262	13,812	387,003
SME and mortgages				-	-	-	-	-	-	-	-	-	-	-	-
Norway	20,947	-	-	20,947	-	-	20,947	3,500	-	-	3,500	17,447	-	-	17,447
Total	**7,352,695**	**149,272**	**211,292**	**5,780,872**	**508,267**	**1,063,556**	**7,352,695**	**95,024**	**74,230**	**361,187**	**530,441**	**5,685,848**	**434,037**	**702,369**	**6,822,254**

2.2 Specification of credit losses on loans and guarantees (Lea bank – parent company) *

Amounts in NOK 1000	**Q3 2024**
Loan loss provisions - 12 months expected credit loss (stage 1)	-4,894
Loan loss provisions - lifetime expected credit loss (stage 2)	4,380
Loan loss provisions - lifetime expected credit loss (stage 3)	39,797
Realized losses and NPL-interest in the period	34,331
Loans losses in the period	**73,613**

** The bank has no issued guarantees as of 30.09.2024*
*** Contractually regulated outstanding amounts for financial assets that were written off during the reporting period, and which are still subject to enforcement activities, are insignificant for the financial statements*

2.3 Gross loans, undrawn credit lines and maximum exposure per risk class - 30.09.2024 (Lea bank – parent company)

Risk class, amounts in NOK 1 000	Probability of default	Gross loans	Off-balance	Max exposure	Of which stage 1	Of which stage 2	Of which stage 3
A	0 - 10 %	5,022,778	211,292	5,234,070	5,201,357	32,713	-
B	10 - 20 %	677,188	-	677,188	618,554	58,635	-
C	20 - 30 %	191,524	-	191,524	101,200	90,324	-
D	30 - 40 %	118,088	-	118,088	37,044	81,045	-
E	40 - 50 %	107,150	-	107,150	19,058	88,093	-
F	50 - 60 %	69,878	-	69,878	7,694	62,184	-
G	60 - 70 %	33,556	-	33,556	2,743	30,813	-
H	70 - 80 %	14,215	-	14,215	535	13,679	-
I	80 - 90 %	35,478	-	35,478	-	35,478	-
J	90 - 100 %	19,284	-	19,284	2,164	17,120	-
Defaulted loans	100 %*	1,063,556	-	1,063,556	-	-	1,063,556
Total		**7,352,695**	**211,292**	**7,563,987**	**5,990,348**	**510,083**	**1,063,556**

Risk classes are grouped by probability of default (12-month PD) into groups from A to J, where group A is the group with the lowest risk and group J is the group with the highest risk. Defaulted loans are separated into their own group. *Parts of the volume in stage 3 have PD lower than 100%. This applies to loans that are in stage 3 due to the new definition of default and/or are in quarantine.

2.4 Changes in gross loans and loan loss provisions.

Total consumer loans - 01.07.2024 - 30.09.2024 (Lea bank – parent company)

Reconciliation of gross loans

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2024	**5,758,977**	**477,572**	**976,245**	**7,212,794**
transfers				
- transfers from stage 1 to stage 2	-271,382	271,382	-	-
- transfers from stage 1 to stage 3	-37,454	-	37,454	-
- transfers from stage 2 to stage 3	-	-138,011	138,011	-
- transfers from stage 3 to stage 2	-	18,773	-18,773	-
- transfers from stage 2 to stage 1	78,510	-78,510	-	-
- transfers from stage 3 to stage 1	18,841	-	-18,841	-
New financial assets issued	712,493	3,477	475	716,445
Financial assets derecognized in the period	-366,456	-47,595	-61,401	-475,453
Partial repayments	-226,599	-7,937	-14,086	-248,622
Currency effects	113,943	9,116	24,472	147,531
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2024	**5,780,872**	**508,267**	**1,063,556**	**7,352,695**
- of which loans with payment concessions	-	158	41,492	41,651

Reconciliation of total expected credit losses

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2024	**99,918**	**69,851**	**321,390**	**491,159**
transfers				
- transfers from stage 1 to stage 2	-8,572	8,572	-	-
- transfers from stage 1 to stage 3	-1,724	-	1,724	-
- transfers from stage 2 to stage 3	-	-25,476	25,476	-
- transfers from stage 3 to stage 2	-	2,814	-2,814	-
- transfers from stage 2 to stage 1	9,329	-9,329	-	-
- transfers from stage 3 to stage 1	3,187	-	-3,187	-
New financial assets issued	10,021	129	146	10,296
Financial assets derecognized in the period	-5,554	-7,665	-17,268	-30,487
Changes in measurements*	-13,593	33,850	28,123	48,380
Currency effects	2,011	1,485	7,597	11,093
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2024	**95,024**	**74,230**	**361,187**	**530,441**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*
PD (probability of default), LGD (loss given default), EAD (exposure at default)

Reconciliation of gross loans – consumer loans Norway

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2024	**2,205,553**	**183,392**	**265,739**	**2,654,685**
transfers				
- transfers from stage 1 to stage 2	-115,805	115,805	-	-
- transfers from stage 1 to stage 3	-8,143	-	8,143	-
- transfers from stage 2 to stage 3	-	-41,409	41,409	-
- transfers from stage 3 to stage 2	-	8,360	-8,360	-
- transfers from stage 2 to stage 1	31,875	-31,875	-	-
- transfers from stage 3 to stage 1	5,393	-	-5,393	-
New financial assets issued	403,624	2,458	-	406,082
Financial assets derecognized in the period	-195,757	-11,193	-5,897	-212,847
Partial repayments	-109,864	-5,199	-5,181	-120,244
Currency effects	-	-	-	-
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2024	**2,216,877**	**220,338**	**290,461**	**2,727,675**
- of which loans with payment concessions	-	158	17,285	17,443

Reconciliation of total expected credit losses – consumer loans in Norway

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2024	**31,034**	**22,888**	**94,335**	**148,257**
transfers				
- transfers from stage 1 to stage 2	-3,258	3,258	-	-
- transfers from stage 1 to stage 3	-415	-	415	-
- transfers from stage 2 to stage 3	-	-5,337	5,337	-
- transfers from stage 3 to stage 2	-	1,272	-1,272	-
- transfers from stage 2 to stage 1	3,651	-3,651	-	-
- transfers from stage 3 to stage 1	731	-	-731	-
New financial assets issued	5,573	79	-	5,652
Financial assets derecognized in the period	-2,937	-1,414	-2,374	-6,725
Changes in measurements*	-4,551	10,687	9,525	15,662
Currency effects	-	-	-	-
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2024	**29,829**	**27,781**	**105,236**	**162,846**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*

Reconciliation of gross loans – consumer loans Finland

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2024	**2,419,711**	**255,455**	**444,232**	**3,119,397**
transfers				
- transfers from stage 1 to stage 2	-114,820	114,820	-	-
- transfers from stage 1 to stage 3	-12,410	-	12,410	-
- transfers from stage 2 to stage 3	-	-65,254	65,254	-
- transfers from stage 3 to stage 2	-	9,807	-9,807	-
- transfers from stage 2 to stage 1	43,094	-43,094	-	-
- transfers from stage 3 to stage 1	8,075	-	-8,075	-
New financial assets issued	87,188	-	475	87,663
Financial assets derecognized in the period	-113,179	-36,136	-53,391	-202,706
Partial repayments	-72,986	-3,098	-7,698	-83,783
Currency effects	72,157	7,474	13,910	93,541
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2024	**2,316,830**	**239,974**	**457,310**	**3,014,114**
- of which loans with payment concessions	-	-	22,239	22,239

Reconciliation of total expected credit losses – consumer loans in Finland

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2024	**39,064**	**35,969**	**127,488**	**202,520**
transfers				
- transfers from stage 1 to stage 2	-4,033	4,033	-	-
- transfers from stage 1 to stage 3	-838	-	838	-
- transfers from stage 2 to stage 3	-	-10,827	10,827	-
- transfers from stage 3 to stage 2	-	1,410	-1,410	-
- transfers from stage 2 to stage 1	4,879	-4,879	-	-
- transfers from stage 3 to stage 1	947	-	-947	-
New financial assets issued	1,141	-	146	1,287
Financial assets derecognized in the period	-1,750	-6,205	-14,086	-22,041
Changes in measurements*	-5,934	12,981	6,625	13,671
Currency effects	1,079	1,049	3,738	5,867
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2024	**34,554**	**33,532**	**133,218**	**201,304**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*

Reconciliation of gross loans – consumer loans Sweden

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2024	**769,235**	**27,471**	**224,562**	**1,021,268**
transfers				
- transfers from stage 1 to stage 2	-31,385	31,385	-	-
- transfers from stage 1 to stage 3	-12,868	-	12,868	-
- transfers from stage 2 to stage 3	-	-23,272	23,272	-
- transfers from stage 3 to stage 2	-	544	-544	-
- transfers from stage 2 to stage 1	2,899	-2,899	-	-
- transfers from stage 3 to stage 1	4,574	-	-4,574	-
New financial assets issued	146,913	755	-	147,668
Financial assets derecognized in the period	-33,424	-266	-1,892	-35,582
Partial repayments	-27,184	196	-872	-27,860
Currency effects	30,039	1,244	8,878	40,161
Changes due to model modifications and risk parametres	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2024	**848,798**	**35,158**	**261,700**	**1,145,656**
- of which loans with payment concessions	-	-	1,968	1,968

Reconciliation of total expected credit losses – consumer loans in Sweden

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2024	**16,597**	**4,948**	**69,656**	**91,201**
transfers				
- transfers from stage 1 to stage 2	-867	867	-	-
- transfers from stage 1 to stage 3	-321	-	321	-
- transfers from stage 2 to stage 3	-	-4,030	4,030	-
- transfers from stage 3 to stage 2	-	90	-90	-
- transfers from stage 2 to stage 1	429	-429	-	-
- transfers from stage 3 to stage 1	972	-	-972	-
New financial assets issued	1,563	31	-	1,594
Financial assets derecognized in the period	-564	-45	-642	-1,252
Changes in measurements*	-1,764	4,719	7,557	10,513
Currency effects	604	232	2,599	3,435
Changes due to model modifications and risk parametres	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2024	**16,649**	**6,383**	**82,459**	**105,491**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*

Reconciliation of gross loans – consumer loans Spain

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2024	**342,581**	**11,254**	**41,711**	**395,546**
transfers				
- transfers from stage 1 to stage 2	-9,373	9,373	-	-
- transfers from stage 1 to stage 3	-4,033	-	4,033	-
- transfers from stage 2 to stage 3	-	-8,076	8,076	-
- transfers from stage 3 to stage 2	-	61	-61	-
- transfers from stage 2 to stage 1	642	-642	-	-
- transfers from stage 3 to stage 1	800	-	-800	-
New financial assets issued	74,768	264	-	75,032
Financial assets derecognized in the period	-23,146	-	-222	-23,367
Partial repayments	-16,565	164	-334	-16,735
Currency effects	11,747	398	1,683	13,829
Changes due to model modifications and risk parametres	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2024	**377,420**	**12,797**	**54,086**	**444,303**
- of which loans with payment concessions	-	-	-	-

Reconciliation of total expected credit losses – consumer loans in Spain

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2024	**9,723**	**6,045**	**29,912**	**45,680**
transfers				
- transfers from stage 1 to stage 2	-413	413	-	-
- transfers from stage 1 to stage 3	-150	-	150	-
- transfers from stage 2 to stage 3	-	-5,282	5,282	-
- transfers from stage 3 to stage 2	-	42	-42	-
- transfers from stage 2 to stage 1	370	-370	-	-
- transfers from stage 3 to stage 1	537	-	-537	-
New financial assets issued	1,744	18	-	1,763
Financial assets derecognized in the period	-303	0	-166	-469
Changes in measurements*	-1,344	5,463	4,416	8,535
Currency effects	328	204	1,260	1,792
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2024	**10,492**	**6,534**	**40,274**	**57,301**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*

Reconciliation of gross loans – SME and mortgages

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Gross loans per 01.07.2024	**21,898**	**-**	**-**	**21,898**
transfers				
- transfers from stage 1 to stage 2	-	-	-	-
- transfers from stage 1 to stage 3	-	-	-	-
- transfers from stage 2 to stage 3	-	-	-	-
- transfers from stage 3 to stage 2	-	-	-	-
- transfers from stage 2 to stage 1	-	-	-	-
- transfers from stage 3 to stage 1	-	-	-	-
New financial assets issued	-	-	-	-
Financial assets derecognized in the period	-951	-	-	-951
Partial repayments	-	-	-	-
Currency effects	-	-	-	-
Changes due to model modifications and risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Gross loans per 30.09.2024	**20,947**	**-**	**-**	**20,947**
- of which loans with payment concessions	-	-	-	-

Reconciliation of total expected credit losses – SME and mortgages

Amounts in NOK 1 000	Stage 1	Stage 2	Stage 3	Total
Loan loss provisions per 01.07.2024	**3,500**	**-**	**-**	**3,500**
transfers				
- transfers from stage 1 to stage 2	-	-	-	-
- transfers from stage 1 to stage 3	-	-	-	-
- transfers from stage 2 to stage 3	-	-	-	-
- transfers from stage 3 to stage 2	-	-	-	-
- transfers from stage 2 to stage 1	-	-	-	-
- transfers from stage 3 to stage 1	-	-	-	-
New financial assets issued	-	-	-	-
Financial assets derecognized in the period	-	-	-	-
Changes in measurements*	-	-	-	-
Currency effects	-	-	-	-
Changes due to model modifications and risk parametres	-	-	-	-
Other adjustments	-	-	-	-
Loan loss provisions per 30.09.2024	**3,500**	**-**	**-**	**3,500**

** Change in PD, LGD or EAD and 12-month credit loss versus credit loss over expected lifetime.*

Gross loans, undrawn credit lines, and expected credit losses per product and country - 30.09.2024 (Lea bank – group consolidated)

				Gross loans				Loan loss provisions (ECL)				Net loans			
	Gross loans	Of which agent-comm/ fees	Off-balance	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Consumer loans	7,487,086	149,272	211,292	5,896,604	517,027	1,073,455	7,487,086	94,216	75,531	364,442	534,188	5,802,387	441,497	709,013	6,952,897
SME and mortgages	20,947	-	-	20,947	-	-	20,947	3,500	-	-	3,500	17,447	-	-	17,447
Total	**7,508,033**	**149,272**	**211,292**	**5,917,551**	**517,027**	**1,073,455**	**7,508,033**	**97,716**	**75,531**	**364,442**	**537,688**	**5,819,834**	**441,497**	**709,013**	**6,970,344**

Specification of loan losses in the period

Amounts in NOK 1000	**Q3 2024**
Loan loss provisions - 12 months expected credit loss (stage 1)	-5,198
Loan loss provisions - lifetime expected credit loss (stage 2)	4,819
Loan loss provisions - lifetime expected credit loss (stage 3)	41,109
Realized losses and NPL-interest in the period	34,529
Loan losses in the period	**75,259**

Reconciliation of gross loans

Amounts in NOK 1000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross loans as at 01.07.2024	**5,909,767**	**483,566**	**982,139**	**7,375,471**
Transfers				
- transfer from stage 1 to stage 2	-278,488	278,488	-	-
- transfer from stage 1 to stage 3	-38,435	-	38,435	-
- transfer from stage 2 to stage 3	-	-139,743	139,743	-
- transfer from stage 3 to stage 2	-	18,886	-18,886	-
- transfer from stage 2 to stage 1	79,495	-79,495	-	-
- transfer from stage 3 to stage 1	18,955	-	-18,955	-
New financial assets originated	731,960	3,568	475	736,003
Derecognised financial assets (repayments and write-offs)	-393,048	-49,421	-59,882	-502,351
Partial repayments	-226,599	-7,937	-14,086	-248,622
Currency effects	113,943	9,116	24,472	147,531
Change in model or risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Gross loans as at 30.09.2024	**5,917,551**	**517,027**	**1,073,455**	**7,508,033**
- Of which gross loans with forbearance	**-**	**158**	**41,492**	**41,651**

Reconciliation of total expected credit loss

Amounts in NOK 1000	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 01.07.2024	**102,914**	**70,711**	**323,333**	**496,958**
Transfers				
- transfer from stage 1 to stage 2	-8,829	8,829	-	-
- transfer from stage 1 to stage 3	-1,776	-	1,776	-
- transfer from stage 2 to stage 3	-	-25,790	25,790	-
- transfer from stage 3 to stage 2	-	2,831	-2,831	-
- transfer from stage 2 to stage 1	9,444	-9,444	-	-
- transfer from stage 3 to stage 1	3,206	-	-3,206	-
New financial assets originated	10,322	133	146	10,600
Derecognised financial assets (repayments and write-offs)	-5,720	-7,759	-17,372	-30,852
Change in measurement*	-13,856	34,535	29,210	49,889
Currency effects	2,011	1,485	7,597	11,093
Change in model or risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Loss allowance as at 30.09.2024	**97,716**	**75,531**	**364,442**	**537,688**

2.5 Macro scenario sensitivity on ECL - 30.09.2024

Amounts in NOK 1 000	ECL reported under IFRS 9	Base scenario (30-35 %)	Optimistic scenario (25 %)	Pessimistic scenario (40-45 %)
Total	**530,441**	**474,934**	**421,157**	**634,020**
Consumer loans	526,941	471,434	417,657	630,520
SME and mortgages	3,500	3,500	3,500	3,500
Norway	**166,346**	**149,614**	**132,173**	**202,345**
Consumer loans	162,846	146,114	128,673	198,845
SME and mortgages	3,500	3,500	3,500	3,500
Finland	**201,304**	**178,474**	**157,412**	**240,908**
Consumer loans	201,304	178,474	157,412	240,908
SME and mortgages	-	-	-	-
Sweden	**105,491**	**96,023**	**87,031**	**122,058**
Consumer loans	105,491	96,023	87,031	122,058
SME and mortgages	-	-	-	-
Spain	**57,301**	**50,822**	**44,541**	**68,708**
Consumer loans	57,301	50,822	44,541	68,708
SME and mortgages	-	-	-	-

Expected credit losses reported under IFRS 9 are macro-weighted. The following weights are used for the three scenarios:
Norway: base scenario (35%), optimistic scenario (25%), and pessimistic scenario (40%).
Finland, Sweden and Spain: base scenario (30%), optimistic scenario (25%), and pessimistic scenario (45%).

Note 3 – Subordinated loans

Subordinated loans as of 30.09.2024

ISIN	Nominal value	Currency	Interest	Reference-interest + margin	Due date	Book value
NO0010877863	15,000	NOK	Floating	NIBOR + 700bp	27.03.30	14,971
NO0011108276	50,000	NOK	Floating	NIBOR + 425bp	29.09.31	49,586
NO0012750803	18,000	NOK	Floating	NIBOR + 575bp	09.02.33	17,781
Total subordinated loans	**83,000**					**82,338**

Note 4 – Capital adequacy

Amounts in NOK 1 000	Parent 30.09.2024	Parent 30.09.2023	Group 30.09.2024
Share capital	191,035	190,425	191,035
Share premium	663,710	662,599	663,710
Other equity	488,866	444,090	497,009
Deferred tax assets and other intangible assets	-77,606	-102,525	-77,964
Deduction for defaulted loans	-2,451	-68	-2,451
Valuation adjustment	-991	-987	-926
Common equity tier 1 (CET 1)	1,262,562	1,193,534	1,270,412
Additional tier 1 capital	54,477	54,269	54,477
Tier 1 capital (Tier 1)	1,317,039	1,247,803	1,324,889
Tier 2 capital	82,338	81,999	82,338
Total capital (Tier 2)	1,399,376	1,329,802	1,407,226
Risk weighted assets			
Loans and deposits with credit institutions	100,127	60,490	117,537
Institutions	1,426	7,204	1,426
Loans to customers	4,458,554	4,265,892	4,567,832
Mortgages	5,758	8,669	5,758
Defaulted loans	702,369	371,820	704,739
Certificates and bonds	58,563	55,377	58,563
Equity positions	64,954	2,663	262
Other assets	430,423	236,982	267,589
Total credit risk	**5,822,175**	**5,009,098**	**5,723,706**
Operational risk	1,003,974	846,955	1,003,974
CVA risk	481	6,954	481
Total calculation basis	**6,826,630**	**5,863,007**	**6,728,161**

Capital ratios	30.09.2024	30.09.2023	30.09.2024
Common equity tier 1 in % (CET 1)	18.49 %	20.36 %	18.88 %
Tier 1 capital in % (Tier 1)	19.29 %	21.28 %	19.69 %
Total capital in % (Tier 2)	20.50 %	22.68 %	20.92 %
Leverage ratio in %	15.24 %	16.19 %	15.32 %

Note 5 – Key profitability and equity indicators

Amounts in NOK 1 000	
Equity per 30.09.2024*	1,413,114
Profit after tax Q3 2024	26,405
Profit before tax Q3 2024	35,049
Number of shares 30.09.24 (in thousands)	95,517
Book equity per share as of 30.09.24*	14.79
Earnings per share before tax Q3 2024	0.37
Earnings per share after tax Q3 2024	0.28
Earnings per share before tax YTD Q3 2024	0.94
Earnings per share after tax YTD Q3 2024	0.73
Annualized return on equity Q3 2024	7.5 %
Annualized return on equity YTD Q3 2024	6.7 %

* excluding tier 1 capital

Note 6 – Contractual obligations

Amounts in NOK 1 000	Q3 2024	Q2 2024
Right to use:		
Opening balance	**11,587**	**12,573**
Implementation effect		
Assets		
Write-downs		
Adjustments	0	0
Depreciation	-986	-986
Disposals		
Closing balance	**10,601**	**11,587**
Lease obligation:		
Opening balance	**-11,846**	**-12,784**
Implementation effect		
Assets		
Effect of changes in exchange rates		
Adjustments	0	0
Lease payments	1,076	1,076
Interest	-127	-137
Settlement upon disposal		
Closing balance	**-10,896**	**-11,846**
Proportion of short-term debt	-3,802	-3,942
Proportion of long-term debt	-7,095	-7,903
Maturity analysis, undiscounted cash flow		
Up to 1 year	3,890	4,034
1-2 years	3,731	3,731
2-3 years	3,731	3,731
3-4 years	311	1,244
4-5 years		
More than 5 years		
Other key figures		
Costs related to agreements with exceptions for short-term duration	6	6
Weighted average discount rate on implementation date	0.045	0.045

Note 7 – Largest shareholders

Rank	Name	Nbr of shares	Ownership %
1	Braganza AB	10,383,899	10.9 %
2	DNB Bank ASA*	9,790,351	10.2 %
3	Arctic Securities AS*	9,456,221	9.9 %
4	Hjellegjerde Invest AS	8,624,740	9.0 %
5	Skagerrak Sparebank	4,409,380	4.6 %
6	Fondsavanse AS	3,371,048	3.5 %
7	Verdipapirfondet Alfred Berg Norge	3,088,045	3.2 %
8	Verdipapirfondet Alfred Berg Aktiv	2,719,589	2.8 %
9	Jenssen & Co AS	1,845,879	1.9 %
10	Verdipapirfondet Alfred Berg Norge	1,700,000	1.8 %
11	MP Pensjon Pk	1,637,767	1.7 %
12	Stena Adactum AB	1,500,000	1.6 %
13	Varde Norge AS	1,260,000	1.3 %
14	Vida AS	1,247,317	1.3 %
15	Sober Kapital AS	1,166,922	1.2 %
16	Krogsrud Invest AS	1,125,000	1.2 %
17	Thon Holding AS	1,081,211	1.1 %
18	Independent Oil & Resources Plc	850,000	0.9 %
19	Netrom AS	843,463	0.9 %
20	7fjell Ventures AS	826,581	0.9 %
	Top 20 shareholders	**66,927,413**	**70.1 %**
	Other shareholders	28,589,975	29.9 %
	Total shares	**95,517,388**	**100.0 %**

Shareholder list per 23.10.2024

** Nominee account*

Quarterly historical figures (Lea bank ASA)

Income statement (amounts in NOK 1 000)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Interest income	204,434	204,643	199,929	193,384	180,386	177,777	160,705
Interest expense	-68,906	-65,982	-64,092	-55,572	-49,948	-40,912	-29,193
Net interest income	**135,528**	**138,661**	**135,838**	**137,813**	**130,438**	**136,865**	**131,512**
Commission and bank services income	10,420	10,164	10,917	9,501	8,083	7,481	8,726
Commission and bank services expenses	-1,029	-1,264	-1,243	-1,324	-1,079	-1,144	-1,080
Net changes in value on securities and currency	11,694	10,764	8,633	11,168	12,841	6,056	-763
Other income	177	426	2,163	660	51	72	12
Net other operating income	**21,262**	**20,090**	**20,470**	**20,005**	**19,897**	**12,466**	**6,894**
Total income	**156,790**	**158,751**	**156,308**	**157,817**	**150,335**	**149,331**	**138,406**
Personnel expenses	-18,806	-19,049	-18,259	-16,366	-16,542	-15,999	-14,934
General administrative expenses	-22,473	-22,704	-21,226	-21,406	-22,180	-18,500	-20,421
- of which marketing expenses	*-1,382*	*-3,148*	*-2,736*	*-2,336*	*-2,708*	*-911*	*-912*
Depreciation and impairment	-4,178	-4,031	-3,907	-3,947	-3,822	-3,551	-3,465
Other operating expenses	-2,670	-2,846	-2,561	-3,416	-1,949	-2,673	-3,131
Total operating expenses	**-48,127**	**-48,630**	**-45,953**	**-45,135**	**-44,492**	**-40,724**	**-41,952**
Profit before loan losses	**108,663**	**110,120**	**110,355**	**112,682**	**105,843**	**108,607**	**96,454**
Provision for loan losses	-73,613	-86,392	-78,948	-72,057	-67,823	-83,552	-60,073
Profit before tax	**35,049**	**23,728**	**31,407**	**40,626**	**38,019**	**25,055**	**36,381**
Tax charge	-8,644	-4,533	-7,503	-9,957	-9,133	-5,927	-8,819
Profit after tax	**26,405**	**19,195**	**23,904**	**30,669**	**28,886**	**19,128**	**27,563**

Balance sheet (Amounts in NOK 1 000)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Assets							
Cash and deposits with the central bank	53,481	52,947	52,426	51,931	51,448	51,021	50,685
Loans and deposits with credit institutions	500,636	608,366	643,211	350,786	302,452	437,415	496,705
Gross loans to customers	7,352,695	7,212,794	7,263,963	6,913,256	6,607,247	6,618,508	6,676,559
- Provision for loan losses	-530,441	-491,159	-465,382	-427,542	-362,552	-342,225	-445,922
Certificates and bonds	926,229	906,972	900,397	839,681	987,251	1,044,304	989,545
Deferred tax asset	37,240	45,884	50,417	57,920	67,877	77,010	82,937
Other intangible assets	49,676	46,055	45,323	41,219	34,647	30,206	28,730
Fixed assets	11,228	12,254	13,142	5,133	5,559	6,876	8,051
Other assets	271,221	217,931	57,604	21,258	25,462	33,498	32,270
Total assets	**8,671,965**	**8,612,042**	**8,561,100**	**7,853,642**	**7,719,392**	**7,956,614**	**7,919,560**
Liabilities and equities							
Debt to the central bank	0	0	0	0	0	0	0
Deposits from customers	7,057,856	7,014,392	6,903,540	6,239,373	6,141,604	6,393,293	6,325,948
Other liabilities	64,180	73,591	148,936	128,307	68,829	82,312	130,473
Subordinated loans	82,338	82,253	82,168	82,084	81,999	81,914	81,830
Total liabilities	**7,204,374**	**7,170,235**	**7,134,644**	**6,449,764**	**6,292,432**	**6,557,520**	**6,538,251**
Share capital	191,035	190,898	190,438	190,438	190,425	190,348	190,348
Share premium	663,710	663,327	662,638	662,638	662,599	662,360	662,360
Tier 1 capital	54,477	54,424	54,373	54,321	54,269	54,217	54,165
Other paid in equity	11,946	11,456	14,841	14,556	14,356	14,115	13,750
Other equity	546,424	521,701	504,167	481,925	505,311	478,053	460,684
Total equity	**1,467,591**	**1,441,808**	**1,426,456**	**1,403,878**	**1,426,960**	**1,399,094**	**1,381,309**
Total liabilities and equity	**8,671,965**	**8,612,042**	**8,561,100**	**7,853,642**	**7,719,392**	**7,956,614**	**7,919,560**

Lea bank

Holbergs gate 21
0166 Oslo
Norway

+47 22 99 14 00
post@leabank.no
ir@leabank.no