

# 3<sup>rd</sup> quarter 2024 results presentation

Lea bank ASA

October 24<sup>th</sup> 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.

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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, Swedish FSA, Nasdaq Stockholm, Euronext Oslo Børs and other authorities in Norway and Sweden.

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## 1 Highlights and development Q3

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## 2 Financial results Q3

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## 3 Building Lea Bank 2.0

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# 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, Multitude Bank, Hjellegjerde Invest, Alfred Berg Norge/Aktiv, Skagerrak Sparebank and Fondsaveanse
- Swedish subsidiary with a Swedish banking license – plan to redomicile to Sweden and re-list on Nasdaq Stockholm in 2025

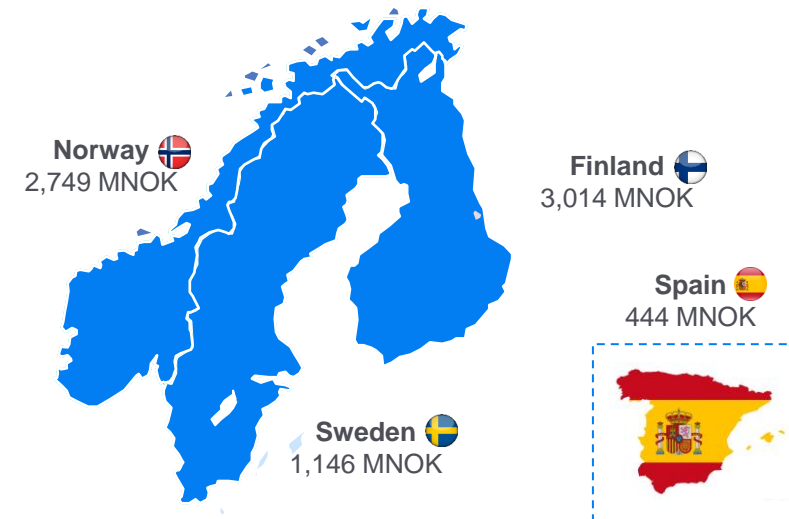
### Product portfolio

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 7,353 MNOK – geographical mix Q3 2024



# Q3 2024 highlights

## Positioning for Lea Bank 2.0

### Q3 financials



- Profit before tax 35.0 MNOK (profit after tax 26.4 MNOK)
- More positive outlook amid interest rate changes and slightly lower losses

### Core business



- Increased deposit funding in Sweden and launch of deposits in Finland – strengthen funding capabilities
- Prepared for CRR3 implementation – expecting lower OpRisk

### Building Lea Bank 2.0



- Swedish subsidiary has been renamed to Lea Bank AB
- Merger plan approved by AGM and Norwegian FSA, awaiting approval from the Swedish FSA
- Build-up of new HQ and Swedish organization

### Key financial figures, MNOK

	Q3-24	2024 YTD	2023
Interest income	204.4	609.0	712.3
PBT	35.0	90.2	140.1
- Dividend			52.4
ROE, annualized	7.5%	6.7%	8.0%
EPS, annualized	1.11	0.97	1.12
EPS pre-tax, annu.	1.47	1.26	1.47
C / I	30.7%	30.2%	28.9%
Gross loans	7,353	7,353	6,913
Equity <sup>1</sup>	# of shares	BVPS	
1,413	95,517,388	14.79	

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

# Lea bank ASA shareholders

## Top 20 shareholder list as of October 23<sup>rd</sup> 2024

Investor	Shares	Ownership
1 Braganza AB	10,383,899	10.9 %
2 DNB Bank ASA <sup>1</sup>	9,790,351	10.2 %
3 Arctic Securities AS <sup>1</sup>	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 %
<b>Total top 20 shareholders</b>	<b>66,927,413</b>	<b>70.1 %</b>
Other shareholders	28,589,975	29.9 %
<b>Total number of shares</b>	<b>95,517,388</b>	<b>100.0 %</b>

## Comments

- Multitude Bank has acquired 9.9% and has an agreement to acquire an additional 8.7% stake<sup>2</sup>
- ~1,200 shareholders as of October 23<sup>rd</sup> 2024
- The Lea bank share (ticker LEA) is listed on Oslo Børs Euronext Growth
- Management holds a total of 1,227,014 shares, corresponding to 1.3% of shares
- Members of the board holds a total of 170,295 shares, corresponding to 0.2%
- Current market capitalization of ~815 MNOK

1) Nominee account

2) With reference to Multitude's stock exchange notice as of 10.10.2024. Subject to approval from the Norwegian FSA (Finanstilsynet)

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## 3 Building Lea Bank 2.0

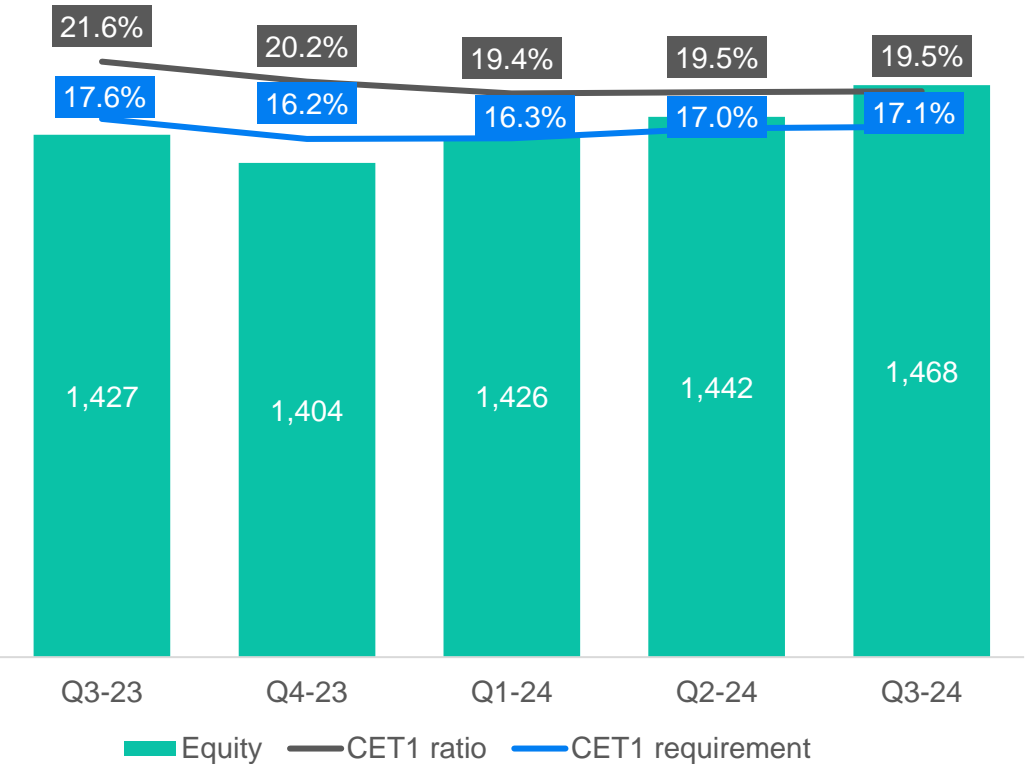
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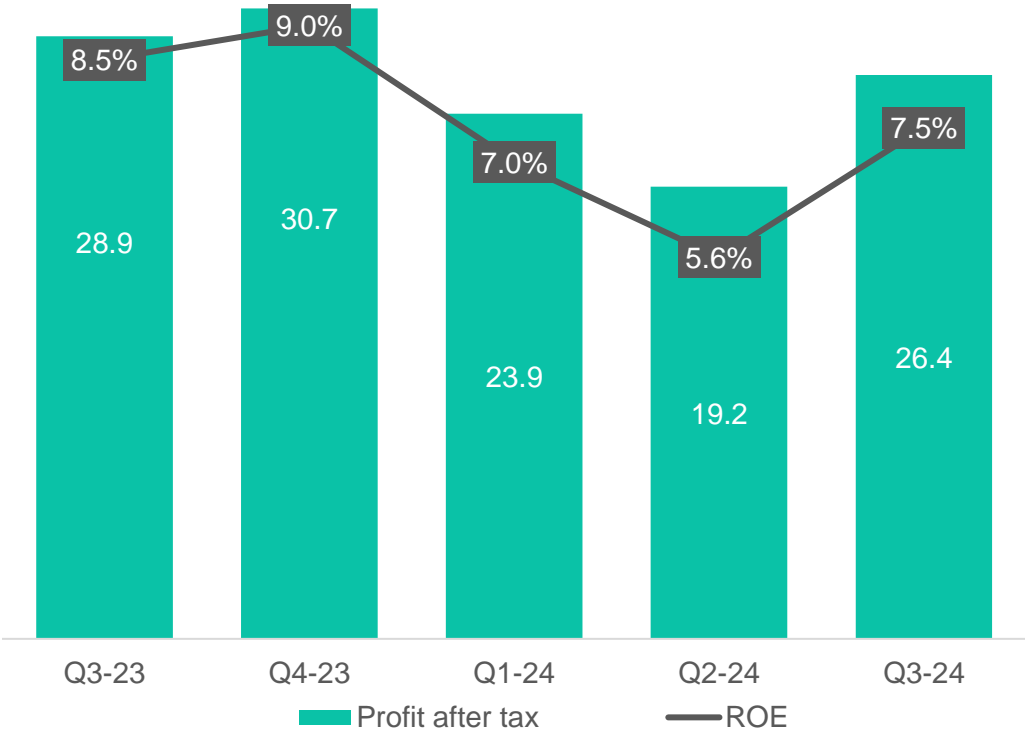
# Continued profit generation

Positive development driven by credit losses

Equity (MNOK) and CET1 ratio<sup>1, 2</sup>



Profit after tax (MNOK) and Return on Equity

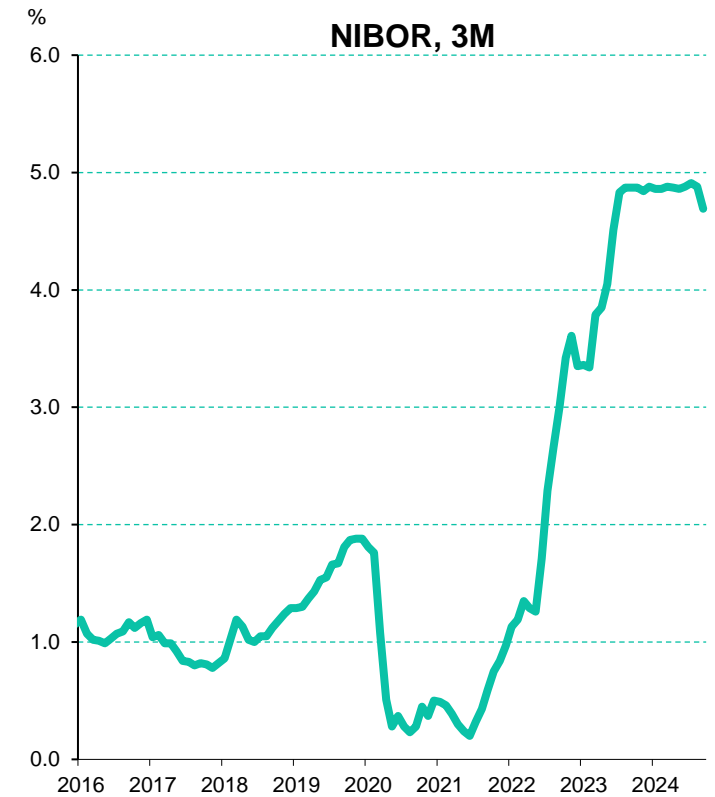
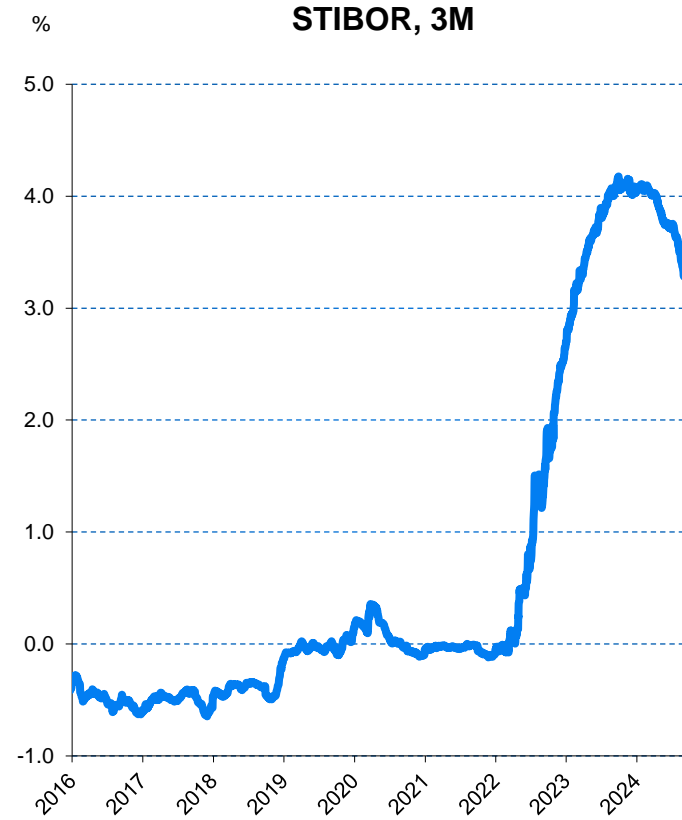
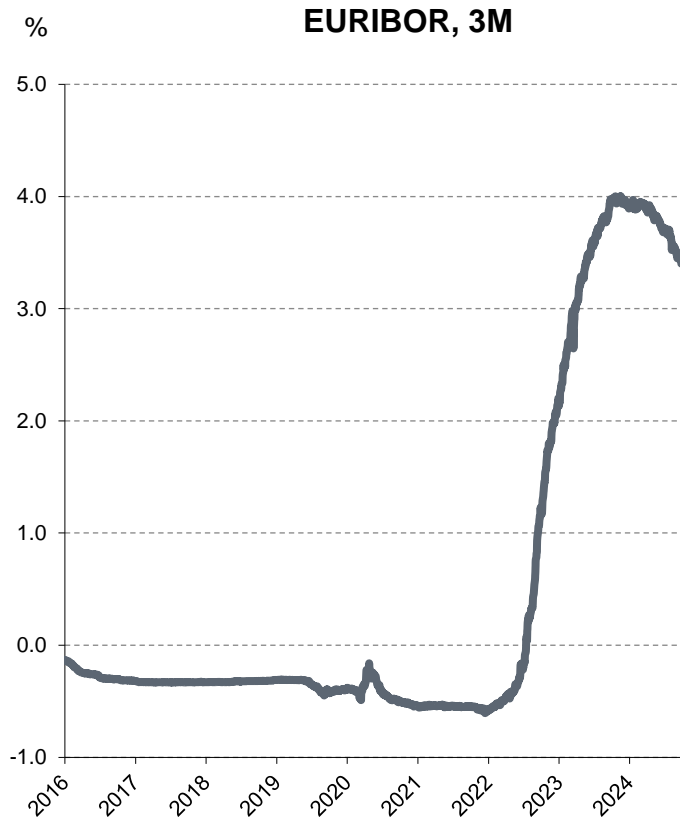


1) CET1 ratios for Q1, Q2 and Q3 include YTD unaudited profit. From Q2 2024: Including updated SREP with 2% expected capital buffer  
2) Equity reduced by annual dividend accrual in Q4-2023



# Reference interest rate development

EURIBOR and STIBOR decline as central banks begin lowering policy rates

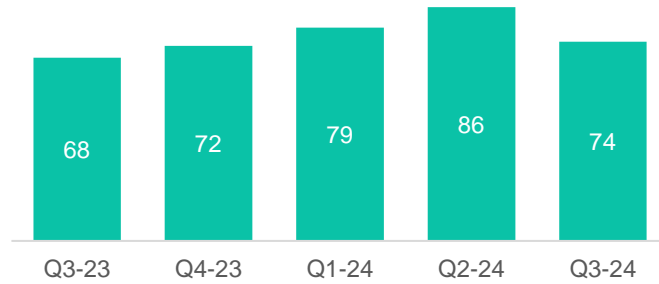


Source: Refinitiv Datastream

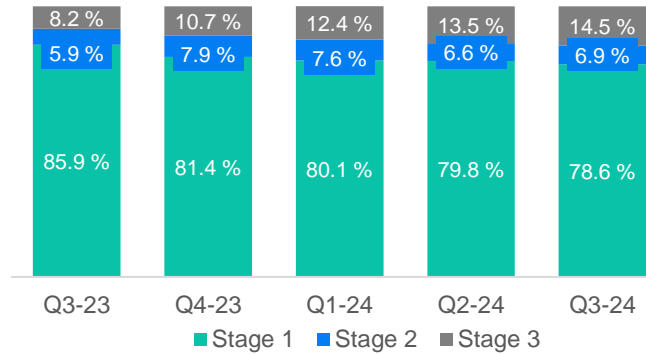
# Credit quality

## Overview

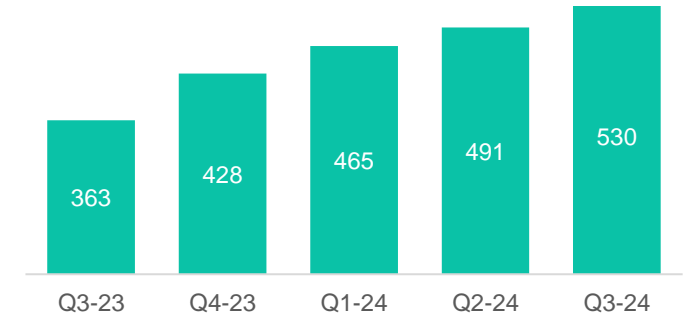
### Loan losses, MNOK



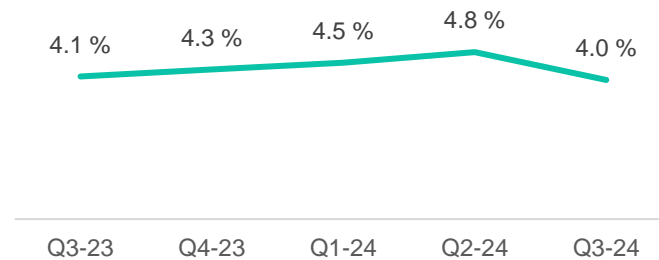
### Stage allocation



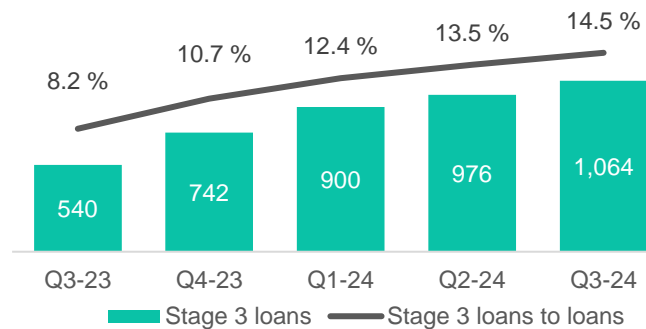
### Provisions, MNOK



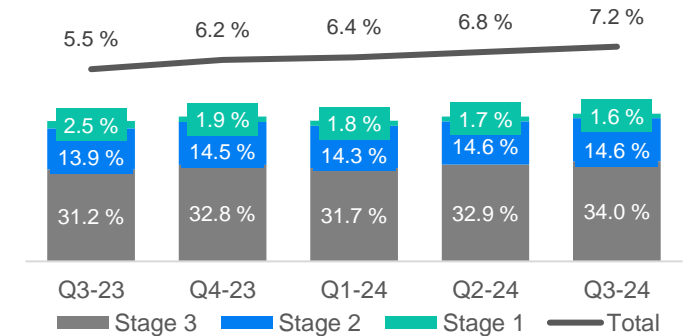
### Loan loss ratio<sup>1</sup>



### Non-performing loans<sup>2</sup>, MNOK



### Total provision ratio<sup>3</sup>



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>	Q3-2024	Q3-2023	2024 YTD	2023
Interest income	204,434	180,386	609,006	712,253
Interest expense	-68,906	-49,948	-198,980	-175,625
<b>Net interest income</b>	<b>135,528</b>	<b>130,438</b>	<b>410,026</b>	<b>536,628</b>
Commission and fee income	10,420	8,083	31,502	33,791
Commission and fee expenses	-1,029	-1,079	-3,537	-4,628
Net change in value on securities and currency	11,694	12,841	31,090	29,302
Other income	177	51	2,767	796
<b>Net other income</b>	<b>21,262</b>	<b>19,897</b>	<b>61,822</b>	<b>59,261</b>
<b>Total income</b>	<b>156,790</b>	<b>150,335</b>	<b>471,848</b>	<b>595,889</b>
Salary and other personnel expenses	-18,806	-16,542	-56,114	-63,841
Other administrative expenses	-22,473	-22,180	-66,403	-82,507
- of which marketing expenses	-1,382	-2,708	-7,266	-6,866
Depreciation	-4,178	-3,822	-12,115	-14,786
Other expenses	-2,670	-1,949	-8,077	-11,170
<b>Total operating expenses</b>	<b>-48,127</b>	<b>-44,492</b>	<b>-142,710</b>	<b>-172,303</b>
<b>Profit before loan losses</b>	<b>108,663</b>	<b>105,843</b>	<b>329,138</b>	<b>423,586</b>
Loan losses	-73,613	-67,823	-238,954	-283,505
<b>Profit before tax</b>	<b>35,049</b>	<b>38,019</b>	<b>90,184</b>	<b>140,081</b>
Tax	-8,644	-9,133	-20,680	-33,835
<b>Profit after tax</b>	<b>26,405</b>	<b>28,886</b>	<b>69,504</b>	<b>106,245</b>

### Comments on income statement

- Profit before tax Q3-24 of 35.0 MNOK, compared to 38.0 MNOK last year
- Interest income in Q3-24 of 204.4 MNOK, compared to 180.4 MNOK last year – driven by higher volumes and interest rates
- Interest expense in Q3-24 of 68.9 MNOK, compared to 49.9 MNOK last year – driven by higher funding cost and volumes
- Net other income in Q3-24 of 21.3 MNOK, compared to 19.9 MNOK last year – driven by stronger yield on liquidity balance and increased commission income
- OPEX in Q3-24 of 48.1 MNOK, compared to 44.5 MNOK last year mainly 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 30.7% compared to last year of 29.6%.
- Loan losses in Q3-24 of 73.6 MNOK compared to 67.8 MNOK last year, reflecting annualized loss ratio of 4.0% compared to 4.1% Q3-23

Note: Please see appendix for Group figures

# Balance sheet

## Lea bank ASA

NGAAP			
Balance sheet (Amounts in thousands)	30.09.2024	30.09.2023	31.12.2023
<b>Assets</b>			
Cash and deposits with the central bank	53,481	51,448	51,931
Loans and deposits with credit institutions	500,636	302,452	350,786
Gross loans to customers	7,352,695	6,607,247	6,913,256
Loan loss provisions	-530,441	-362,552	-427,542
Certificates, bonds and other securities	926,229	987,251	839,681
Deferred tax asset	37,240	67,877	57,920
Other intangible assets	49,676	34,647	41,219
Fixed assets	11,228	5,559	5,133
Other assets	271,221	25,462	21,258
<b>Total assets</b>	<b>8,671,965</b>	<b>7,719,392</b>	<b>7,853,642</b>
<b>Equity and liabilities</b>			
Deposits from customers	7,057,856	6,141,604	6,239,373
Other liabilities	64,180	68,829	75,937
Tier 2 capital	82,338	81,999	82,084
<b>Total liabilities</b>	<b>7,204,374</b>	<b>6,292,432</b>	<b>6,397,394</b>
Share capital	191,035	190,425	190,438
Share premium reserve	663,710	662,599	662,638
Tier 1 capital	54,477	54,269	54,321
Other paid-in equity	11,946	14,356	14,556
Other equity	546,424	505,311	534,296
<b>Total equity</b>	<b>1,467,591</b>	<b>1,426,960</b>	<b>1,456,249</b>
<b>Total equity and liabilities</b>	<b>8,671,965</b>	<b>7,719,392</b>	<b>7,853,642</b>

### Comments on balance sheet

- Gross loans of 7,353 MNOK 30.09.2024 compared to 6,607 MNOK 30.09.2023 and 6,913 MNOK 31.12.2023 driven by underlying growth and currency effects
- Liquidity balance of 1,480 MNOK 30.09.2024 compared to 1,341 MNOK 30.09.2023, and 1,242 MNOK 31.12.2023
- Deferred tax assets of 37.2 MNOK (mainly 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 30.09.2023 of 21.7 %
- Total equity of 1,468 MNOK, BVPS (ex. T1 capital) of 14.79 NOK

Note: Please see appendix for Group figures

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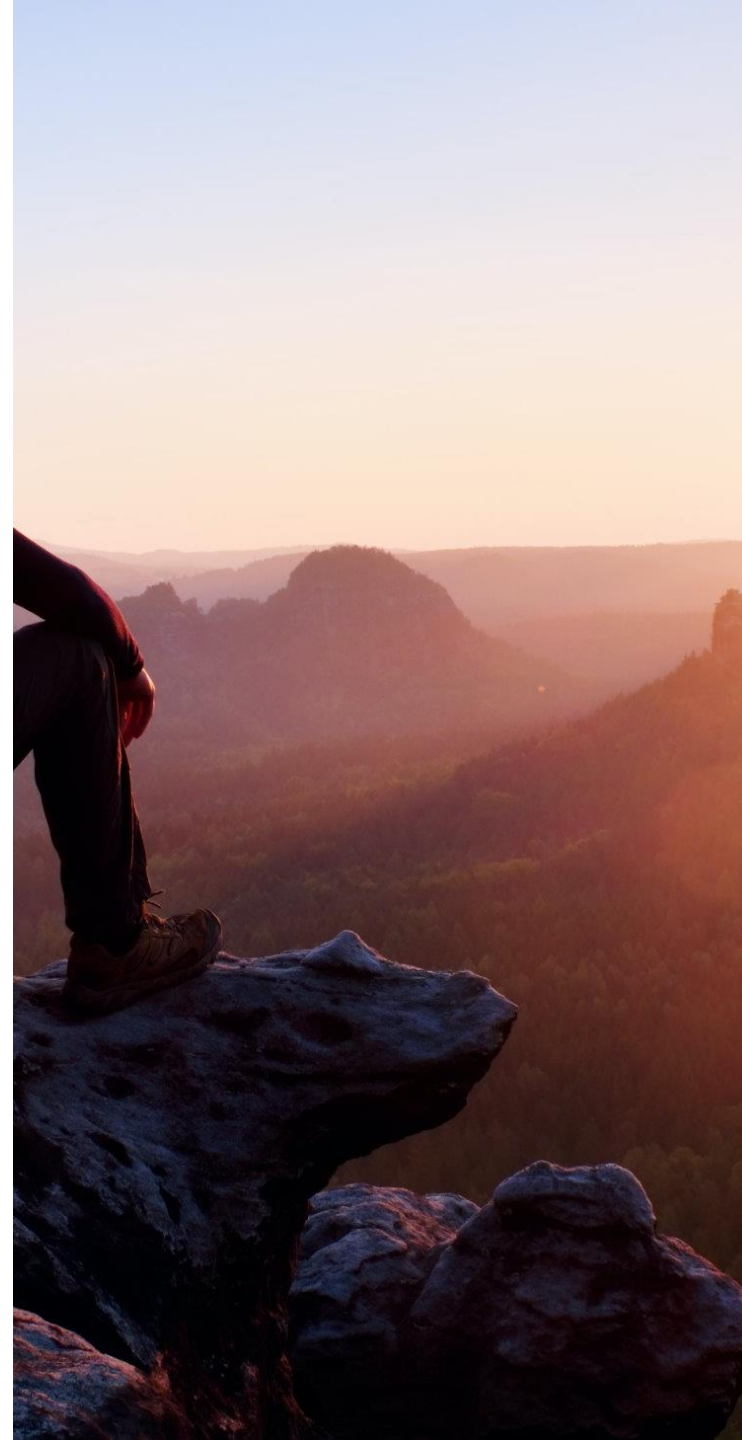
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## 2 Financial results Q3

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## 3 Building Lea Bank 2.0

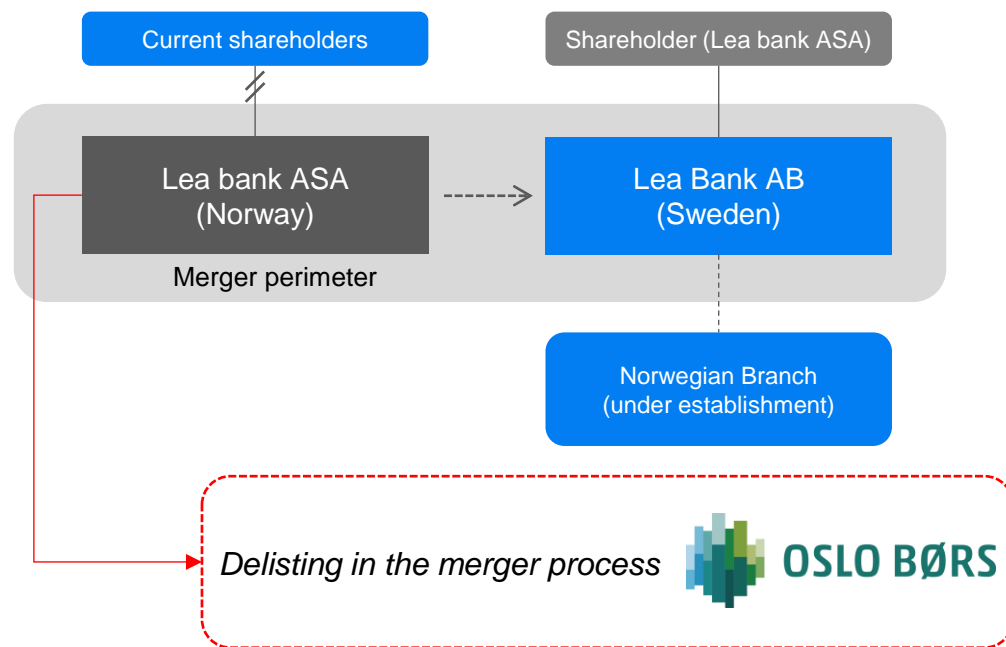
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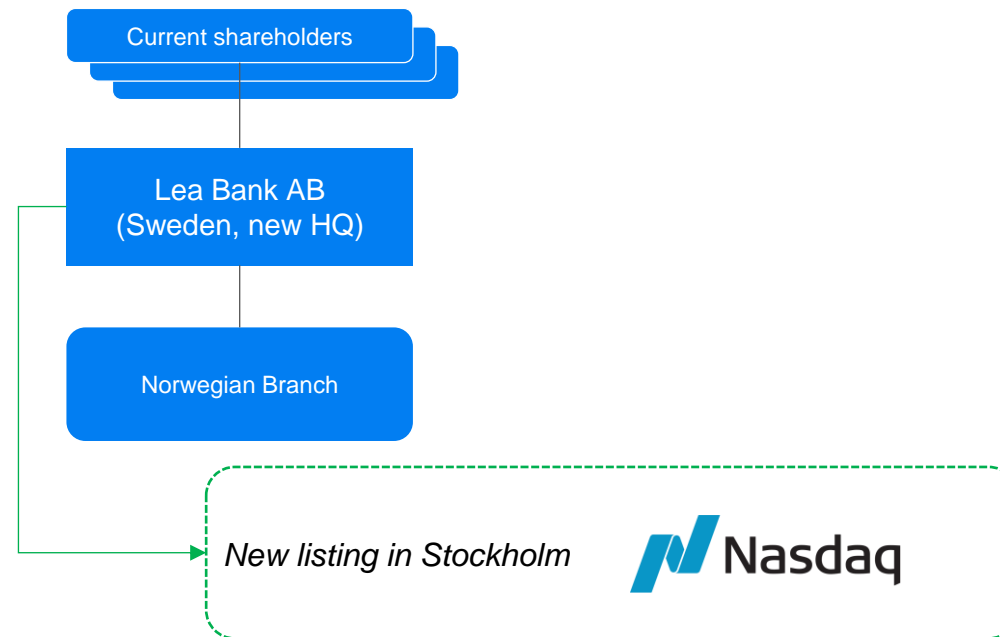
# Transaction structure to carry out redomiciliation

## Overview

### Transaction structure



### Post merger structure

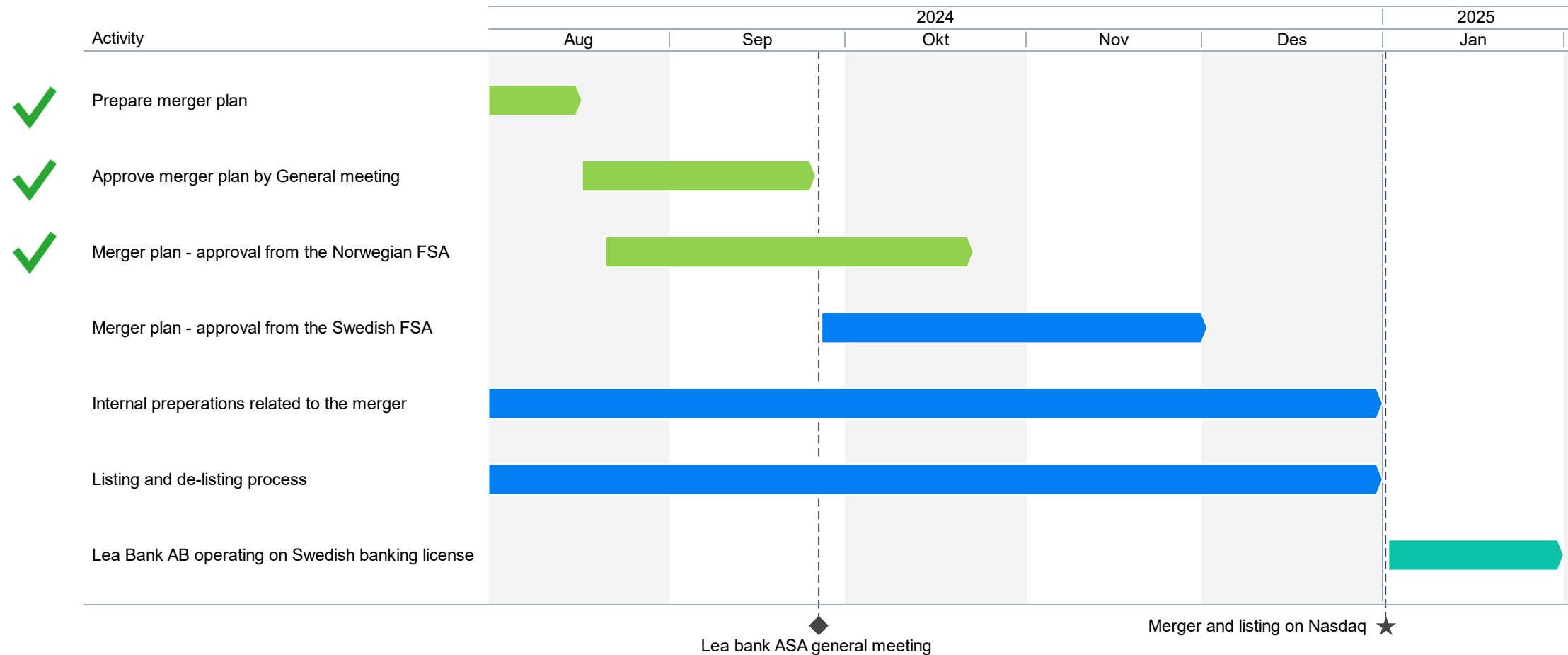


- Share merger with 1:1 exchange rate – existing shareholders will maintain pro-rata ownership post merger
- A Norwegian branch is under establishment to handle Norwegian operations

Note: Captum Group will be merged into Lea Bank AB

# Tentative timeline

## Merger and listing process



# Key workstreams

## Status

### HQ & organization

1

- New offices for HQ in Gothenburg from December 1<sup>st</sup>
- Ongoing recruitment processes to ensure sufficient organizational capacity from day one in Gothenburg

### Internal preparations

2

- Operational adjustments across the entire bank
- Adapt public reporting and ensure compliance with Swedish regulations
- Applied for branch membership in the Norwegian deposit guarantee scheme

### Listing on Nasdaq Stockholm

3

- Ongoing listing process with Nasdaq, supported by Carnegie and DNB Sweden
- Process and dialogue with Oslo Børs for delisting of Lea bank ASA
- Create investor interest around the listing

### Connection to payment system

4

- Ongoing process with Visa for connection to the payment system – required for Swedish banks
- Establishment of asset-light credit card setup

### Transfer shares from ASA to AB

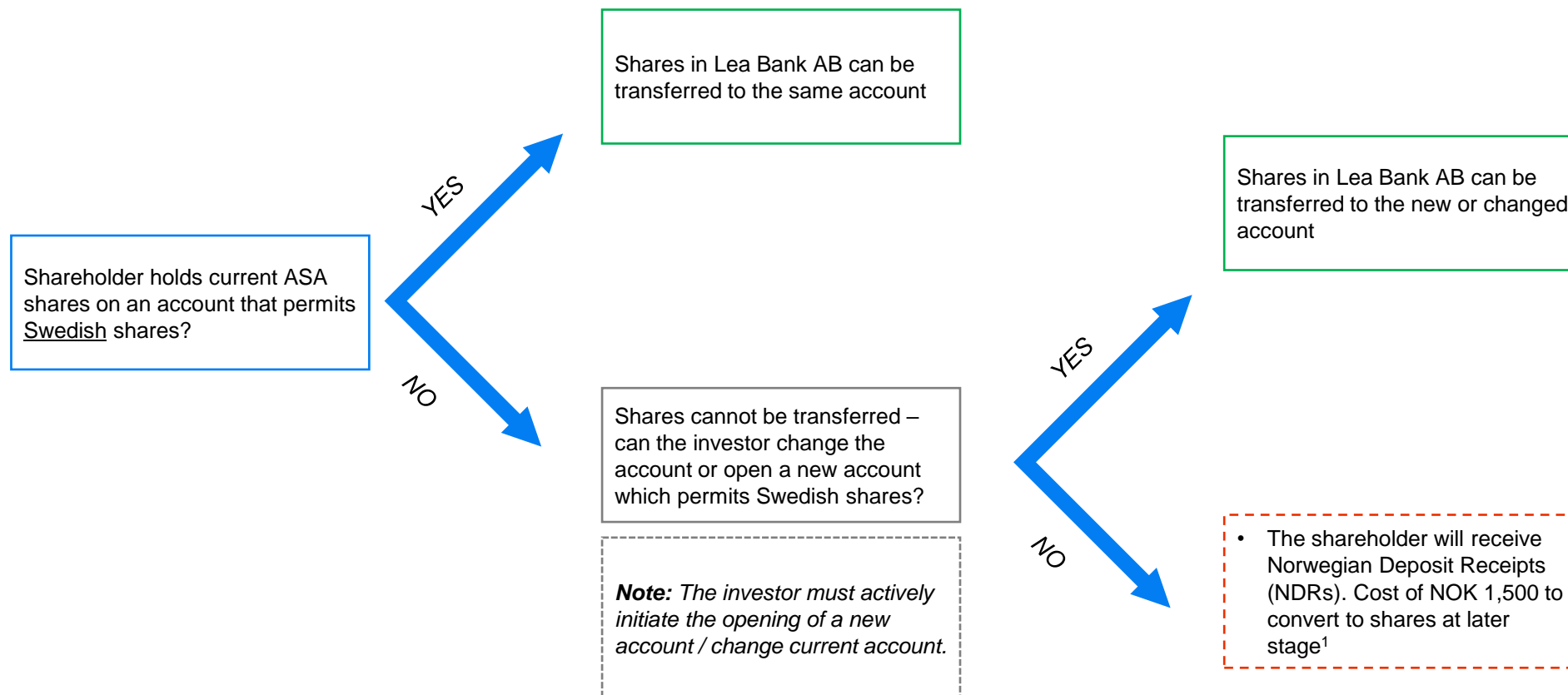
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- Connect Lea Bank AB to Euroclear Sweden
- Send information letters and collect the necessary account details from shareholders



# Transfer of shares from Norway to Sweden

Shareholders must provide an account capable of holding Swedish shares



1) Using current DNB price list as example. Price may vary depending on bank / broker and account type

# Form and information letter will be sent out shortly

## Shareholders must fill out account form to receive Swedish shares

### SKJEMA FOR INFORMASJON OM SVENSK DEPOTKONTO

Til bruk ved valg av svensk depotkonto for mottak av Lea Bank AB vederlagsaksjer som skal mottas i forbindelse med fusjonen.  
ISIN Lea Bank AB (publ): **XS**

**Rådgiver for oppgjør:** DNB Markets, en del av DNB Bank ASA, filial Sverige  
Securities Services  
SE-105 88 Stockholm  
+46 8 473 45 50  
emissioner@dnb.se

**FRIST:** aksjonærer må (i) ha kontaktet sin relevante bank/megler og fullført opprettelsen av en svensk depotkonto og (ii) fylt ut informasjonsskjemaet på riktig måte og sendt det før **15. november 2024 kl. 23:59 (CEST)** til [aksjer@leabank.no](mailto:aksjer@leabank.no) eller per post til Lea bank ASA, Holbergs gate 21, 0166 Oslo, for å kunne motta vederlagsaksjene på deres oppgitte svenske depotkonto.

#### OBLIGATORISKE OPPLYSNINGER OM AKSJONÆREN – ALLE FELTER MÅ FYLLES UT

Fullt navn på aksjonær	
Personnummer eller organisasjonsnummer	
Kontaktinformasjon, telefon og e-postadresse	
VPS kontonummer for nåværende beholdning av Lea bank ASA-aksjer	
Antall Lea bank ASA aksjer som aksjonæren innehar <sup>1</sup>	
Eventuelle registrerte rettighetshavere	
Oppgi depotnummer for konto som kan holde utenlandske noterte verdipapirer. Hvis usikker på om depoet kan holde utenlandske aksjer, vennligst ta kontakt med din bank, megler, forvalter eller finansielle rådgiver	
Bankens/forvalterens navn og Standard Settlement Instructions (SSI)	
Kontaktinformasjon til mottakende bank/forvalter/finansiell rådgiver (e-mail er foretrukket)	

### Comments

- In addition, a supplementary information letter will be sent out, explaining the transfer of shares and providing guidance for shareholders on completing the form
- The form and letter have been prepared in collaboration with DNB, which has experience in this area
- Shareholders who have not been able to set up the correct account type or communicate the necessary information for the transfer. This group will receive Norwegian depositary receipts (NDRs)
  - The depositary receipts will be entitled to dividends and will have voting rights at the General Meeting, but they will not be tradable
  - When converting the depositary receipts into Swedish shares (at a point after the listing), there will be a cost for the shareholder. For example, DNB charges NOK 1,500 for this service

## Focus areas

1

### Core business

- More optimistic outlook for consumer finance driven by lower interest rates and reduced 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 profitable growth and dividends

## Summary of the quarter

- ✓ Continuous profit generation and lower loan losses
- ✓ Cost / income of 30.7%
- ✓ Well capitalized – CET1 including YTD profits of 19.5%

### Key figures, Q3 2024

<i>Interest income</i>	<i>Profit before tax</i>	Equity
204.4 MNOK	35.0 MNOK	1,468 MNOK



# A

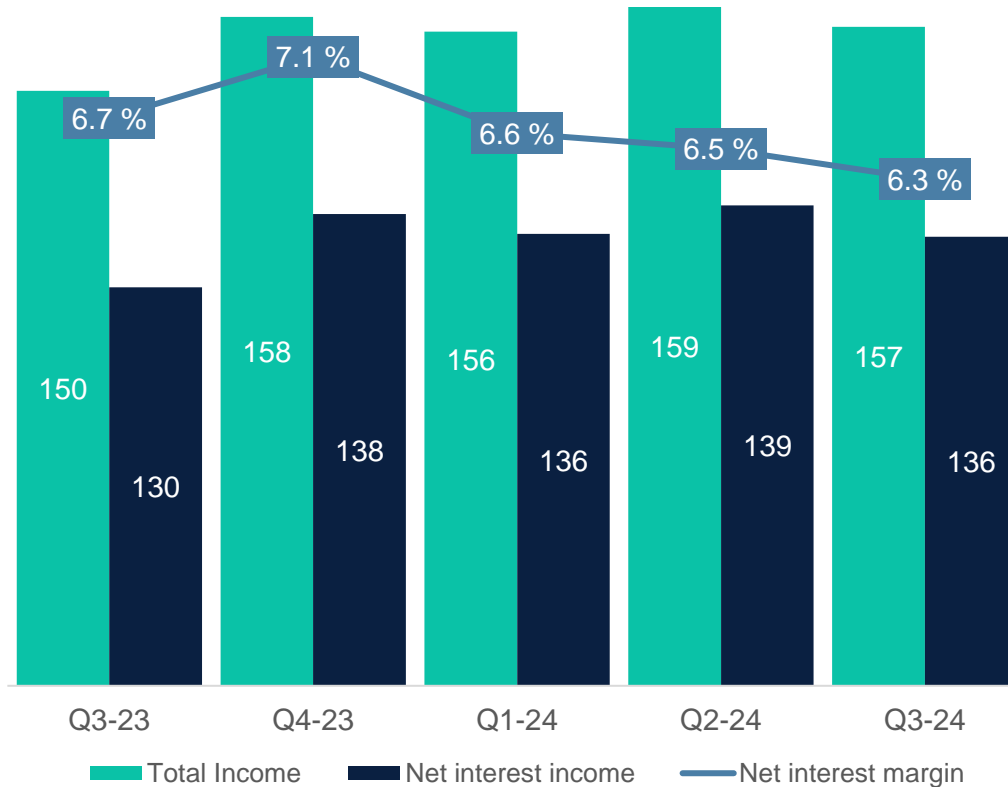
# Appendix

# Margin development

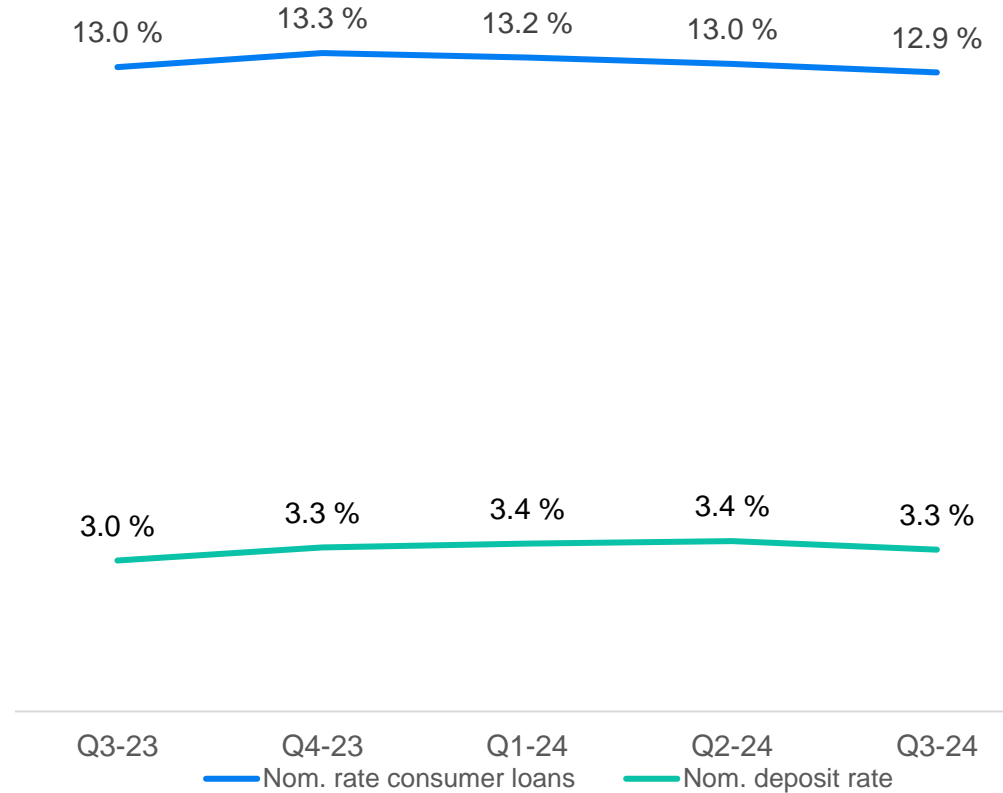
Increased funding cost not fully offset by lending yield

## Net interest income and net interest margin of total assets

MNOK / % of total assets



## Yields end of quarter<sup>1</sup>

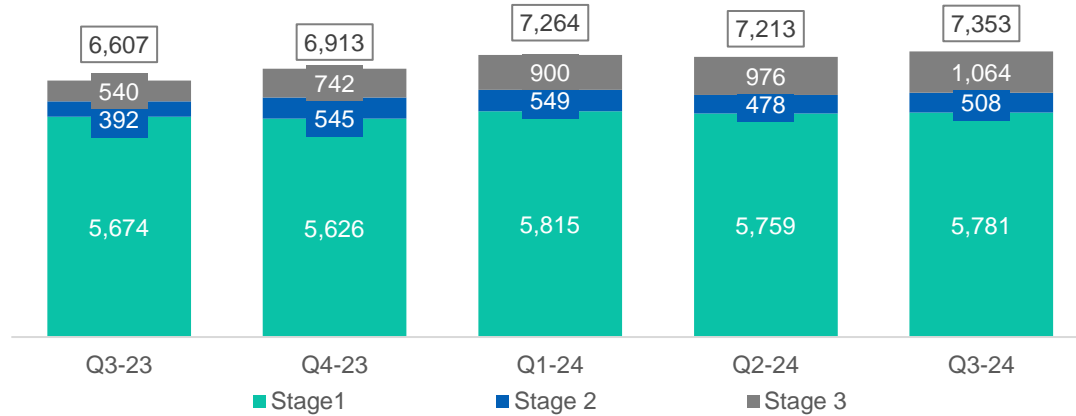


1) All figures are end of quarter and nominal

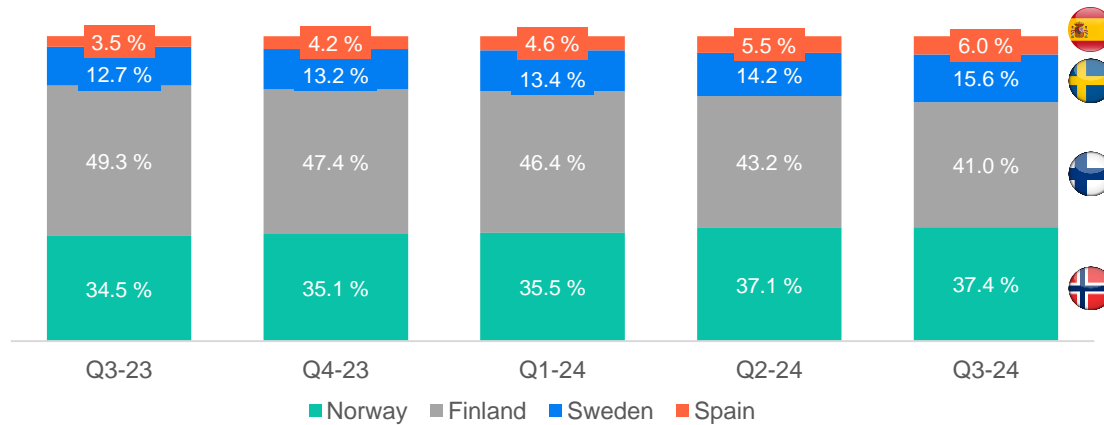
# International consumer finance bank

## Lending overview

### Gross lending, MNOK



### Geographical mix, gross loans



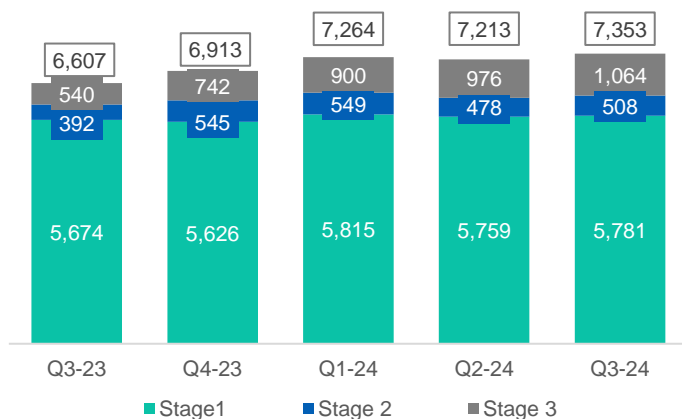
### Comments

- Four fully operating markets enable distribution flexibility and growth opportunities
- Focus on margins to absorb increased funding cost and credit risk on new volumes

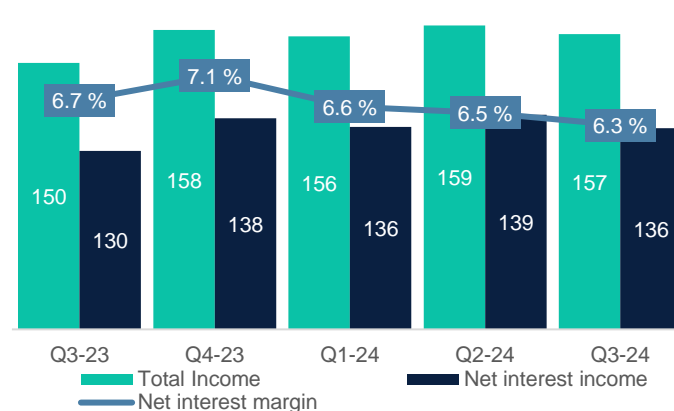
# Financial overview

Figures in MNOK

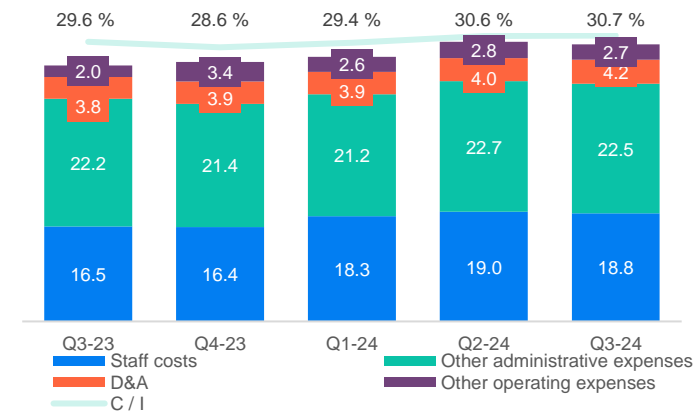
## Gross lending



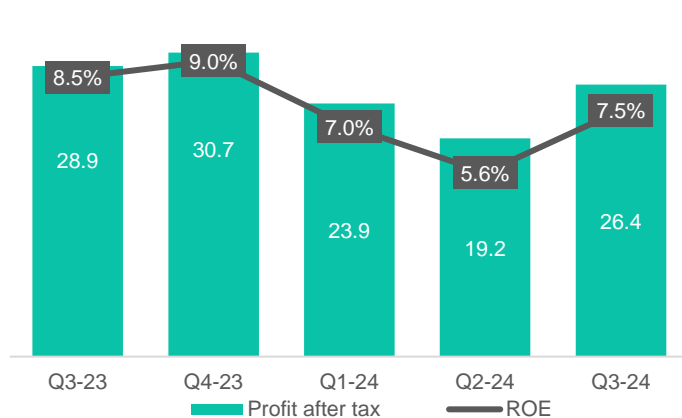
## Net income and net interest margin



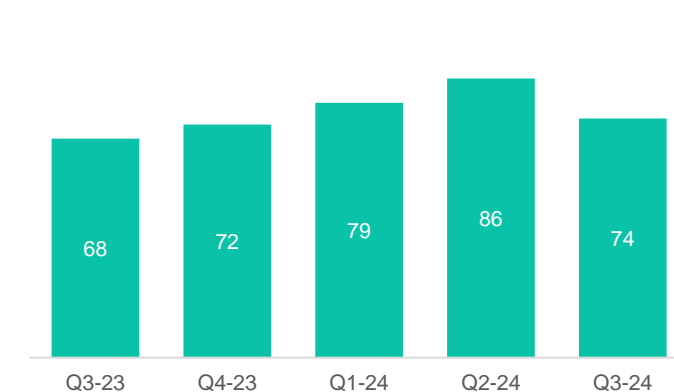
## Opex and Cost / Income



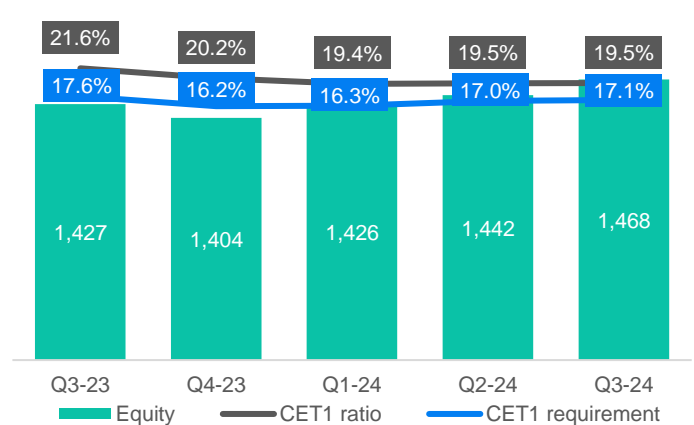
## Profit after tax and ROE



## Loan losses



## Equity and CET1 ratio<sup>1</sup>

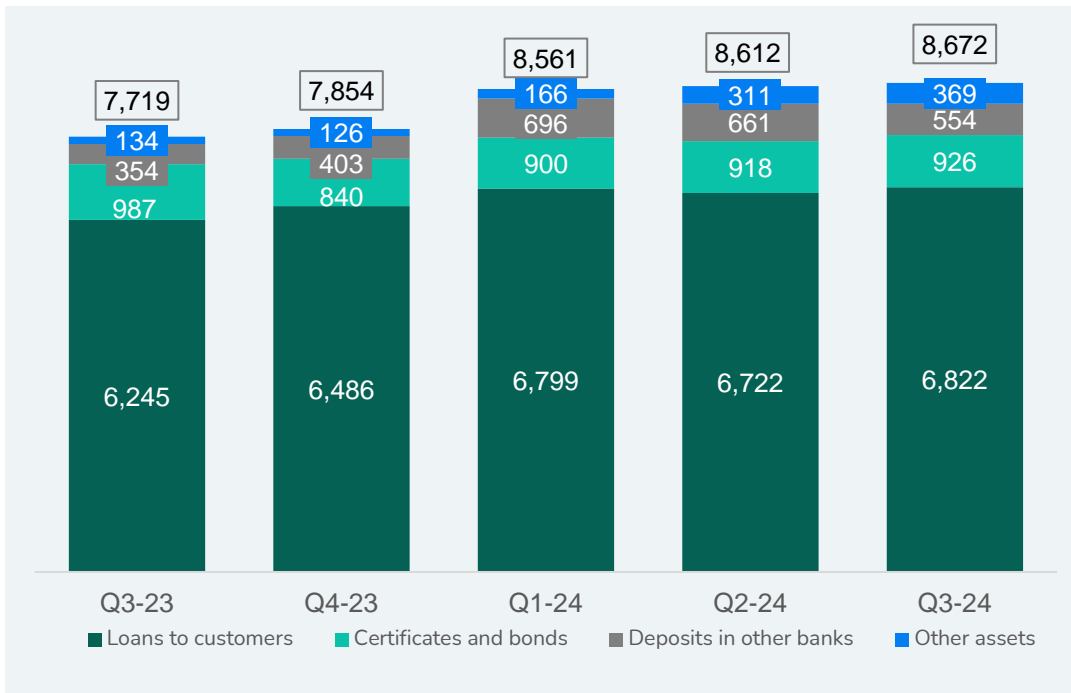


1) CET1 ratios for Q1, Q2 and Q3 include YTD unaudited profit. From Q2 2024: Including updated SREP with 2% expected capital buffer

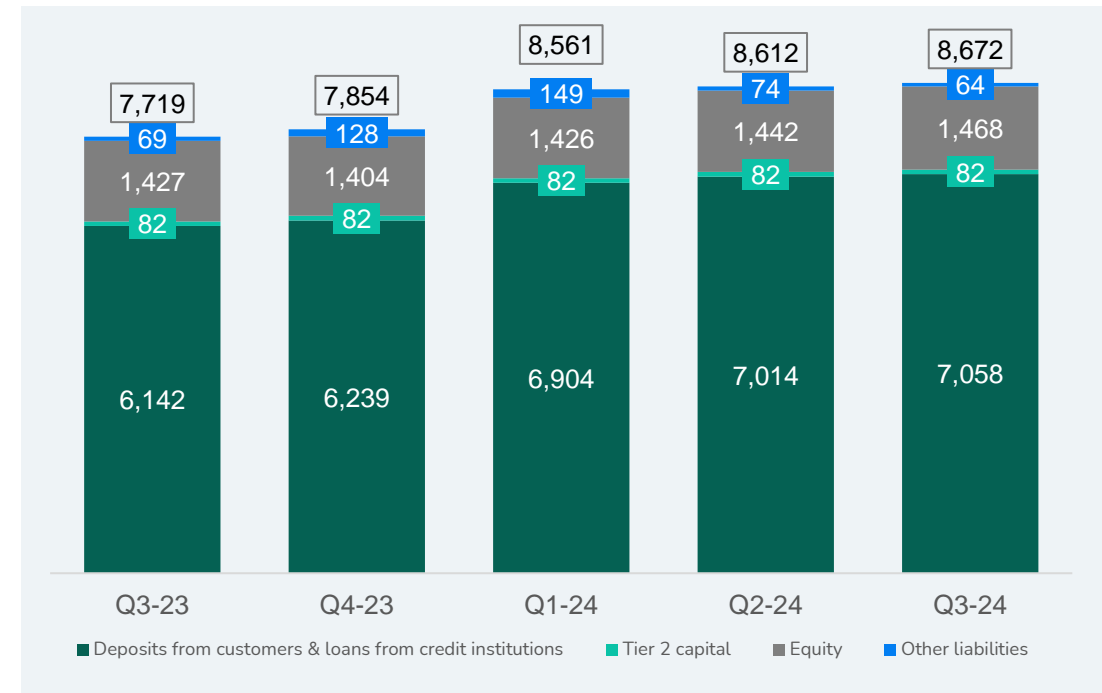
# Balance sheet structure

## Strong funding and liquidity position

### Total assets, MNOK



### Equity and liabilities, MNOK



- Deposit ratio: 103%
- Liquidity coverage ratio: 683% total (1,447% NOK, 270% EUR, 172% SEK)
- Net stable funding ratio: 150% total



# Income statement

## Lea bank Group figures

	Parent	Parent	Parent	Parent	Group	Group
(Amounts in NOK 1 000)	Q3-24	Q3-23	YTD-24	YTD-23	Q3-24	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
<b>Net interest income</b>	<b>135,528</b>	<b>130,438</b>	<b>410,026</b>	<b>398,815</b>	<b>137,926</b>	<b>413,881</b>
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
<b>Net other operating income</b>	<b>21,262</b>	<b>19,897</b>	<b>61,822</b>	<b>39,257</b>	<b>19,822</b>	<b>60,333</b>
<b>Total income</b>	<b>156,790</b>	<b>150,335</b>	<b>471,848</b>	<b>438,072</b>	<b>157,748</b>	<b>474,214</b>
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
<b>Total operating expenses</b>	<b>-48,127</b>	<b>-44,492</b>	<b>-142,710</b>	<b>-127,168</b>	<b>-52,646</b>	<b>-150,210</b>
<b>Profit before loan losses</b>	<b>108,663</b>	<b>105,843</b>	<b>329,138</b>	<b>310,904</b>	<b>105,102</b>	<b>324,005</b>
Loan losses	-73,613	-67,823	-238,954	-211,449	-75,259	-241,963
<b>Profit before tax</b>	<b>35,049</b>	<b>38,019</b>	<b>90,184</b>	<b>99,455</b>	<b>29,843</b>	<b>82,041</b>
Tax charge	-8,644	-9,133	-20,680	-23,878	-8,644	-20,680
<b>Profit after tax</b>	<b>26,405</b>	<b>28,886</b>	<b>69,504</b>	<b>75,577</b>	<b>21,198</b>	<b>61,361</b>

# Balance sheet

## Lea bank Group figures

	Parent	Parent	Parent	Group
(Amounts in NOK 1 000)	30.09.2024	30.09.2023	31.12.2023	30.09.2024
<b>Assets</b>				
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	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
<b>Total assets</b>	<b>8,671,965</b>	<b>7,719,392</b>	<b>7,853,642</b>	<b>8,678,419</b>
<b>Liabilities and equities</b>				
Deposits from customers	7,057,856	6,141,604	6,239,373	7,057,856
Other liabilities	64,180	68,829	75,937	70,635
Subordinated loans	82,338	81,999	82,084	82,338
<b>Total liabilities</b>	<b>7,204,374</b>	<b>6,292,432</b>	<b>6,397,394</b>	<b>7,210,829</b>
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
<b>Total equity</b>	<b>1,467,591</b>	<b>1,426,960</b>	<b>1,456,249</b>	<b>1,467,591</b>
<b>Total liabilities and equity</b>	<b>8,671,965</b>	<b>7,719,392</b>	<b>7,853,642</b>	<b>8,678,419</b>

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**Lea**  
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