



Quarterly report 3rd quarter 2025

Table of Contents

About Lea Bank AB.....	3
Income statement for Q3 2025	3
Balance sheet as of 30.09.2025	3
Key figures.....	4
Other information.....	5
Outlook.....	5
Comprehensive income statement.....	6
Balance sheet	7
Statement of changes in equity.....	7
Note 1 – General accounting principles.....	9
Note 2 – Gross loans and loan loss provisions	14
Note 3 – Subordinated loans.....	17
Note 4 – Capital adequacy	18
Note 5 - Liquidity coverage	23
Note 6 – Contractual obligations.....	25
Note 7 – Key profitability and equity indicators	25
Note 8 – Largest shareholders in Lea Bank AB as of 30.09.2025	26

About Lea Bank AB

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 Sweden, Norway, Finland and Spain, and offers deposit products in Sweden, Norway, Finland, 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 more than 3,800 shareholders. The company was listed on Nasdaq First North Premier Growth Market in Stockholm on 9 January 2025 following the redomiciliation from Norway to Sweden.

Lea Bank is a member of the Swedish deposit insurance scheme at Riksgälden, providing protection up to SEK 1,050,000 per depositor in Sweden and other EU countries. The bank operates a branch membership of the Norwegian deposit guarantee scheme, providing protection up to NOK 2,000,000 per depositor in Norway.

Financial figures in this quarterly report

Lea Bank AB had limited activity throughout 2024 as the entity was set up to facilitate the banking application and to prepare for the merger with the Norwegian entity Lea bank ASA. Lea Bank AB therefore had no banking activity during 2024. In the text below, comments are therefore made on relative changes compared to the previous quarter. Historical figures for Lea bank ASA can be found on the bank's investor relations website.

Income statement for Q3 2025

Operating profit for Q3 2025 was SEK 41.5 million, and Net profit was SEK 33.3 million, compared to respectively SEK 33.8 million and SEK 28.3 million for Q2 2025.

Interest income for Q3 2025 was SEK 218.7,5 million, and Net interest income was 160.8 million, compared to respectively SEK 206.5 million and SEK 147.2 million for Q2 2025.

Net commission income for the quarter was SEK 14.2 million, and Net result of financial transactions and Other operating income was SEK 0.2 million, compared to respectively SEK 9.1 million and SEK 1.7 million for Q2 2025.

Total operating expenses were SEK 52.8 million, compared to SEK 54.6 million for Q2 2025. Operating expenses have stabilized after the redomiciliation to Sweden.

Net credit losses were SEK 80.9 million compared to 69.6 million for Q2, equal to an annual loan loss ratio of 3.7% compared to 3.4% for Q2.

Balance sheet as of 30.09.2025

Loan development has been positive throughout the quarter with good demand for unsecured loans. Compared to the loan balance at 30. June 2025, gross loans increased by SEK 605 million, driven by growth in all geographies both in local currency terms and in SEK. Gross loans amounted to SEK

9,066 million as of 30.09.2025. The distribution of gross loans was SEK 1,931 million in Sweden, SEK 3,337 million in Norway, SEK 3,318 million in Finland and SEK 480 million in Spain.

Provision for loan losses was SEK 754 million, equal to 8.3% of gross loans compared to SEK 706 million (8.3%) for Q2 2025.

Total assets amounted to SEK 9,751 million as of 30.09.2025, an increase from SEK 9,532 million as of 30.06.2025

The bank has a strong liquidity balance at end of the quarter of SEK 1,299 million. Liquid assets were conservatively invested in certificates and government bonds and funds invested in covered bonds, as well as credit institutions.

Deposits to customers increased with SEK 191 million to SEK 8,127 million as of 30.09.2025, compared to SEK 7,936 million as of 30.06.2025. The deposit ratio was 98% at 30.09.2025 compared to 102% at 30.06.2025. The bank has over time invested to diversify its funding platform, and have successfully completed several initiatives. We are experiencing strong demand for the bank's diversified funding products in SEK, EUR, and NOK. At the beginning of the year, we launched EUR deposits on our own distribution platform in Finland. Additionally, we expect to launch Raisin Netherlands during Q4, a Euro funding platform, further strengthening the bank's Euro funding

Total equity amounted to SEK 1,389 million at 30.09.2025, compared to SEK 1,357 million at 30.06.2025. See note 4 for information regarding capital adequacy. The bank paid dividends to its shareholder of SEK 171.9 million in Q2, equal to SEK 1.80 per share.

The total capital ratio (Tier 2) was 18.74%, the Tier 1 capital ratio (Tier 1) was 16.94%, and common equity capital ratio (CET-1) was 15.57% at the end of the quarter. The interim financial statement has not been audited, hence year to date profits are not included in the capital ratios.

The Liquidity Coverage Ratio (LCR) was 690% and the Net Stable Funding Ratio (NSFR) was 121% as of 30.09.2025. The bank had a solid liquidity position at the end of the quarter, which is expected to continue.

Key figures

TSEK	Q3 2025	Q2 2025	Q3 2024 ¹
Net interest income	160,822	147,212	0
Operating profit	41,463	33,832	-1,268
Net profit for the period	33,315	28,348	-1,268
C/I ratio	30.1 %	34.6 %	15,750 %
Credit loss level, %	3.7 %	3.4 %	n.a
Return on equity	10.5 %	8.5 %	-8.6%
Adjusted return of equity (excluding excess equity to regulatory requirements)	16.8 %	13.8 %	n.a
Deposits and borrowing from the public	8,126,777	7,936,104	n.a
CET ratio, %	15.6 %	16.3 %	n.a
CET requirement, %	9.0 %	9.0 %	n.a
Total capital ratio, %	18.7 %	19.7 %	n.a
Total capital requirement, %	13.1 %	13.0 %	n.a

1) Note that there was no banking activity in Lea Bank AB during 2024

Other information

Dividend policy

Lea Bank is committed to delivering financial performance that ensures a competitive return on equity for shareholders, generating shareholder value through both dividends and increased valuation. Capital not designated for growth initiatives may be distributed as cash dividends. In setting the dividend level, the bank carefully considers its solvency, projected profit trends, future capital needs, growth objectives, regulatory requirements, legal obligations, and strategic goals.

The share

The bank was listed on Nasdaq First North Premier Growth Market in Stockholm on 9 January 2025. The share trades under the ticker name LEA and the ISIN code is SE0023261300.

Financial calendar 2025 and 2026

12.02.2026 - Q4 2025 Financial Report and 2025 Annual Report

07.05.2026 - Q1 2026 Financial Report

12.05.2026 – Annual General Meeting

13.08.2026 – Q2 2026 Financial Report

22.10.2026 – Q3 2026 Financial Report

Outlook

Focus areas

- *Increase margins and secure attractive risk–reward*
- *Active NPL management – explore opportunities to reduce non-performing loan exposure*
- *Pursue profitable growth while maintaining dividend capacity*

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

The bank's goal is to deliver attractive returns for shareholders, operational efficiency, an exciting workplace for employees, and first-class customer experiences for both customers and partners.

Comprehensive income statement

TSEK	Note	Q3 2025	Q2 2025	2025 YTD	Q3 2024 ¹	2024
Interest income		218,711	206,466	624,028	0	98
Interest expense		-57,890	-59,255	-179,269	0	-13
Net interest income		160,822	147,212	444,759	0	85
Commission and fee income		15,430	10,108	37,747	0	0
Commission and fee expenses		-1,261	-1,003	-3,510	-8	-8
Net commission income		14,169	9,105	34,237	-8	-8
Net result of financial transactions		1,208	859	9,901	0	0
Other operating income		-1,057	803	331	0	0
Total operating income		175,141	157,978	489,228	-8	77
General administrative expenses		-43,335	-46,117	-136,587	-1,012	-4,286
Depreciation, amortisation and impairment of tangible and intangible assets		-5,850	-5,703	-17,224	-248	-177
Other operating expenses		-3,565	-2,765	-9,998	0	0
Total operating expenses		-52,750	-54,584	-163,809	-1,260	-4,464
Profit before credit losses		122,391	103,394	325,420	-1,268	-4,387
Net credit losses	2	-80,928	-69,563	-222,448	0	0
Operating profit		41,463	33,832	102,972	-1,268	-4,387
Tax expense on profit for the period		-8,148	-5,484	-20,223	0	933
Net profit for the period		33,315	28,348	82,749	-1,268	-3,454
Earnings per share (SEK)		0.35	0.30	0.86	n.a ²	n.a ²
Diluted earnings per share (SEK)		0.32	0.27	0.79	n.a ²	n.a ²
Comprehensive income						
Profit after tax		33,315	28,348	82,749	-1,268	-3,454
Other comprehensive income		0	0	0	0	0
Comprehensive income for the period		33,315	28,348	82,749	-1,268	-3,454

1) Note that there was no activity in Lea Bank AB prior to Q3 2024, hence Q3 2024 figures equal 2024 YTD

2) Non-comparable number of shares prior to merger between Lea bank ASA and Lea Bank AB

Balance sheet

TSEK	Note	30.09.2025	30.06.2025	30.09.2024¹	31.12.2024¹
Assets					
Loans to credit institutions		408,389	747,442	60,298	254,131
Loans to the public	2	8,311,498	7,755,591	0	0
Bonds and other interest-bearing securities		890,162	851,271	0	0
Current tax assets		11,919	19,966	0	933
Intangible assets		75,069	76,210	0	386
Fixed assets		13,571	15,132	-956	5,718
Other assets		40,105	66,578	0	1,153
Total assets		9,750,712	9,532,190	59,342	262,321
Equity and liabilities					
Deposits from the public		8,126,777	7,936,104	0	0
Other liabilities	6	106,610	106,378	610	5,775
Subordinated liabilities	3	128,763	132,350	0	0
Total liabilities		8,362,151	8,174,833	610	5,775
Share capital		191,944	191,035	60,000	60,000
Retained earnings		1,015,902	1,016,516	0	200,000
Tier 1 capital		97,967	100,372	0	0
Net profit for the year		82,749	49,434	-1,268	-3,454
Total equity	4,7,8	1,388,562	1,357,357	58,732	256,546
Total liabilities and equity		9,750,712	9,532,190	59,342	262,321

1) Note that there was no banking activity in Lea Bank AB during 2024

Statement of changes in equity

TSEK	Restricted equity		Unrestricted equity	Total
	Share capital	Tier 1 capital	Retained earnings	
Equity per 30.06.2025	191,035	100,373	1,065,950	1,357,357
Share based remuneration	909	-	2,349	3,258
Changes Tier 1 capital	-	-2,405	-2,963	-5,368
Profit after tax	-	-	33,315	33,315
Equity per 30.09.2025	191,944	97,968	1,098,650	1,388,561

Cashflow statement

TSEK	Q1-Q3 2025	2024
Cash flow from operating activities		
Profit/(loss) before tax	102,972	-4,387
Depreciation	17,224	34
Change in gross loans to customers	-1,467,120	
Change in deposits from and debt to customers	817,809	
Change in accruals and other adjustments	1,015,188	105
Net cash flow from operating activities	486,072	-4,248
Net cash from investing activities		
Payments for investments in fixed assets	-803	-750
Payments for investments in intangible assets	-22,228	-386
Payments for subsidiary	-3,599	
Payments certificates and bonds	557,723	
Sale of certificates and bonds	-528,316	
Net cash flow from investing activities	2,778	-1,136
Cash flow from financing activities		
Proceeds from issue of share	3,891	60,000
Long-term liabilities		-250,807
Shareholder contribution		200,000
Lease payments	-4,300	
Issuance of Tier 2 capital	67,158	
Redemption of Tier 2 capital	-14,130	
Payment to AT2 capital investors	-7,035	
Issuance of AT1 capital	47,970	
Redemption of AT1 capital	-	
Payment to AT1 capital investors	-5,893	
Dividend payment	-171,931	
Net cash flow from financing activities	-84,270	9,193
Net cash flow for the period	404,580	3,809
Cash and cash equivalents at the start of the period	3,809	-
Cash and cash equivalents at the end of the period	408,389	3,809
Of which:		
<i>Loans and deposits with credit institutions</i>	<i>408,389</i>	<i>3,809</i>

Note 1 – General accounting principles

On October 22, 2025, the quarterly report was approved by the Board of Directors of Lea Bank AB.

Company information

Lea Bank AB, corporate registration number 559465–8196, is domiciled in Sweden and has head office at Polhemsplatsen 5, 411 11 Gothenburg.

Basis for preparation of the financial statements

Lea Bank prepares its financial accounts in accordance with the IFRS Accounting Standards and IFRIC interpretations as adopted by the EU ("statutory IFRS") to the extent possible within the framework of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL). Permissible exceptions and supplements to the IFRS Accounting Standards are stated in the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for Legal Entities, the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) and the Swedish Financial Supervisory Authority's regulations and general guidelines for annual reports in credit institutions and securities companies (FFFS 2008:25).

Swedish kronor is used as both the functional currency and the presentation currency. Unless otherwise stated, all amounts are presented in full kronor.

Intangible Assets

Intangible assets refer to identifiable, non-monetary resources without physical substance that the company controls and which are expected to generate future economic benefits. These are amortized over a period of between 3 and 20 years using the straight-line method. An annual assessment is made of the amortization period, amortization method, and any potential impairment needs, or earlier if there are indications of a decline in value.

Fixed Assets

Fixed assets are recognized at acquisition cost, less accumulated depreciation and any impairment losses. The depreciation method is adapted to reflect the expected consumption of the economic benefits of the assets. Depreciation is applied on a straight-line basis over a period of 3 to 5 years as follows:

- PCs – 3 years
- Fixtures and fittings – 3 years
- Building installations – 5 years

Personnel Expenses

Personnel expenses include all direct costs for personnel, including social security contributions and other related costs.

Leasing agreements

The bank's leasing agreements relate to premises. The leasing agreements are usually signed for fixed periods of about 3-5 years for premises, but there may be options for extension and early termination, as described below. The terms are negotiated separately for each agreement and include a wide range of different contractual conditions. The leasing agreements are recognized in accordance with IFRS 16 as right-of-use assets and a corresponding liability to the lessor, on the date the leased asset becomes available for use by the bank. The right-of-use asset and the lease liability are recognized as tangible assets and other liabilities, respectively. Each lease payment is divided between the repayment of the liability and the interest cost. The interest cost is allocated over the lease term so that each accounting period is charged with an amount that corresponds to a fixed interest rate for the liability reported during the respective period. The right-of-use asset is amortized on a straight-line basis over the identified lease term. In the cash flow statement, payments related to the amortization of the lease liability and payments related to the interest portion are reported under operating activities. Assets and liabilities arising from leasing agreements are initially recognized at present value. The lease liabilities include the present value of the following lease payments:

- Fixed fees (including fees that are in substance fixed), reduced by incentive receivables
- Variable lease payments based on an index or price, initially valued using the index or price at the inception date
- Guaranteed residual value that the lessee expects to pay to the lessor

- Purchase option price, if it is reasonably certain that the lessee will exercise the option
- Penalties for terminating the lease agreement, if the lease term reflects the assumption that the lessee will exercise this option.

Lease payments are discounted using the implicit interest rate if it can be determined, otherwise using the incremental borrowing rate. Right-of-use assets are valued at cost and include the following:

- The amount at which the lease liability was initially valued
- Lease payments made at or before the commencement date, less any incentives received in connection with signing the lease agreement.

Initial direct costs:

Costs for restoring the asset to the condition specified in the lease agreement.

The bank has chosen to apply the following exemptions in IFRS 16:

- Payments for short-term leases and leases of low-value assets are expensed on a straight-line basis in the income statement.
- Short-term leases are agreements with a term of 12 months or less.
- Low-value assets include IT and office equipment.

Tax Expenses

Reported tax expenses include tax for the current year, adjustments related to current taxes from previous years, as well as changes in deferred tax. Deferred tax is the tax related to all temporary differences that arise between the reported and tax values of assets and liabilities.

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.

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 at 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.

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 SEK.

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.

Loans to credit institutions

"Loans to credit institutions" are towards Swedish 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.

Modification

When the contractually agreed cash flows from a financial asset are renegotiated or otherwise changed, and this renegotiation or change does not lead to derecognition of the financial asset, the asset's gross carrying amount is recalculated, and a gain or loss resulting from the change is recognized in the income statement. The financial asset's gross carrying amount is recalculated as the present value of the renegotiated or changed contractually agreed cash flows, discounted using the asset's original effective interest rate. Any accrued costs or fees adjust the recalculated carrying amount of the financial asset and are amortized over its remaining useful life.

Estimates

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

Estimates and underlying assumptions are continuously assessed. Changes in estimates are recognized as they occur.

Note 2 – Gross loans and loan loss provisions

2.1 Gross loans, undrawn credit lines, and expected credit losses 30.09.2025

TSEK				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	3,336,669	90,711	213,423	2,757,674	155,767	423,227	3,336,669	35,956	17,151	161,169	214,276	2,721,718	138,616	262,059	3,122,393
Finland	3,318,375	51,088	142,377	2,497,721	170,750	649,904	3,318,375	40,205	23,739	213,657	277,601	2,457,516	147,010	436,248	3,040,775
Sweden	1,930,750	46,359	85,799	1,522,003	38,578	370,169	1,930,750	23,037	7,582	147,207	177,826	1,498,966	30,996	222,961	1,752,924
Spain	480,063	6,772	6,307	374,419	8,962	96,682	480,063	10,366	5,103	69,189	84,657	364,053	3,860	27,494	395,406
Total	9,065,857	194,929	447,906	7,151,818	374,057	1,539,983	9,065,857	109,564	53,574	591,221	754,359	7,042,254	320,482	948,762	8,311,498

2.2 Specification of loan losses in the period

TSEK	Q3 2025
Loan loss provisions - 12 months expected credit loss (stage 1)	4,341
Loan loss provisions - lifetime expected credit loss (stage 2)	3,031
Loan loss provisions - lifetime expected credit loss (stage 3)	41,373
Realized losses and NPL-interest in the period	32,183
Loans losses in the period	80,928

2.3 Gross loan, off-balance and maximum exposure by risk class - 30.09.2025

Risk class, amounts in TSEK	Probability of default	Gross book value	Off-balance sheet amount	Maximum exposure	Max. exposure stage 1	Max. exposure stage 2	Max. exposure stage 3
A	0 - 10 %	6,406,358	447,906	6,854,264	6,808,081	46,182	-
B	10 - 20 %	698,310	-	698,310	650,483	47,827	-
C	20 - 30 %	169,286	-	169,286	83,224	86,062	-
D	30 - 40 %	94,126	-	94,126	28,749	65,377	-
E	40 - 50 %	45,977	-	45,977	10,899	35,078	-
F	50 - 60 %	39,158	-	39,158	4,921	34,237	-
G	60 - 70 %	27,401	-	27,401	3,229	24,172	-
H	70 - 80 %	5,779	-	5,779	-	5,779	-
I	80 - 90 %	17,710	-	17,710	-	17,710	-
J	90 - 100 %	21,770	-	21,770	82	21,688	-
Defaulted loans	100 %*	1,539,983	-	1,539,983	-	-	1,539,983
Total		9,065,857	447,906	9,513,763	7,589,668	384,112	1,539,983

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.

2.4 Changes in loan loss allowance and gross loans

Reconciliation of gross loans

Amounts in SEK 1000	Stage 1	Stage 2	Stage 3	Total
Gross loans as at 01.07.2025	6,632,911	355,253	1,473,042	8,461,206
Transfers				
- transfer from stage 1 to stage 2	-216,044	216,044	-	-
- transfer from stage 1 to stage 3	-54,353	-	54,353	-
- transfer from stage 2 to stage 3	-	-146,258	146,258	-
- transfer from stage 3 to stage 2	-	22,119	-22,119	-
- transfer from stage 2 to stage 1	59,259	-59,259	-	-
- transfer from stage 3 to stage 1	20,768	-	-20,768	-
New financial assets originated	1,531,553	8,314	726	1,540,593
Derecognised financial assets (repayments and write-offs)	- 502,105	- 14,555	-64,594	-581,254
Partial repayments and other adjustments	299,884	-6,315	-21,479	-327,678
Currency effects	-20,288	-1,287	-5,436	-27,010
Change in model or risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Gross loans as at 30.09.2025	7,151,818	374,057	1,539,983	9,065,857
- Of which gross loans with forbearance	-	39	35,838	35,878

Reconciliation of total expected credit loss

Amounts in SEK 1000	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 01.07.2025	105,223	50,543	549,848	705,615
Transfers				
- transfer from stage 1 to stage 2	-5,904	5,904	-	-
- transfer from stage 1 to stage 3	-2,331	-	2,331	-
- transfer from stage 2 to stage 3	-	-24,512	24,512	-
- transfer from stage 3 to stage 2	-	3,314	-3,314	-
- transfer from stage 2 to stage 1	6,216	-6,216	-	-
- transfer from stage 3 to stage 1	3,182	-	-3,182	-
New financial assets originated	21,813	481	603	22,896
Derecognised financial assets (repayments and write-offs)	-7,482	- 2,137	-21,714	-31,333
Change in measurement*	-10,779	26,415	44,064	59,701
Currency effects	-375	-217	-1,927	-2,519
Change in model or risk parameters	-	-	-	-
Other adjustments	-	-	-	-
Loss allowance as at 30.09.2025	109,564	53,574	591,221	754,359

*change in PD, LGD or EAD and 12 months vs lifetime horizon

2.5 Macro scenario sensitivity on ECL - 30.09.2025

TSEK	ECL reported under IFRS 9	Base Scenario (34-40 %)	Optimistic Scenario (30-33 %)	Pessimistic Scenario (30-33 %)
Total	754,359	715,321	651,505	904,316
Consumer loans	754,359	715,321	651,505	904,316
Norway	214,276	202,871	184,051	259,707
Consumer loans	214,276	202,871	184,051	259,707
Finland	277,601	261,273	236,204	335,820
Consumer loans	277,601	261,273	236,204	335,820
Sweden	177,826	171,384	160,007	204,232
Consumer loans	177,826	171,384	160,007	204,232
Spain	84,657	79,793	71,244	104,557
Consumer loans	84,657	79,793	71,244	104,557

Expected credit losses reported under IFRS 9 are macro-weighted. The following weights are used for the three scenarios:
 Finland: base scenario (34%), optimistic scenario (33%), and pessimistic scenario (33%).
 Norway, Sweden and Spain: base scenario (40%), optimistic scenario (30%), and pessimistic scenario (30%).

Note 3 – Subordinated loans

Subordinated loans as of 30.09.2025

ISIN	Nominal value	Currency	Interest	Reference-interest + margin	Due date	Book value TSEK
NO0011108276	50,000	NOK	Floating	NIBOR + 425bp	29.09.31	46,973
NO0012750803	18,000	NOK	Floating	NIBOR + 575bp	09.02.33	16,856
NO0013585422	70,000	NOK	Floating	NIBOR + 550bp	17.09.35	64,934
Total subordinated loans	138,000					128,763

Note 4 – Capital adequacy

Background

This information regarding Lea Bank's capital adequacy has been prepared in accordance with the provisions of Chapter 6, Sections 3–4 of the Swedish Financial Supervisory Authority's (Finansinspektionen) regulations and general guidelines (FFFS 2008:25) on annual reports in credit institutions and securities companies. It also complies with the rules set out in Part Eight of the European Parliament and Council Regulation (EU) No. 575/2013, as well as Chapter 8, Section 1 of FFFS 2014:12 concerning supervisory requirements and capital buffers. Lea Bank AB is a financial institution under the supervision of Finansinspektionen and is therefore subject to the Swedish regulatory framework for credit institutions. According to Article 4.1.145 of Regulation (EU) No. 575/2013, the bank is classified as a small and non-complex institution. The legal framework governing the determination of the bank's statutory capital requirements includes, among others, the Act (2014:968) on special supervision of credit institutions and securities companies, Regulation (EU) No. 575/2013, the Act (2014:966) on capital buffers, and FFFS 2014:12.

Capital Base

The bank's capital base consists of shareholders' equity and issued bonds. The equity, adjusted for regulatory purposes, constitutes the Common Equity Tier 1 capital. The bonds are classified as Additional Tier 1 capital or Tier 2 capital. These bonds are subordinated to other creditors, and some of them may be converted into share capital under specific conditions.

Risk Exposure

The bank's total risk exposure amount is primarily made up of credit risk and operational risk. Credit risk is calculated using the standardised approach, where exposures are weighted based on percentages outlined in Regulation (EU) No. 575/2013. The capital requirement for operational risk is calculated in accordance with Article 312, Regulation (EU) No 575/2013.

Capital Requirements and Pillar 2 Guidance

Under Pillar 1, the capital base must amount to at least 8% of the risk-weighted exposure amount. In addition, further capital requirements apply for risks not covered under Pillar 1, such as concentration risk and market risk, which are addressed under Pillar 2. The bank is also required to hold capital for a capital conservation buffer of 2.5%, as well as a countercyclical buffer depending on its geographical exposure.

Internally Assessed Capital Needs

At least once a year, Lea Bank conducts a review to ensure that its capital and liquidity projections are sufficient to cover the risks the bank is, or may become, exposed to over the next three years. This process is referred to as the Internal Capital and Liquidity Assessment Process (ICLAAP) and is carried out in accordance with Article 73 of EU Directive 2013/36.

Capital adequacy target

Lea Bank's aim is that all capital ratios should exceed the regulatory requirement (including pillar 2 and buffer requirements) by at least 2.6 %.

TSEK		30.09.2025
Common Equity Tier 1 capital (CET-1)		1,112,845
Tier 1 capital instruments		97,967
Tier 2 capital instruments		128,763
Own funds		1,339,575
Risk exposure amount		7,148,357
- of which: credit risk		6,781,141
- of which: credit valuation adjustment risk		1,976
- of which: operational risk		365,240
Capital ratios		
CET-1 capital ratio, %		15.57 %
Tier 1 capital ratio, %		16.94 %
Total capital ratio, %		18.74 %

TSEK	30.09.2025	
	Amount	% ¹
Capital requirement under pillar 1		
CET-1 capital	321,676	4.5 %
Tier 1 capital	428,901	6.0 %
Total capital	571,869	8.0 %
Capital requirement under pillar 2		
CET-1 capital	48,800	0.7 %
Tier 1 capital	65,067	0.9 %
Total capital	86,755	1.2 %
- of which, concentration risk	82,206	1.2 %
- of which, other risk	4,549	0.1 %
Total capital requirement under pillar 1 and pillar 2		
CET-1 capital	370,476	5.2 %
Tier 1 capital	493,968	6.9 %
Total capital	658,624	9.2 %
Institution-specific buffer requirement		
Total buffer requirement	275,997	3.9 %
- of which, capital conservation buffer	178,709	2.5 %
- of which, countercyclical buffer	97,288	1.4 %
Total capital requirement including buffer requirement		
CET-1 capital	646,473	9.0 %
Tier 1 capital	769,965	10.8 %
Total capital	934,621	13.1 %
Pillar 2 Guidance		
CET-1 capital	0	0.0 %
Total need for capital including Pillar 2 Guidance		
CET-1 capital	646,473	9.0 %
Tier 1 capital	769,965	10.8 %
Total capital	934,621	13.1 %

1) Capital requirements expressed as a percentage of the risk exposure amount.

CET-1 capital

Share capital	191,944
Other reserves	0
Retained earnings including net profit for the period	1,015,902

Adjustments to CET-1 capital:

- Deduction of foreseeable costs and dividends ¹	0
- Intangible assets ²	-86,987
- Prudential Valuation Adjustment (PVA)	-903
- Insufficient coverage for non-performing exposures ³	-7,110

Total CET-1 capital **1,112,845**

Tier 1 capital instruments

Perpetual subordinated loan	97,967
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Tier 2 capital instruments

Fixed term subordinated loans	128,763
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Own funds **1,339,575**

1) Deduction of dividends have been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy for interim results

2) Deduction according to Commission Delegated Regulation (EU) 2020/2176.

3) Deduction according to Regulation (EU) No 2019/630.

30.09.2025		
TSEK	Risk exposure amount	Capital requirement 8%
Credit risk under the standardised approach		
Corporate exposures	1,767	141
Household exposures	5,392,389	431,391
Exposures secured by mortgages on immovable property	0	0
Exposures in default	948,762	75,901
Exposures to institutions	101,678	8,134
Equity exposures	13,188	1,055
Other items	323,358	25,869
Total	6,781,141	542,491
Credit valuation adjustment		
Simplified approach	1,976	158
Total	1,976	158
Market risk		
Foreign exchange rate risk	0	0
Total	0	0
Operational risk		
The Standardised Approach	365,240	29,219
Total	365,240	29,219
Total risk exposure amount and total capital requirement	7,148,357	571,869

Note 5 - Liquidity coverage

Background

Information about the Bank's liquidity coverage in this document includes information in accordance with Chapter 5, Section 9 of the Swedish FSA's regulations and general guidelines (FFFS 2010:7) on publication of information on liquidity risk. Information on regulatory liquidity requirements in this document refers to information set out in Part Six of Regulation (EU) No 575/2013.

Liquidity reserve

In accordance with FFFS 2010:7, a responsible institution is required to keep a separate reserve of high-quality liquid assets that can be used to secure short-term solvency in the event of the loss or deterioration of access to normally available funding sources. Lea Bank's available liquidity reserve consists of treasury bills, government bonds, cash at central banks and loans to credit institutions. Only amounts that are available the following day are counted in the available liquidity reserve.

Sources of financing

Lea Bank's main source of financing is deposits from the public. Deposits are only from the household sector and 99 % is covered by a government deposit guarantee scheme. The other sources of financing are subordinated debt, additional Tier 1 capital instruments and equity attributable to the shareholders.

TSEK	30.09.2025	30.09.2024
Liquidity reserve		
Securities issued by sovereigns	533,249	0
Securities issued by municipalities	156,914	0
Bonds and other interest-bearing securities	200,000	0
Total liquidity reserve	890,162	0
Other available liquidity reserve		
Cash and balances with central banks	0	0
Loans to credit institutions	408,389	60
Total other available liquidity reserve	408,389	60
Total available liquidity reserve	1,298,552	60
Sources of financing		
Deposits from the public	8,126,777	0
Subordinated liabilities	128,763	0
Tier 1 capital instrument	97,967	0
Equity attributable to shareholders	1,290,595	59
Total sources of financing	9,644,102	59
Key figures		
Available liquidity reserve / Deposits from the public	16 %	n.a
Liquidity coverage ratio	690 %	n.a
Net stable funding ratio	121 %	n.a
Regulatory liquidity requirements		
TSEK	30.09.2025	30.09.2024
Key figures		
Liquidity coverage ratio	100 %	100 %
Net stable funding ratio	100 %	100 %

Note 6 – Contractual obligations

TSEK		Q3 2025
Right to use		
Opening balance		13,034
Implementation effect		
Assets		
Write-downs		
Adjustments		
Depreciation		-1,314
Disposals		
Closing balance		11,720
 Opening balance		 -13,246
Implementation effect		
Assets		
Effect of changes in exchange rates		
Adjustments		
Lease payments		1,428
Interest		-126
Settlement upon disposal		
Closing balance		-11,945
 Proportion of short-term debt		 5,436
Proportion of long-term debt		-6,202

Note 7 – Key profitability and equity indicators

TSEK	
Equity per 30.09.2025*	1,290,595
Operating profit Q3 2025	41,463
Net profit for the period Q3 2025	33,315
Number of shares 30.09.25 (in thousands)	95,972
 Book equity per share as of 30.09.25*	 13.45
Earnings per share before tax Q3 2025	0.43
Earnings per share after tax Q3 2025	0.35
Earning per share before tax Q3 2025 YTD	1.07
Earning per share after tax Q3 2025 YTD	0.86
 Annualized return on equity Q3 2025	 10.5 %
Adjusted return of equity (excluding excess equity to regulatory requirements) Q3 2025	16.8 %

* excluding tier 1 capital

Note 8 – Largest shareholders in Lea Bank AB as of 30.09.2025

Rank	Name	# of shares	Ownership %
1	Clearstream Banking S.A. ¹	28,304,204	29.49 %
2	Filial I Norge Nordea Bank Abp ¹	11,644,124	12.13 %
3	Braganza AB	10,383,899	10.82 %
4	Salénenterprise AB	9,552,187	9.95 %
5	Pareto Securities AS ¹	7,272,211	7.58 %
6	DNB Bank ASA ¹	5,810,790	6.05 %
7	Sb1 Markets AS ¹	3,624,503	3.78 %
8	DNB Bank ASA ¹	1,742,511	1.82 %
9	Stena Adactum AB	1,500,000	1.56 %
10	Shb Oslo - Oslo Clients Sweden ¹	1,482,582	1.54 %
11	MP Pensjon Pk	1,194,494	1.24 %
12	Pensum Asset Management AS	1,131,554	1.18 %
13	W8imy/nqi Luxembourg Branch J.P. Morgan Se ¹	917,240	0.96 %
14	Vida AS	544,938	0.57 %
15	Jan Kleppe	524,550	0.55 %
16	Nordnet Livsforsikring AS	403,707	0.42 %
17	Försäkringsaktiebolaget Avanza Pension	331,252	0.35 %
18	Skule Morten Langsether	267,090	0.28 %
19	Geir Jorgensen	266,160	0.28 %
20	Jorn Helge Ulrichsen	250,000	0.26 %
Top 20 largest shareholders		87,147,996	90.81 %
Other Shareholders		8,823,930	9.19 %
Total		95,971,926	100.00 %

1) Nominee account

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