

BRAbank ASA

1st quarter 2022 results presentation

April 28th 2022



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BRABank ASA at a glance

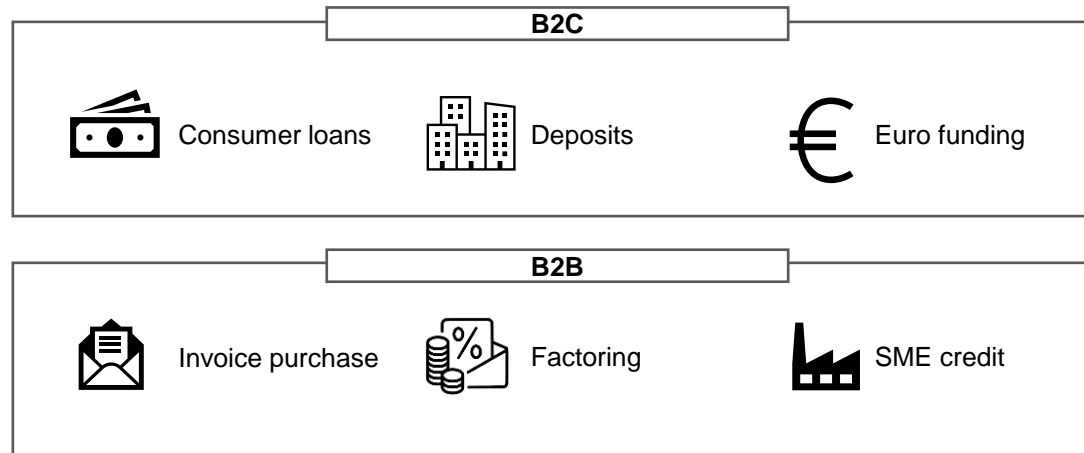
Digital niche bank with a Nordic footprint

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

- Fully digital bank offering consumer loans, savings accounts, automated invoice purchase and SME financing
- Proven value chain with inhouse credit analysis and operations, broad distribution network and forward flow agreements for defaulted loans
- Roots back to 2003. Rebranded to Easybank and strategically turned around in 2016, resulting in one of the most profitable start-up niche banks
- HQ in Oslo and regional office in Bergen

Product portfolio



...leveraged by a digital platform and strategic partnerships

- Easybank and BRABank joined forces in October 2020 with Easybank as surviving entity - enabling a more competitive bank with substantial synergy upside, scaling opportunities and increased self-funding capabilities
- Strategic partnerships with 24SevenOffice, Conta, Zirius, Husleie.no and Convене
- Listed on Euronext Growth at Oslo Børs, ~1 500 shareholders. Braganza AB largest shareholder. Other large shareholders include Alfred Berg Norge/Aktiv, Hjellegjerde Invest, Skagerrak Sparebank, Fondsaveanse

Gross loans 5,486 MNOK – geographical mix Q1 2022

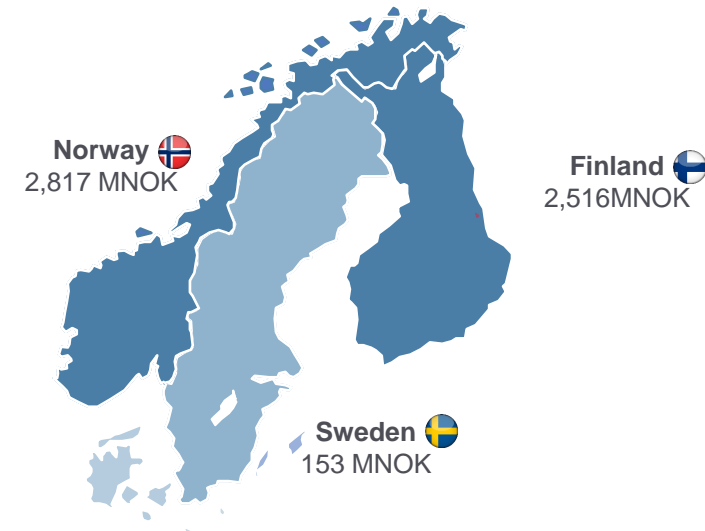


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Q1 2022 highlights

Stable financial development and rebranding to Lea Bank ASA

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Financials



- Profit before tax 34.3 MNOK (profit after tax 25.9 MNOK)
- Positive trend in interest bearing portfolio - 350 MNOK growth in stage 1 loans in Finland and Sweden
- CET1 Capital ratio 23.5% (incl. YTD profit)

Credit quality



- Sale of defaulted loans in Sweden 61 MNOK
- Forward flow agreement in place for Norway and Finland to mitigate stage 3 risk
- De-risked portfolio resulting in stage 3 of 10.1%

Rebranding



- The General Meeting has approved rebranding
- Planned brand launch in Q2 2022 - BRABank ASA becomes Lea Bank ASA

Key financial figures, MNOK

	Q1-22	Q1-21	2021
<i>Interest income</i>	128.1	139.8	531.2
<i>PBT</i>	34.3	36.8	170.1
<i>ROE, annualized</i>	8.3%	9.4%	10.7%
<i>ROE adj.¹, annualized</i>	10.7%	11.5%	13.2%
<i>EPS, annualized</i>	1.09	1.18	1.35
<i>EPS pre-tax, annu.</i>	1.45	1.55	1.79
<i>C / I</i>	33.3%	34.0%	34.1%
<i>Gross loans</i>	5,486	5,699	5,489
<i>Equity²</i>	<i># of shares</i>	<i>BVPS</i>	
1,257	94,840,526	13.26 NOK	

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) ROE adjusted subtracts excess capital from the calculation (capital req. + mgmt. buffer)

2) Book value (excl. tier 1 capital) of equity per share. Equity has been adjusted for proposed dividend

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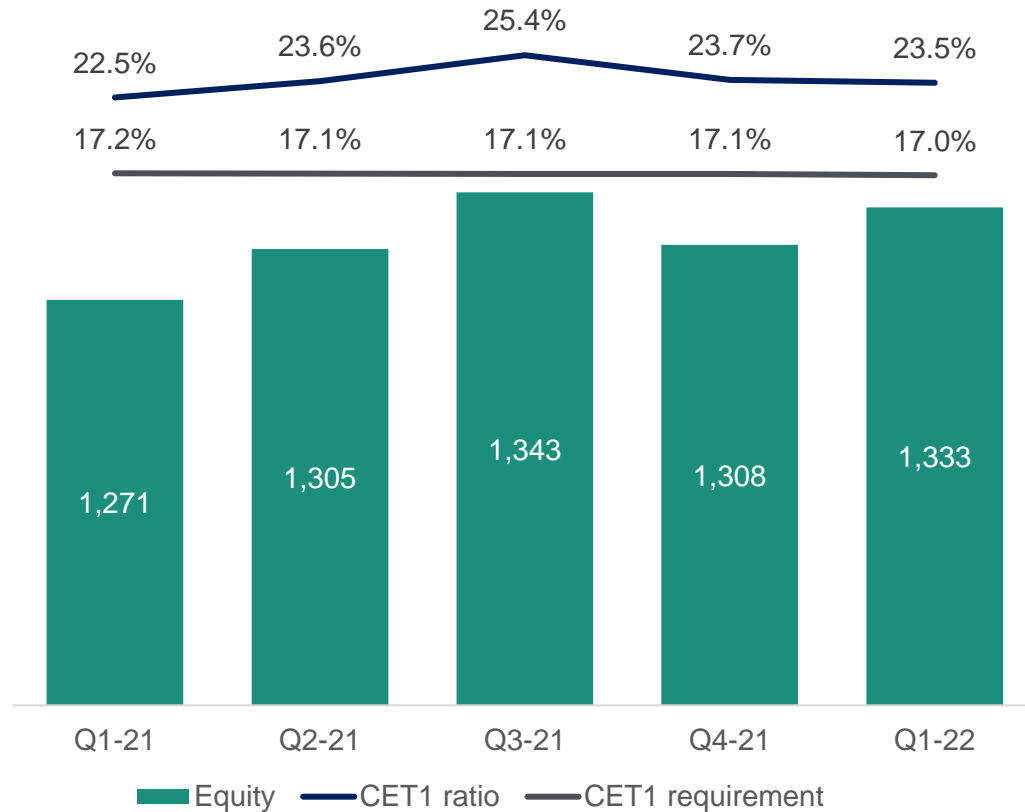


Strong capital buffer and continuous profit generation

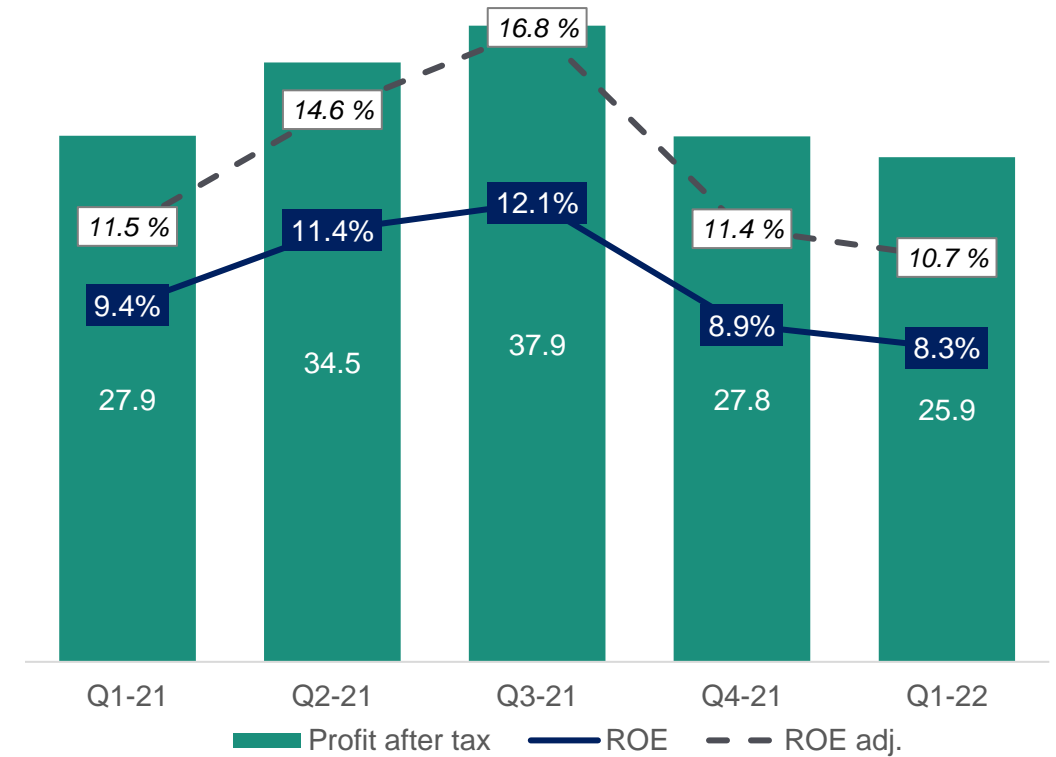
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Well above capital requirement

Equity and CET1 ratio¹, MNOK



Profit after tax and Return on Equity, MNOK



1) CET1 ratios for Q1, Q2 and Q3 include YTD unaudited profit

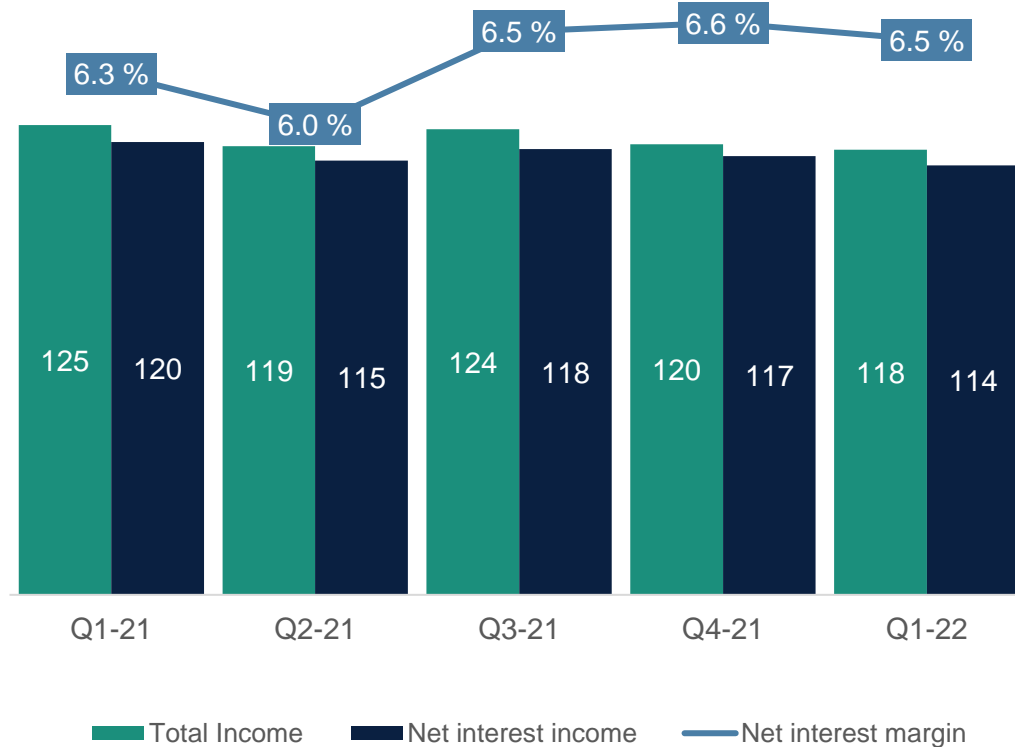
Margin pressure in Norway, but positive trend in Finland

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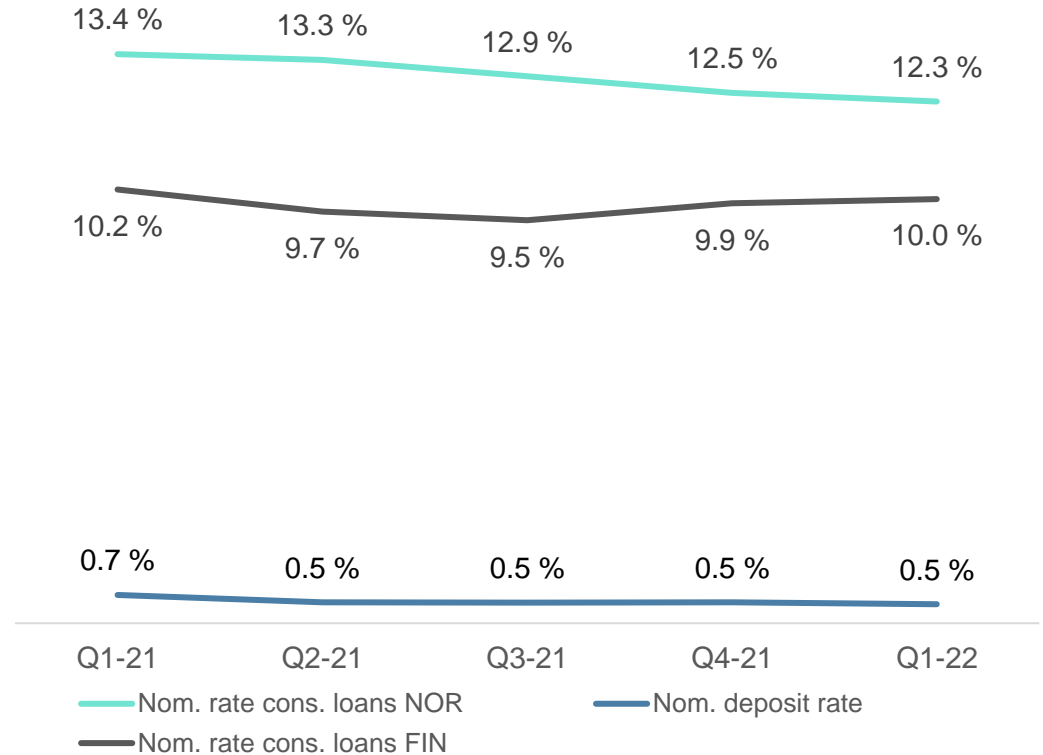
Still attractive risk/reward on new volumes

Net interest income and net interest margin of total assets

MNOK / % of total assets



Yields end of quarter¹



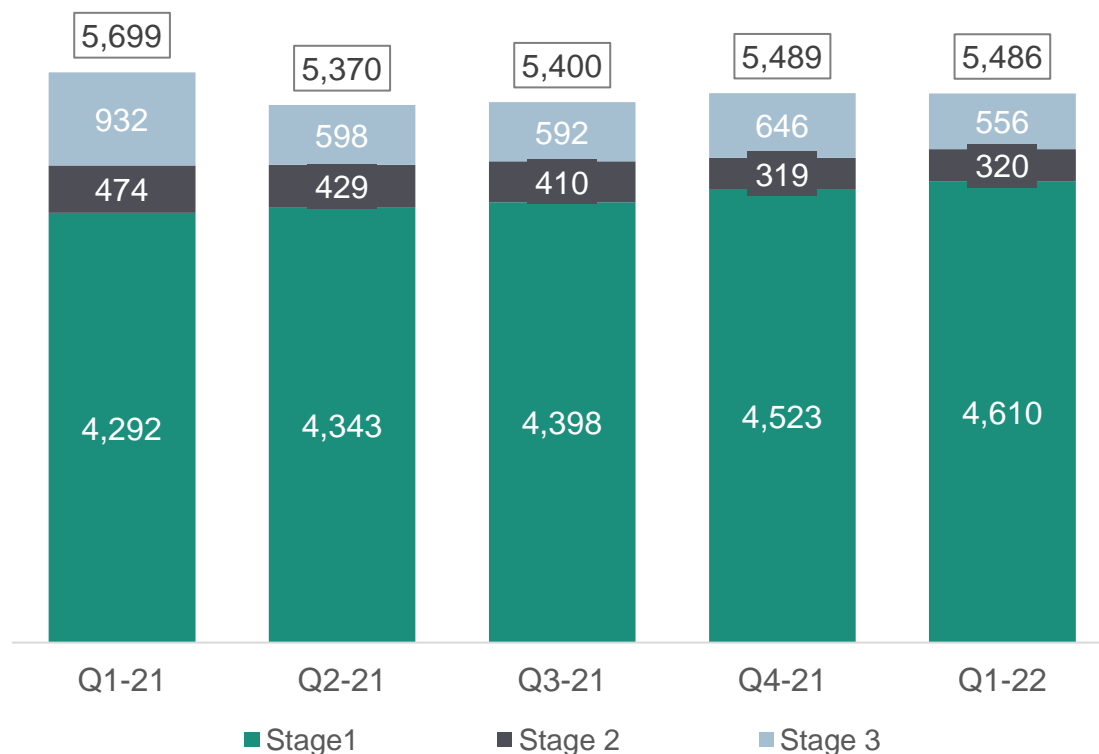
1) All figures are end of quarter and nominal

Increased interest-bearing portfolio

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Gross loans development impacted by one-off- and forward flow sales

Gross lending, MNOK



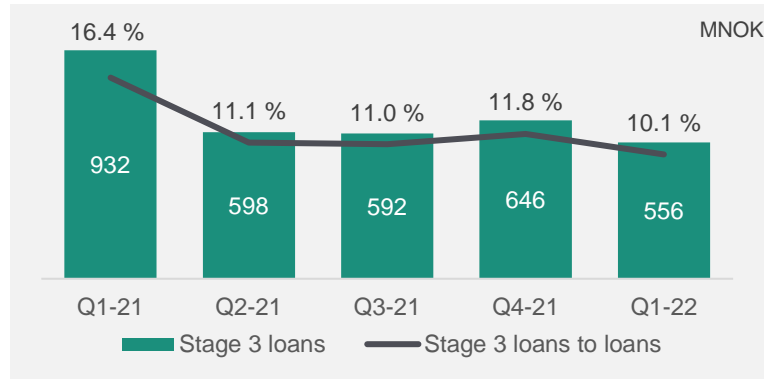
Comments

- Stage 1 portfolio increased by 87 MNOK from last quarter
- Growth in Finland and Sweden offset decline in Norwegian volumes (350 MNOK total growth in Finland and Sweden)
- Sale of ~1,000 MNOK defaulted loans since 2021 through one-offs and forward flow with neutral P&L effect – impacts gross loan development

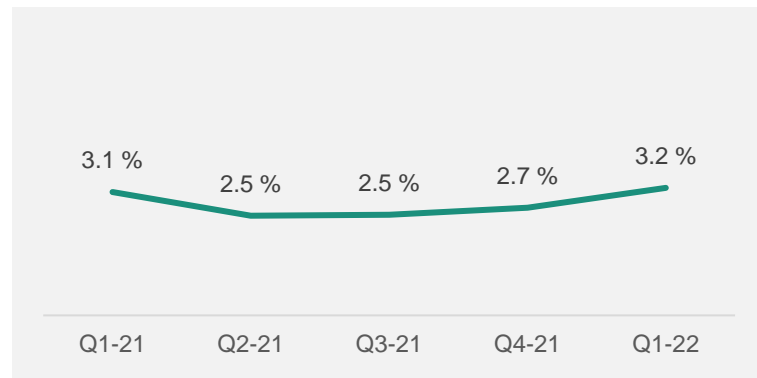
Positive development in credit quality

Continued de-risking of portfolio

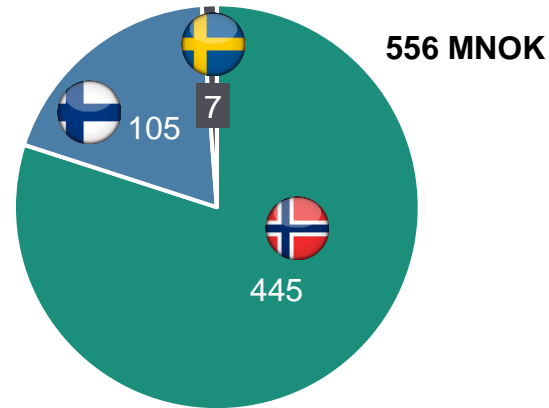
Significant improvement in stage 3 ratio



Loan loss ratio on low levels



Stage 3 allocation per country, Q1 2022



Comments on credit quality development

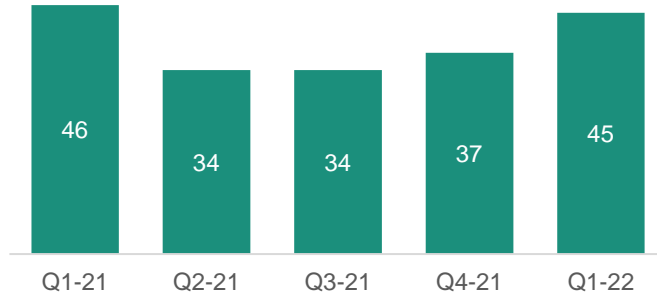
- Continuous de-risking of portfolio resulting in stage 3 ratio of 10.3% by end of Q1
- April 27th, defaulted loans in Finland approximating 7.4 MEUR has been sold. This reduces the overall stage 3 ratio to 8.9% based on end Q1-2022 figures
- Since 2021 BRABank has sold defaulted loans with outstanding claims of ~1,000 MNOK neutral P&L impact. This reduces uncertainty and confirms provisions levels

- **Norway:** Covered by the forward flow agreement with Kreditor since 2017 – selling late in the collection process
- **Finland:** Forward flow agreement in place- selling early in the collection process
- **Sweden:** The entire stage 3 portfolio was sold February 2022

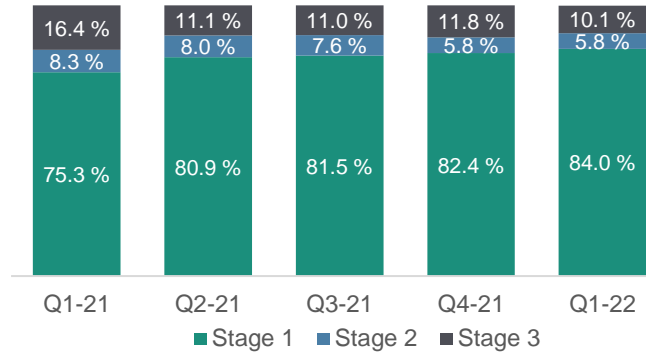
Credit quality overview

Stable underlying development

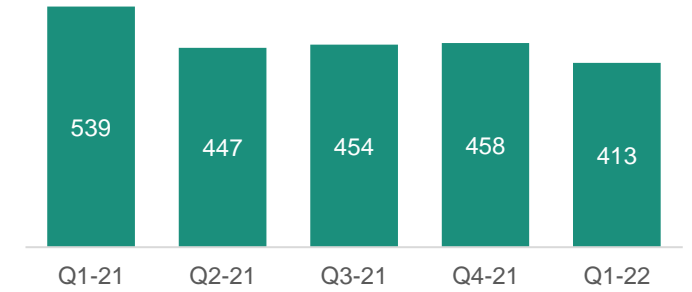
Loan losses, MNOK



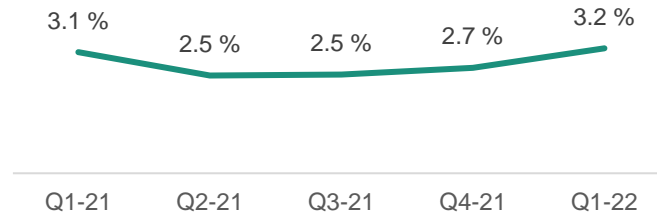
Stage allocation



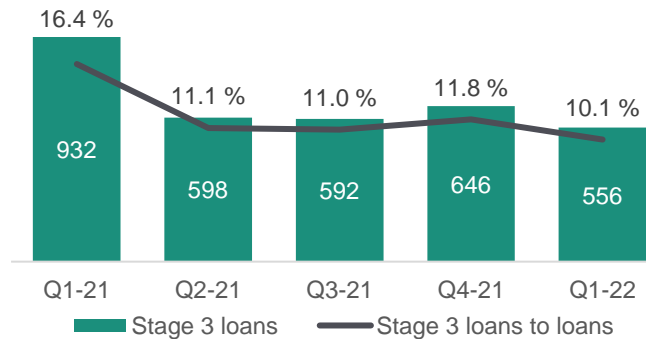
Provisions, MNOK



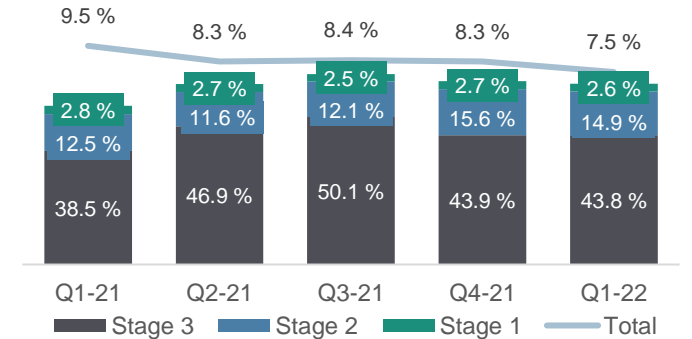
Loan loss ratio¹



Non-performing loans², MNOK



Total provision ratio³



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

2) Non-performing loan ratio = stage 3 ratio

3) Total = Total provision / Gross loans

Income statement

NGAAP			
Income Statement (Amounts in thousands)	Q1-2022	Q1-2021	2021
Interest income	128,148	139,810	531,219
Interest expense	-14,017	-19,445	-60,382
Net interest income	114,131	120,365	470,837
Commission and fee income	5,587	6,606	28,803
Commission and fee expenses	-871	-1,147	-9,612
Net change in value on securities and currency	-569	-1,104	-3,210
Other income	13	83	678
Net other income	4,160	4,439	16,659
Total income	118,291	124,803	487,496
Salary and other personnel expenses	-15,923	-15,246	-62,907
Other administrative expenses	-19,143	-20,552	-84,671
- of which marketing expenses	-824	-570	-3,558
Depreciation	-2,450	-3,234	-12,366
Other expenses	-1,874	-3,343	-6,447
Total operating expenses	-39,390	-42,375	-166,391
Profit before loan losses	78,901	82,428	321,105
Loan losses	-44,556	-45,592	-151,001
Profit before tax	34,345	36,836	170,104
Tax	-8,398	-8,966	-42,030
Profit after tax	25,947	27,870	128,074

- Profit before tax Q1-22 of 34.3 MNOK, compared to 36.8 MNOK last year
- Interest income in Q1-22 of 128.1 MNOK, compared to 139.1 MNOK last year – driven by lower volumes and margins
- Interest expense in Q1-22 of 14.0 MNOK, compared to 19.4 MNOK last year – driven by lower funding rate and volume
- OPEX in Q1-22 of 39.4 MNOK, compared to 42.4 MNOK last year – strong cost focus
- Loan losses in Q1-22 of 44.6 MNOK compared to 45.6 MNOK last year, reflecting annual loss ratio of 3.2% compared to 3.1% last year

Balance sheet

NGAAP			
Balance sheet (Amounts in thousands)	31.03.2022	31.03.2021	31.12.2021
Assets			
Cash and deposits with the central bank	49,988	50,097	49,980
Loans and deposits with credit institutions	289,262	337,161	351,774
Gross loans to customers	5,486,168	5,698,991	5,488,704
Loan loss provisions	-412,773	-539,415	-457,667
Certificates, bonds and other securities	1,300,676	2,058,665	1,514,166
Deferred tax asset	129,140	170,602	137,538
Other intangible assets	16,936	14,030	15,719
Fixed assets	9,468	16,177	10,204
Other assets	22,079	29,456	19,455
Total assets	6,890,945	7,835,764	7,129,873
Equity and liabilities			
Loan from central bank	0	0	0
Deposits from customers	5,316,978	6,359,583	5,568,411
Other liabilities	136,579	100,304	149,419
Tier 2 capital	104,311	104,513	104,203
Total liabilities	5,557,867	6,564,400	5,822,033
Share capital	189,681	189,589	189,589
Share premium reserve	660,322	659,989	659,989
Tier 1 capital	75,875	74,752	75,805
Other paid-in equity	11,929	8,048	11,404
Other equity	395,270	338,986	371,053
Total equity	1,333,077	1,271,364	1,307,839
Total equity and liabilities	6,890,945	7,835,764	7,129,873

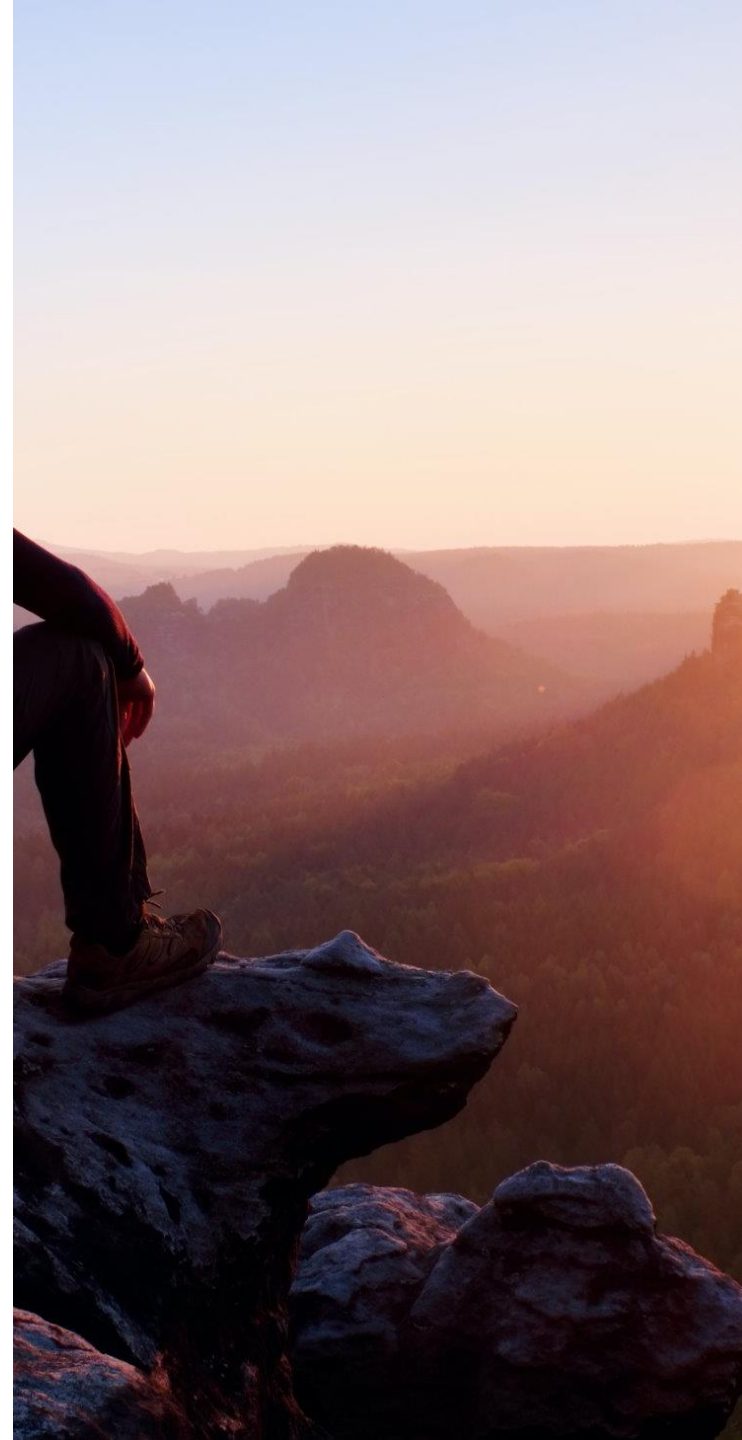
- Gross loans of 5,486 MNOK at 31.03.2022 compared to 5,699 MNOK 31.03.2021. Increase in stage 1 portfolio of 318 MNOK LTM
- Liquidity balance of 1,640 MNOK at 31.03.2022 compared to 2,446 at 31.03.2021, reduced according to plan
- Deferred tax assets of 129.1 MNOK driven by tax losses carried forward prior to the merger
- Solid capital base - CET1 of 23.48 % (incl. 2022 profit), compared to 31.03.2021 of 22.46 %
- Total equity of 1,333 MNOK

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BRABank becomes Lea Bank ASA

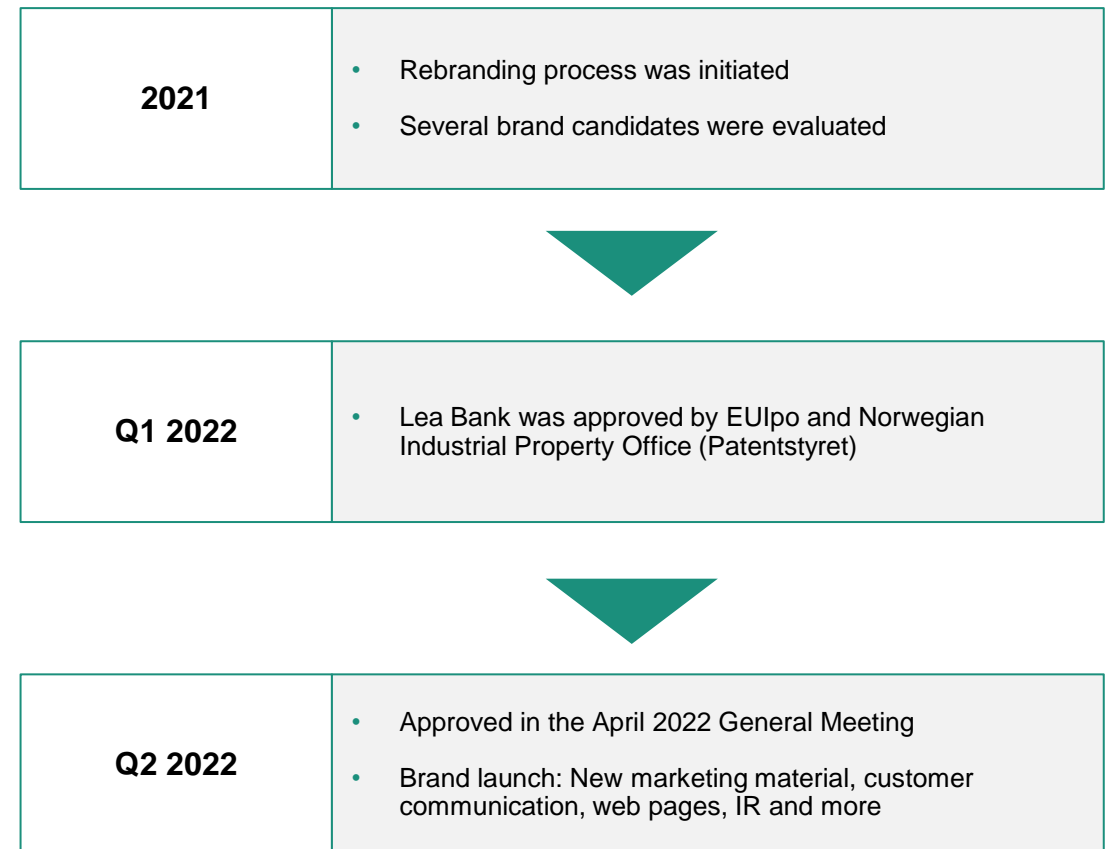
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BRABank rebranding in Q2 2022

Background

- BRABank is a product of multiple mergers – Lea Bank creates a common identity for the bank
- As the bank is being internationally repositioned, Lea Bank can be used in all European markets
- New ticker: LEA has been approved by Oslo Stock Exchange and will be used after the brand launch

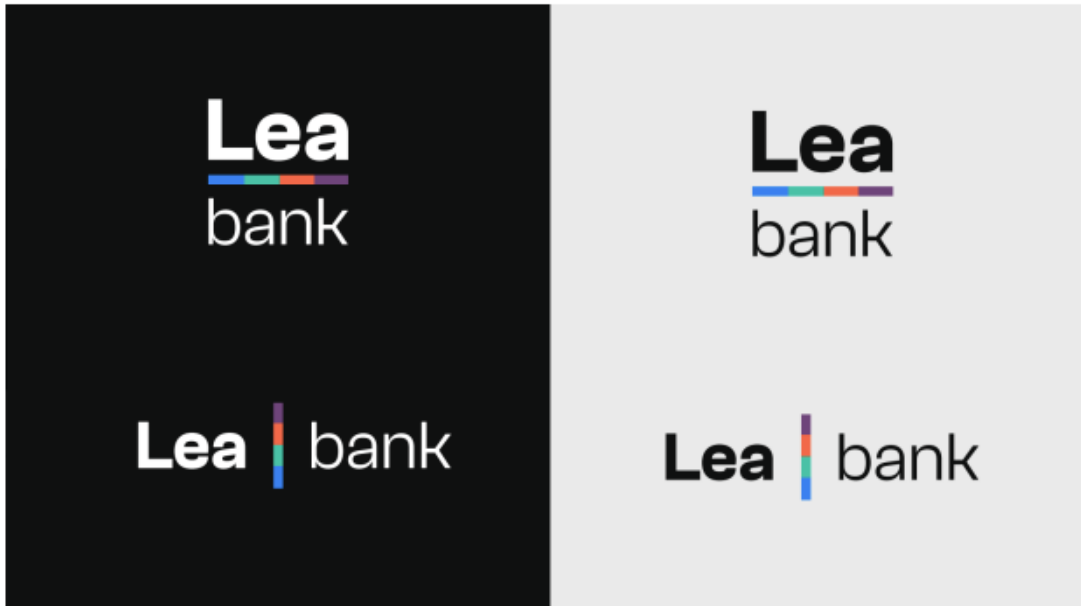
Process timeline



Rebranding to Lea Bank

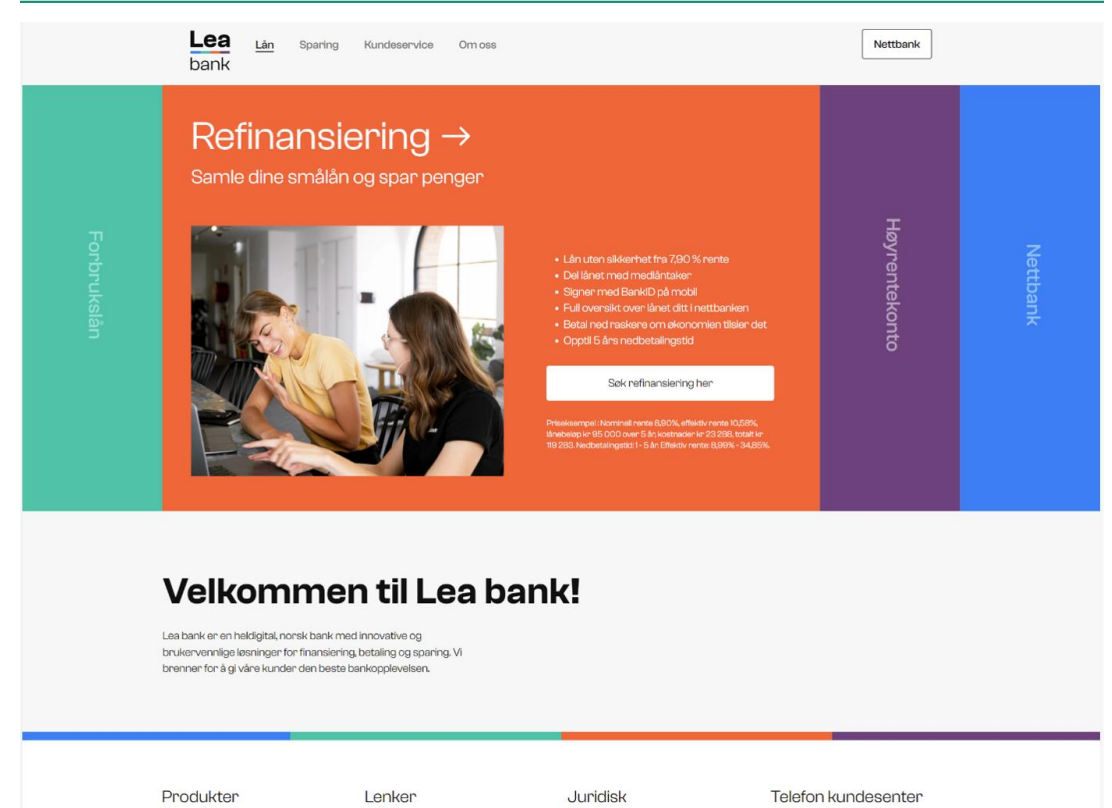
Corporate identity

New company logo



BRABANK

New web design



BRAbank ASA

Summary

- ✓ Strong growth in Finland and Sweden
- ✓ Well capitalized – CET1 of 23.5%
- ✓ Further de-risking the portfolio
- ✓ Re-branding process to Lea Bank ASA – brand launch in Q2 2022
- ✓ Scalable business model – ready for international expansion

Key figures, Q1 2022

Interest income	Profit before tax	Equity
128.1 MNOK	34.3 MNOK	1,333 MNOK

Outlook

1 Focus on core markets	<ul style="list-style-type: none">• Leverage on re-opening in the Nordics• Further streamlining of operations to maintain competitive cost to income ratio
2 NPL management	<ul style="list-style-type: none">• Focus on mitigating stage 3 risk through signed forward flow agreements• Continue to monitor the second-hand market for defaulted loans
3 Adapt to new capital requirements	<ul style="list-style-type: none">• Harmonization of capital requirements in EU• Optimize capital allocation across geographical markets enabled by the efficient distribution model
4 International expansion	<ul style="list-style-type: none">• Expansion project to Spain leveraged by reuse of existing IT and operations setup• Currently in development phase

A close-up photograph of a silver pen resting on a document. The document features a line graph with a jagged, fluctuating line. To the left of the graph, a portion of a calculator is visible. The document also contains some text, including "Tues." and "142.78".

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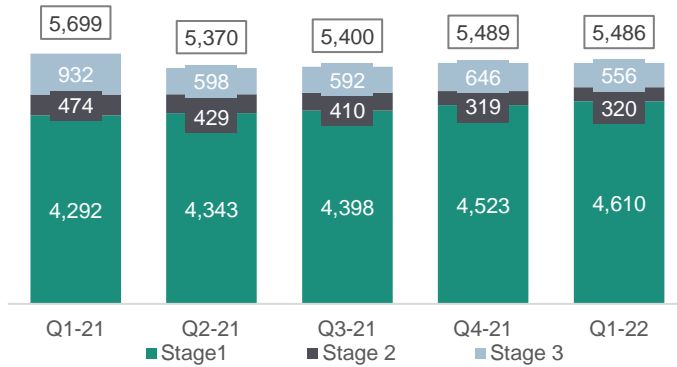
Appendix

Financial overview

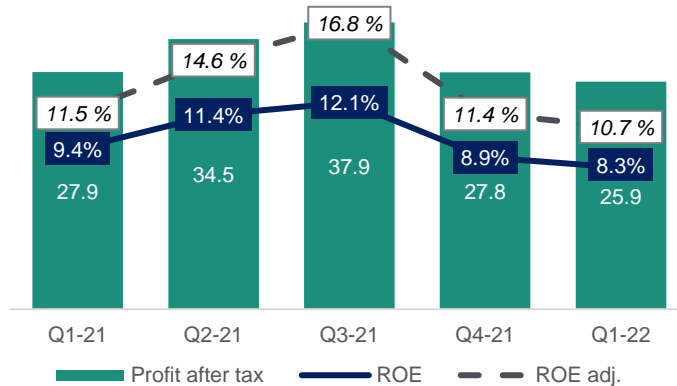
Figures in MNOK

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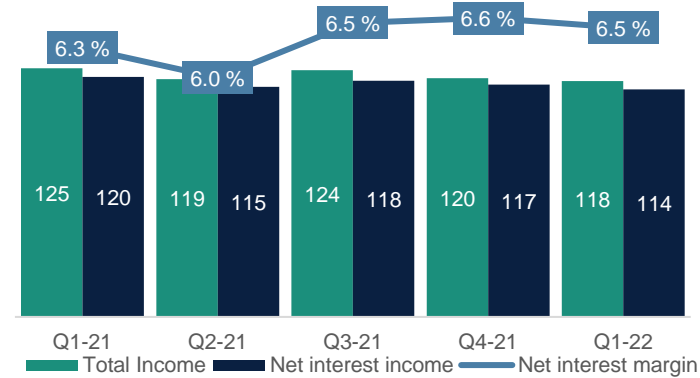
Gross lending



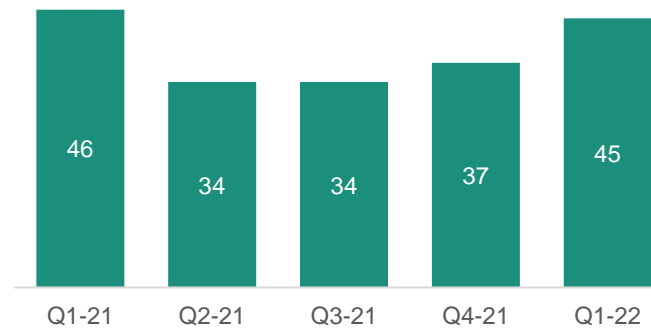
Profit after tax and ROE¹



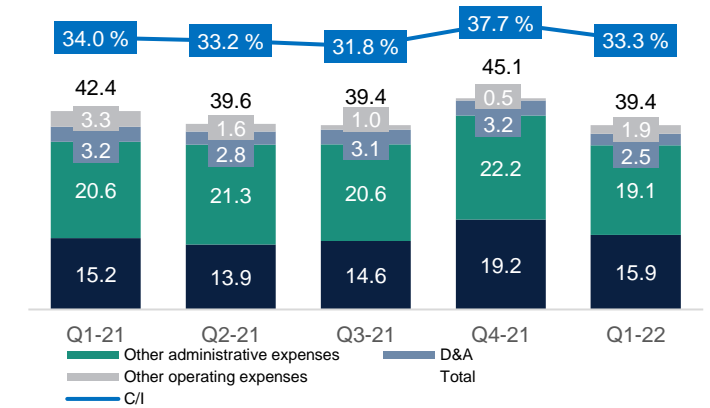
Net income and margin of total margin



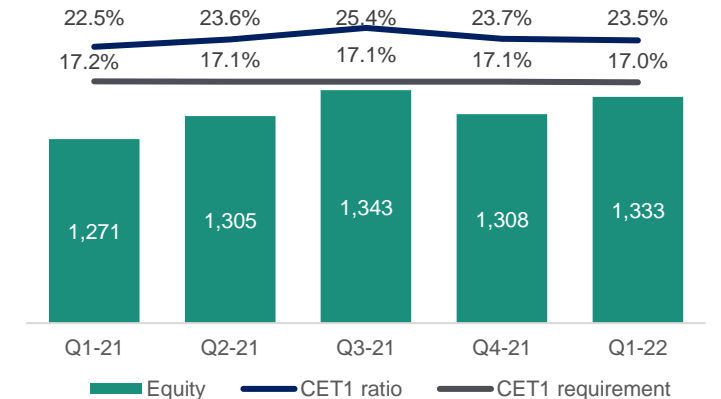
Loan losses



Opex and Cost / Income



Equity and CET1 ratio²



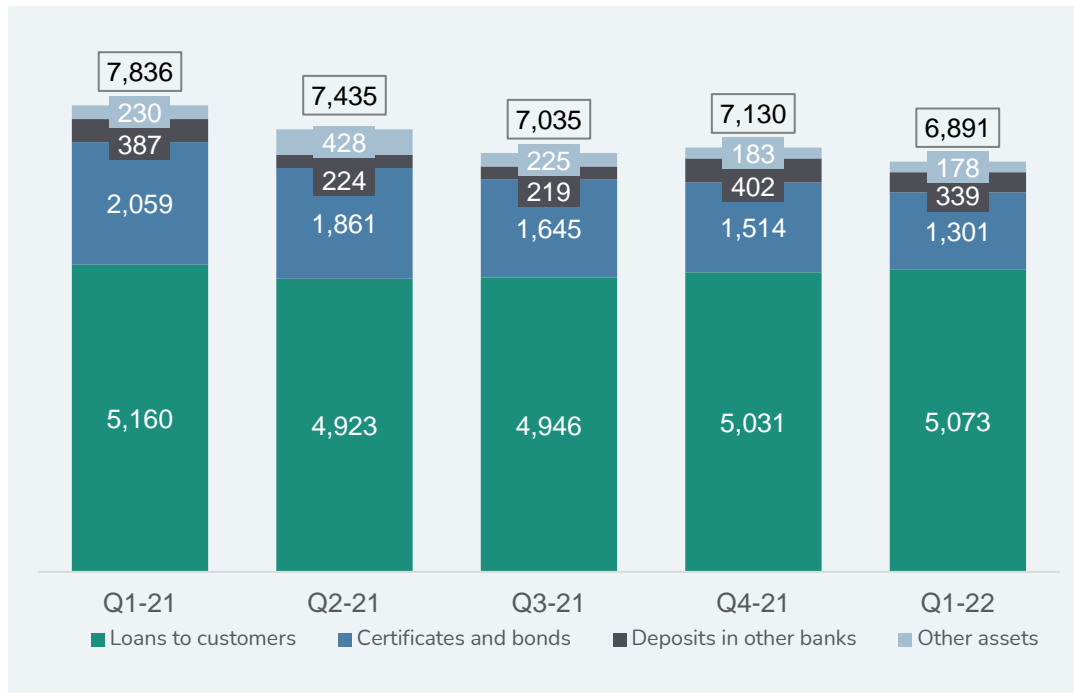
1) ROE adjusted subtracts excess capital from the calculation (capital req. + mgmt. buffer)

2) CET1 ratio includes YTD unaudited profit

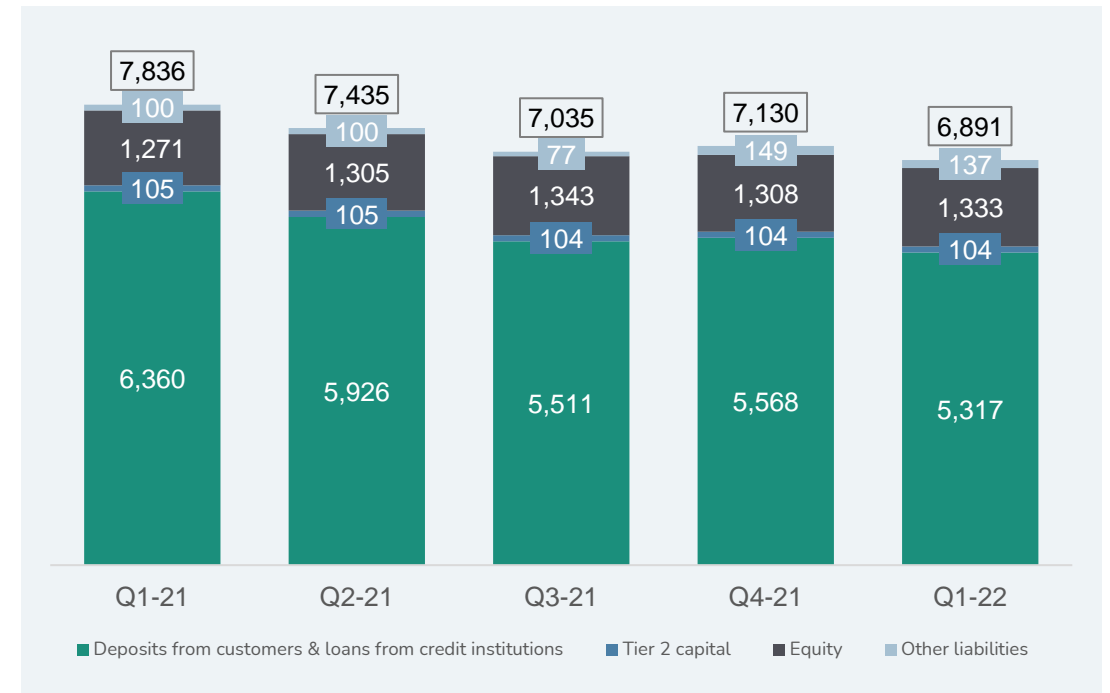
Balance sheet structure

Strong funding and liquidity position

Total assets, MNOK



Equity and liabilities, MNOK



- Deposit ratio: 105%
- Liquidity coverage ratio: 288% total (185% EUR)
- Net stable funding ratio: 171% total (170% EUR)

BRAbank ASA shareholders

Strong share price performance

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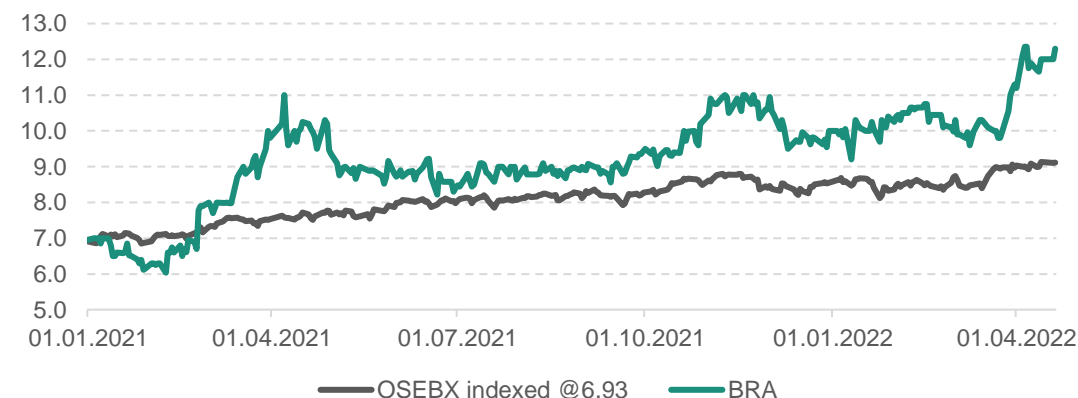
Top 20 shareholder list as of 26 April 2022

	Investor	Shares	Ownership
1	Braganza AB	10,383,899	10.9 %
2	Hjellegjerde Invest AS	6,346,619	6.7 %
3	Skagerrak Sparebank	4,409,380	4.6 %
4	Fondsavanse AS	3,371,048	3.6 %
5	Verdipapirfondet Alfred Berg Norge	3,088,045	3.3 %
6	Verdipapirfondet Alfred Berg Aktiv	2,719,589	2.9 %
7	Altitude Capital AS	2,645,751	2.8 %
8	Vida AS	2,581,654	2.7 %
9	Umico - Gruppen AS	2,168,779	2.3 %
10	Skandinaviska Enskilda Banken AB	2,115,950	2.2 %
11	Shelter AS	1,945,486	2.1 %
12	Jenssen & Co AS	1,845,879	1.9 %
13	Lindbank AS	1,838,007	1.9 %
14	Verdipapirfondet Alfred Berg Norge	1,700,000	1.8 %
15	MP Pensjon PK	1,637,767	1.7 %
16	HSBC Bank Plc	1,367,606	1.4 %
17	Krogsrud Invest AS	1,250,000	1.3 %
18	Jolly Roger AS	1,203,147	1.3 %
19	Thon Holding AS	1,081,211	1.1 %
20	DNB Bank ASA	1,004,164	1.1 %
Top 20 shareholders		54,703,981	57.7 %
Other shareholders		40,136,545	42.3 %
Total shares		94,840,526	100.0 %

Comments

- ~1,500 shareholders as of 26 April 2022
- The BRAbank share (ticker BRA) was registered on Euronext Growth (former Merkur Market) on 2 October 2020
- Management holds a total of 984,757 shares, corresponding to 1.0% of shares outstanding
- Members of the board holds a total of 413,521 shares, corresponding to 0.4%
- Current market capitalization of ~1,100 MNOK

Share price development – OSEBX indexed to BRAbank @ 01.01.21



1) Nominee account

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