

4th quarter 2024 results presentation

Lea Bank

February 13th 2025



Disclaimer

Please note that all figures in this Presentation represent Lea bank ASA and are denominated in Norwegian Krone (NOK). On January 2, 2025, Lea Bank ASA merged into Lea Bank AB, after which Lea Bank ASA was dissolved. Forward looking statements are therefore applicable for Lea Bank AB.

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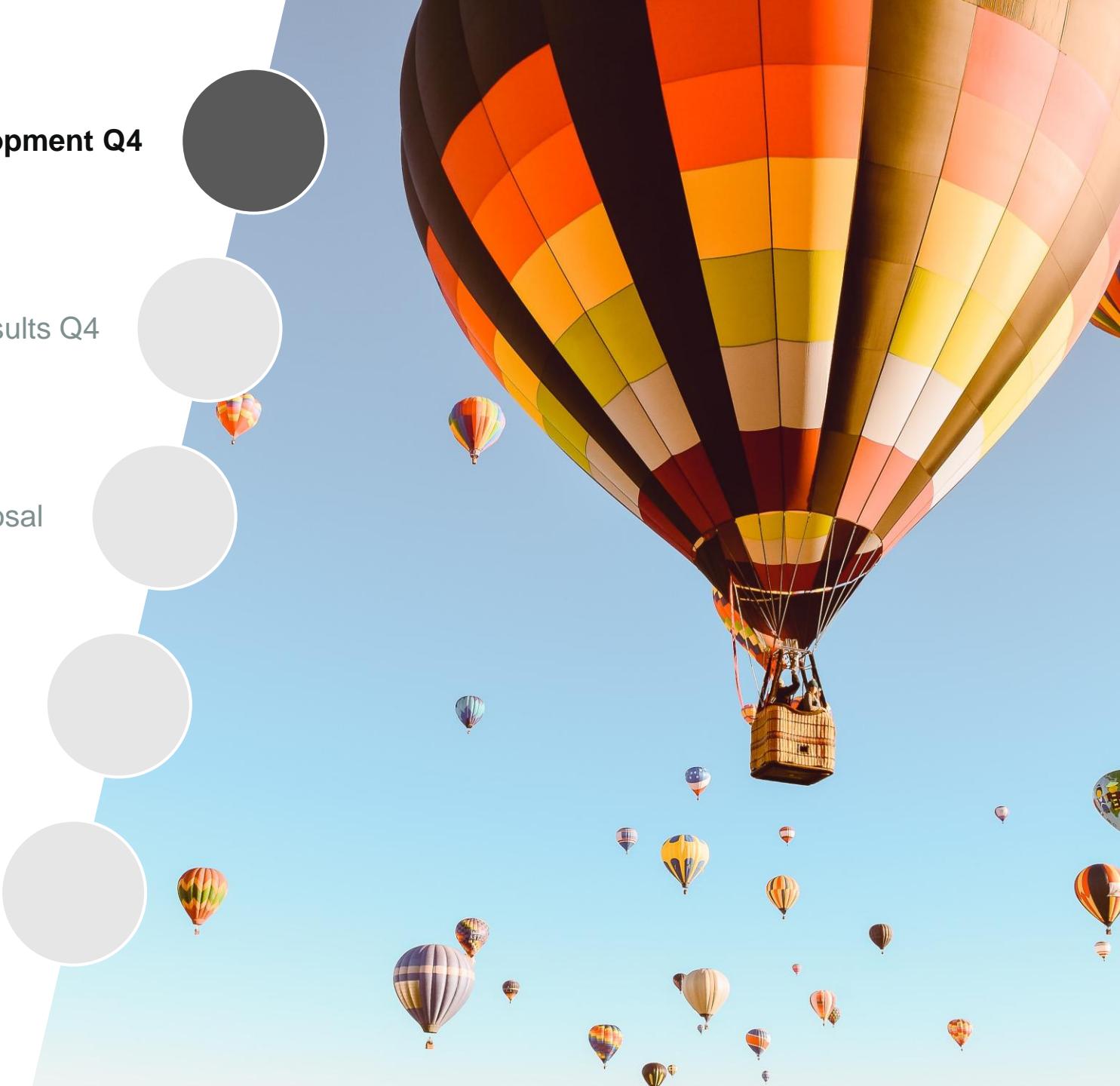
Highlights and development Q4

Financial results Q4

Capital situation and dividend proposal

Developing Lea Bank 2.0

Appendix



Lea Bank at a glance

Swedish digital niche bank with an international footprint

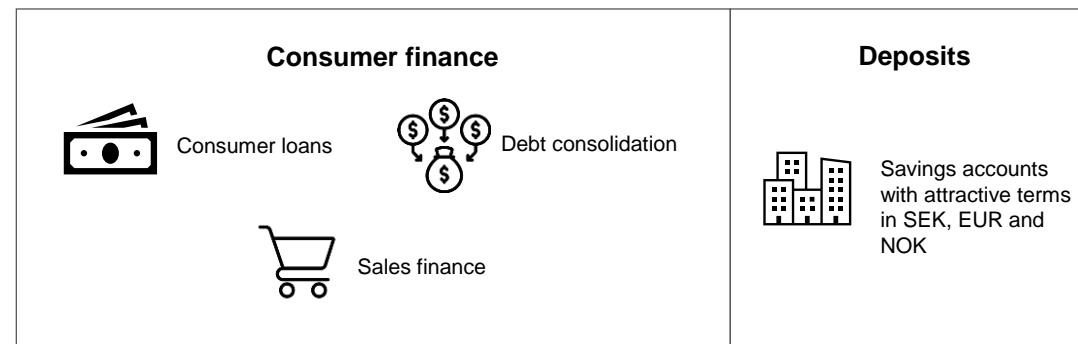
Consumer finance bank with a strong presence in the Nordic market...

- Swedish niche bank with HQ in Gothenburg from January 2025, following redomiciliation from Norway to Sweden
- Focus on creating shareholder value through continuous profit generation, optimizing capital allocation and evaluation of growth versus dividends
- Listed on Nasdaq First North Premier Growth Market in Stockholm, ~900 shareholders. Large shareholders include Multitude Bank, Braganza AB, Erik Salén, Hjellegjerde Invest, Alfred Berg Norge/Aktiv, Skagerrak Sparebank and Fondsavansse

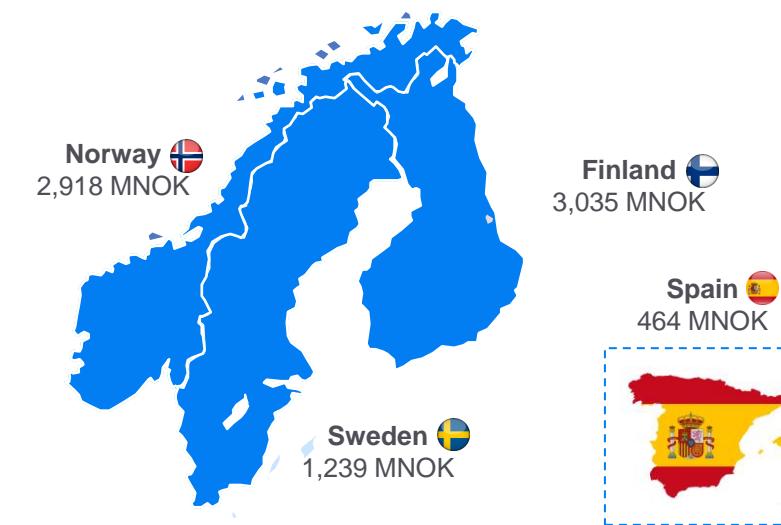
...leveraged by a scalable digital platform

- 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

Product portfolio



Gross loans 7,656 MNOK – geographical mix Q4 2024



Q4 2024 highlights

Completion of redomiciliation – Lea Bank is now a Swedish bank

Q4 financials



- Profit before tax 29.7 MNOK (profit after tax 22.3 MNOK)
- Increase in gross loans by 304 MNOK

Dividend²



- Lea Bank AB dividend proposal of 1.80 SEK per share, 171.8 MSEK, 20.6% dividend yield³ – following strong capital situation
- Fourth consecutive year of dividend payments

Redomiciliation to Sweden



- From 02.01.2025, Lea Bank started operating on a Swedish banking license, with HQ in Gothenburg and Norwegian branch
- 09.01.2025, Lea Bank started trading on Nasdaq Stockholm

Key financial figures, MNOK

	Q4-24	2024	2023
Interest income	204.4	813.3	712.3
PBT	29.7	119.9	140.1
ROE, annualized	6.3%	6.6%	8.0%
EPS, annualized	0.93	0.96	1.12
EPS pre-tax, annu.	1.24	1.25	1.47
C / I	35.3%	31.5%	28.9%
Gross loans	7,656	7,656	6,913
Equity ¹	# of shares	BVPS	
1,435	95,517,388	15.02	

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

2) Proposed dividend from the Board of Directors in Lea Bank AB, subject to AGM approval in May 2025

3) Dividend yield based on 2024 VWAP

Lea Bank shareholders

The shares are now trading on Nasdaq Stockholm



Top 20 shareholder list as of January 31st 2025

Investor	Shares	Ownership
1 CLEARSTREAM BANKING S.A. ¹	15,489,921	16.2 %
2 SEB AB, OSLO BRANCH ¹	10,383,899	10.9 %
3 NORDEA BANK ABP, FILIAL I NORGE ¹	10,073,517	10.5 %
4 ERIK SALÉN	9,411,187	9.9 %
5 Pareto Securities AS ¹	7,972,826	8.3 %
6 DNB Bank ASA ¹	4,416,943	4.6 %
7 Skagerrak Sparebank	4,409,380	4.6 %
8 ALFRED BERG NORGE	3,088,045	3.2 %
9 ALFRED BERG AKTIV	2,719,589	2.8 %
10 ALFRED BERG NORGE	1,700,000	1.8 %
11 SHB OSLO - KRB Capital AS Sweden ¹	1,693,404	1.8 %
12 MP Pensjon PK	1,637,767	1.7 %
13 STENA ADACTUM AB	1,500,000	1.6 %
14 ABG Sundal Collier ASA ¹	1,277,916	1.3 %
15 VIDA AS	1,247,317	1.3 %
16 Krogsrød Invest AS	1,125,000	1.2 %
17 J.P. MORGAN SE, LUXEMBOURG BRANCH ¹	1,050,000	1.1 %
18 NORDNET LIVSFORSIKRING AS ¹	940,051	1.0 %
19 INGRID SALÉN	500,000	0.5 %
20 Preciso Holding AS	498,005	0.5 %
Top 20 shareholders	81,134,767	84.9 %
Other shareholders	14,382,621	15.1 %
Total shares	95,517,388	100.0 %

Comments

- Multitude Bank announced on February 4, 2025, that its stake has increased to 20.9% and that the ownership has been approved by Finansinspektionen
- ~900 shareholders as of January 31st 2025
- Lea bank ASA had last day of trading on Oslo Børs 30.12.2024
- First day of trading for Lea Bank AB on Nasdaq Stockholm was 09.01.2025
- Ticker on Nasdaq Stockholm: LEA
- Management holds a total of 1,254,614 shares, corresponding to 1.3% of shares
- Members of the board holds a total of 226,806 shares, corresponding to 0.2%
- Current market capitalization of ~970 MSEK

Equity ³	# of shares	BVPS
1,435	95,517,388	15.02

1) Nominee / broker account. Please note that the shareholder list is based on reported beneficial ownership breakdowns provided to Euroclear. In cases where beneficial owners have not been reported, broker accounts may represent multiple underlying owners.

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

3) Equity in MNOK excluding tier 1 capital

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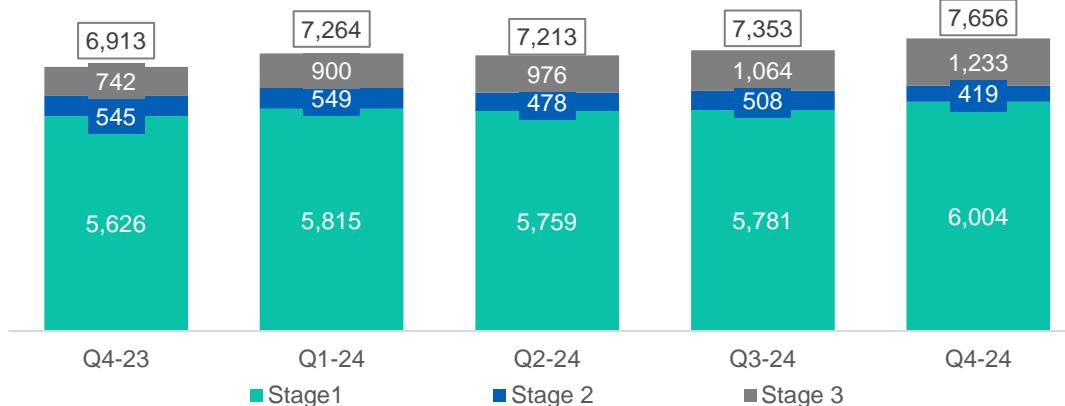
Appendix



International consumer finance bank

Increase in gross loans by 300 MNOK

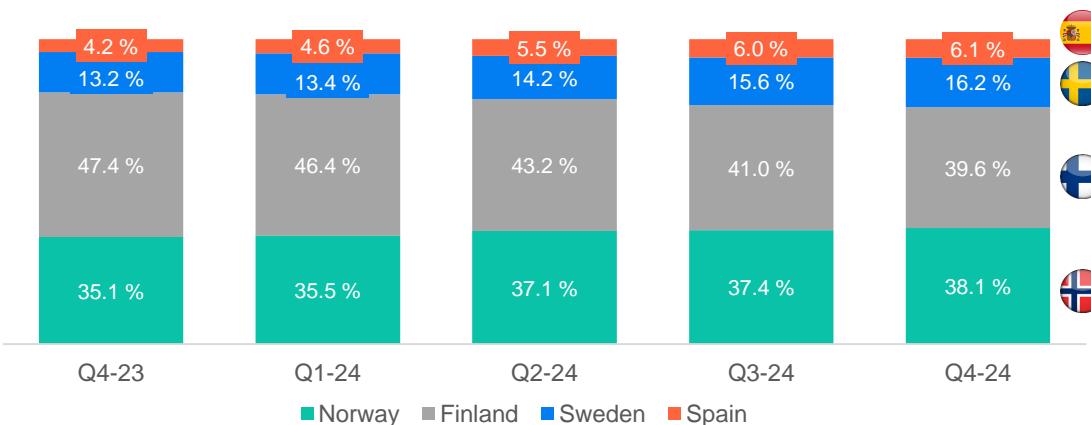
Gross lending, MNOK



Comments

- Four fully operating markets enable distribution flexibility and growth opportunities
- Strong demand in all geographical market
 - Swedish banking setup enables further growth in all markets

Geographical mix, gross loans



Income statement

Lea bank ASA

IFRS	Q4-2024	Q4-2023	2024	2023
Income Statement (Amounts in thousands)				
Interest income	204,276	193,384	813,281	712,253
Interest expense	-67,479	-55,572	-266,459	-175,625
Net interest income	136,797	137,813	546,822	536,628
Commission and fee income	11,774	9,501	43,276	33,791
Commission and fee expenses	-1,473	-1,324	-5,009	-4,628
Net change in value on securities and currency	6,528	11,168	37,618	29,302
Other income	3,596	660	6,362	796
Net other income	20,425	20,005	82,247	59,261
Total income	157,222	157,817	629,069	595,889
Salary and other personnel expenses	-22,469	-16,366	-78,582	-63,841
Other administrative expenses	-25,133	-21,406	-91,536	-82,507
- of which marketing expenses	0	-2,336	-7,266	-6,866
Depreciation	-4,583	-3,947	-16,698	-14,786
Other expenses	-3,290	-3,416	-11,367	-11,170
Total operating expenses	-55,475	-45,135	-198,184	-172,303
Profit before loan losses	101,747	112,682	430,885	423,586
Loan losses	-72,072	-72,057	-311,025	-283,505
Profit before tax	29,675	40,626	119,860	140,081
Tax	-7,387	-9,957	-28,067	-33,835
Profit after tax	22,288	30,669	91,792	106,245

Comments on income statement

- Profit before tax Q4-24 of 29.7 MNOK, compared to 40.6 MNOK last year
- Interest income in Q4-24 of 204.3 MNOK, compared to 193.4 MNOK last year – driven by higher lending volumes and changes in interest rates
- Interest expense in Q4-24 of 67.5 MNOK, compared to 55.6 MNOK last year – driven by higher funding volumes and changes in interest rates
- Net other income in Q4-24 of 20.4 MNOK, compared to 20.0 MNOK last year
- OPEX in Q4-24 of 55.5 MNOK, compared to 45.1 MNOK last year mainly due to:
 - Costs related to moving the domicile from Norway to Sweden
 - Diversification of the banks funding structure
- C/I in Q4-24 of 35.3% compared to last year of 28.6%
- Loan losses in Q4-24 of 72.1 MNOK compared to 72.1 MNOK last year, reflecting annualized loss ratio of 3.8% compared to 4.3% Q4-23

Balance sheet

Lea bank ASA

IFRS <i>Balance sheet (Amounts in thousands)</i>	31.12.2024	30.09.2024	31.12.2023
Assets			
Cash and deposits with the central bank	54,008	53,481	51,931
Loans and deposits with credit institutions	839,509	500,636	350,786
Gross loans to customers	7,656,353	7,352,695	6,913,256
Loan loss provisions	-595,450	-530,441	-427,542
Certificates, bonds and other securities	899,868	926,229	839,681
Deferred tax asset	29,853	37,240	57,920
Other intangible assets	64,260	49,676	41,219
Fixed assets	10,352	11,228	5,133
Other assets	475,108	271,221	21,258
Total assets	9,433,859	8,671,965	7,853,642
Equity and liabilities			
Deposits from customers	7,497,762	7,057,856	6,239,373
Other liabilities	364,140	64,180	75,937
Tier 2 capital	82,423	82,338	82,084
Total liabilities	7,944,325	7,204,374	6,397,394
Share capital	191,035	191,035	190,438
Share premium reserve	663,710	663,710	662,638
Tier 1 capital	54,529	54,477	54,321
Other paid-in equity	13,233	11,946	14,556
Other equity	567,027	546,424	534,296
Total equity	1,489,534	1,467,591	1,456,249
Total equity and liabilities	9,433,859	8,671,965	7,853,642

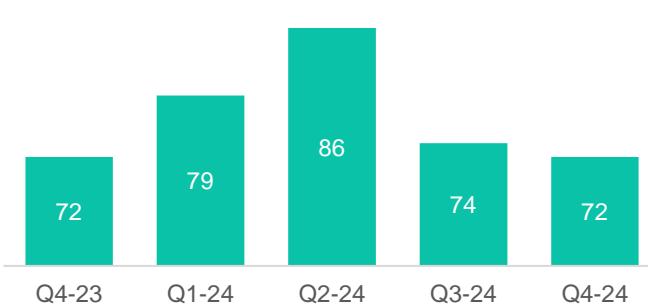
Comments on balance sheet

- Gross loans of 7,656 MNOK 31.12.2024 compared to 6,913 MNOK 31.12.2023 driven by underlying growth and currency effects
- Liquidity balance of 1,793 MNOK 31.12.2024 compared to 1,242 MNOK 31.12.2023
- Deferred tax assets of 29.9 MNOK (mainly originated from tax losses carried forward prior to the merger in Q4 2020)
- Intangible assets at 64.3 MNOK – increase driven by obtaining Swedish banking license and relocation to Sweden
- Solid capital base - CET1 of 18.2 % (incl. 2024 profit), compared to 31.12.2023 of 20.2 %
- Total equity of 1,490 MNOK, BVPS (ex. T1 capital) of 15.02 NOK

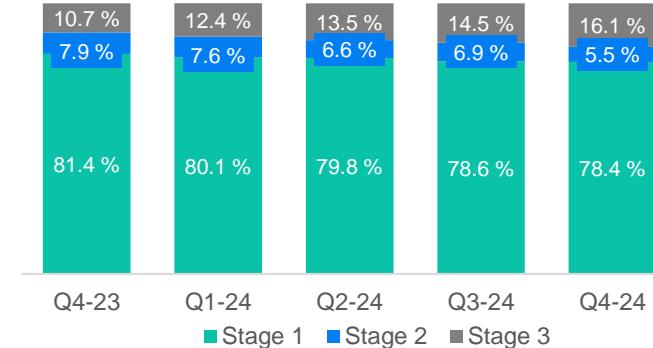
Credit quality

Overview

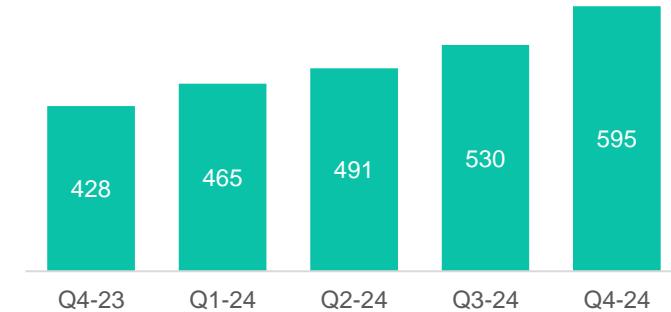
Loan losses, MNOK



Stage allocation



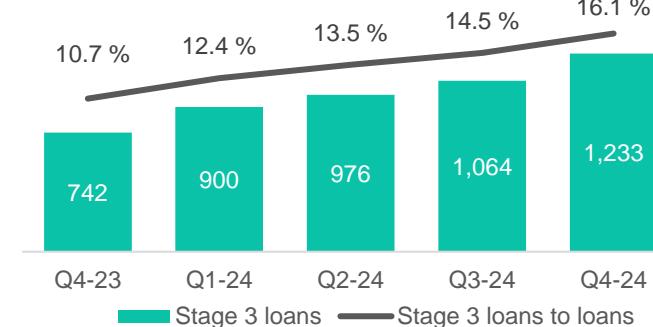
Provisions, MNOK



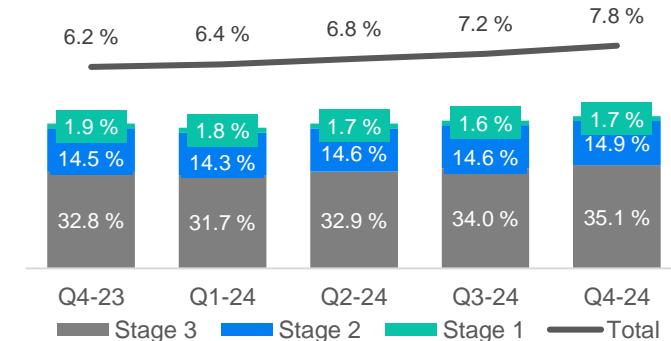
Loan loss ratio¹



Non-performing loans², MNOK



Total provision ratio³



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

2) Non-performing loan ratio = stage 3 ratio

3) Total = Total provision / Gross loans

Capital situation and dividend proposal

Developing Lea Bank 2.0

Appendix

Financial results Q4

Highlights and development Q4



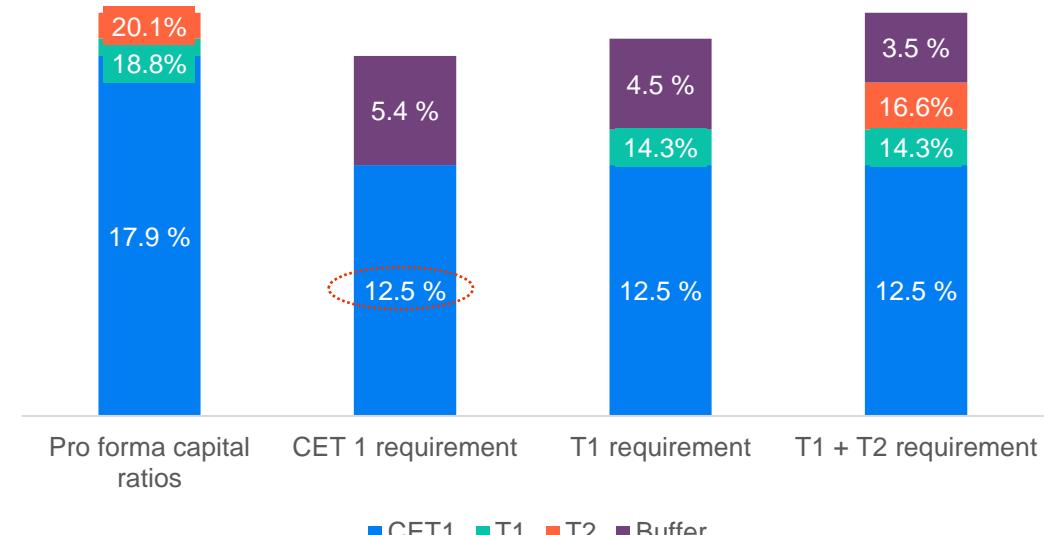
Capital requirements for Lea Bank AB

Headroom to new regulatory requirements

Break-down of CET1 requirement for Lea Bank AB

	Core capital (CET1)
Capital requirement under pillar 1	4.50 %
Capital requirement under pillar 2	0.79 %
Total capital requirement under pillar 1 and pillar 2	5.29 %
Institution-specific buffer requirement	3.75 %
- of which, capital conservation buffer	2.50 %
- of which, countercyclical buffer	1.25 %
Capital requirement	9.0 %
Other buffers	2.00 % - 3.50 %
Minimum capital target	11.0 % - 12.5 %

Pro forma capital ratios¹ (post dividend proposal) vs. requirements



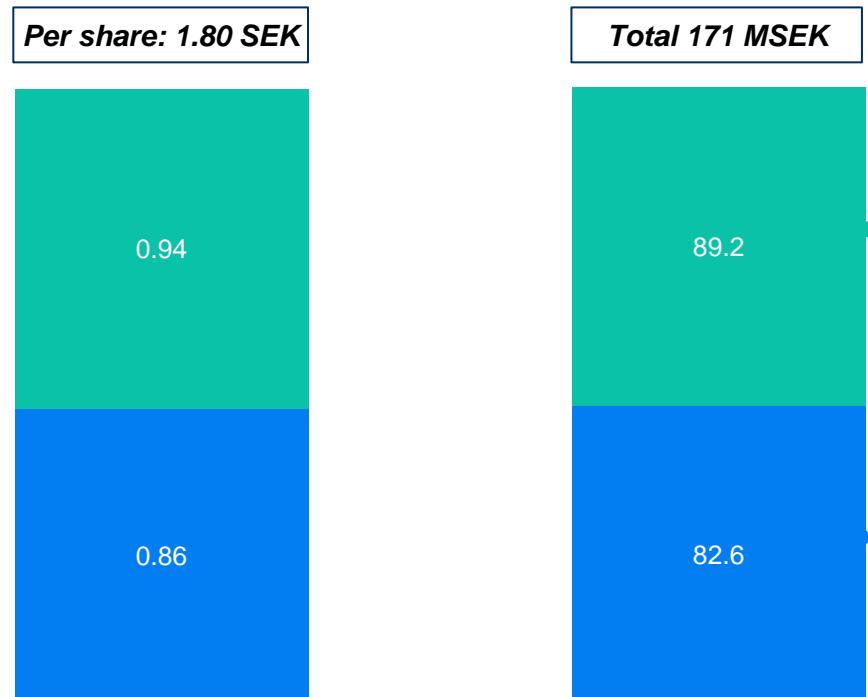
- Based on Lea Bank AB's ICLAAP (Sw: IKLU)
- Other buffers: Based on stress tests of adverse scenarios, and this may vary over time

1) Capital ratio calculated based on non-audited exposures expected to be effective as of 02.01.2025

2025 dividend proposal – Lea Bank AB

Subject to General Meeting approval May 2025

Dividend composition



Continued profit generation allows for increased dividend

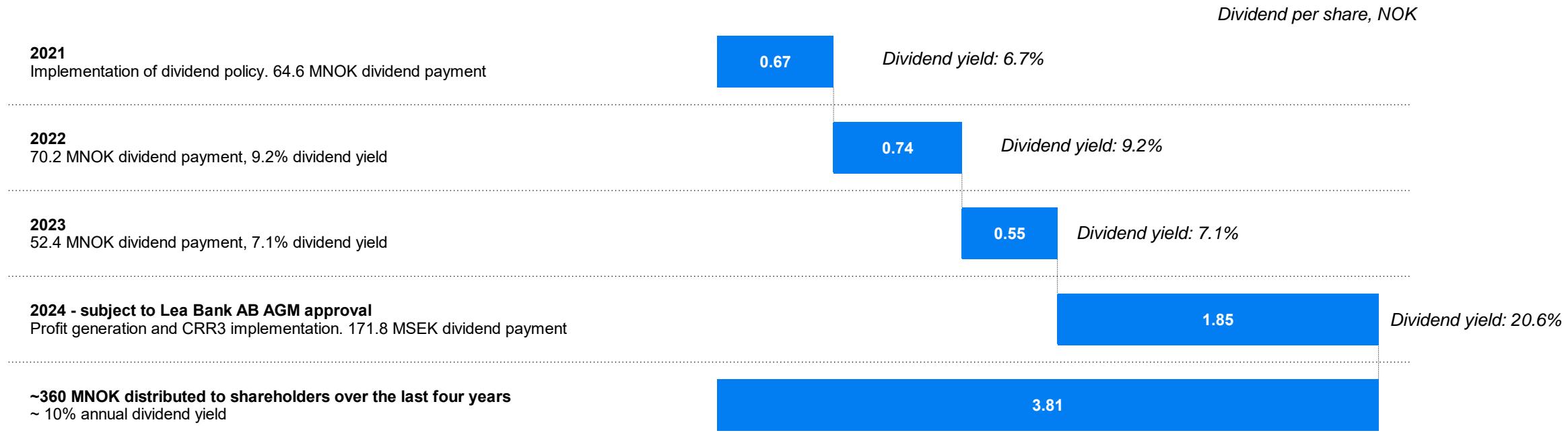
- 100% of 2024 profit after tax paid out as dividend
- Supported by strong capital situation and track record of profit generation

CRR3 implementation effect

- CRR3 was implemented from January 2025, including new calculation method for operational risk
- The CRR3 method decreases Lea Bank's capital requirement by 82.6 MSEK
- As the bank's capital situation is strong prior to implementation of CRR3, the effect of 82.6 MSEK is proposed paid out as dividend

Dividend payment track record

Profit generation and strong capital situation create headroom for increased dividend yield



Lea Bank 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."

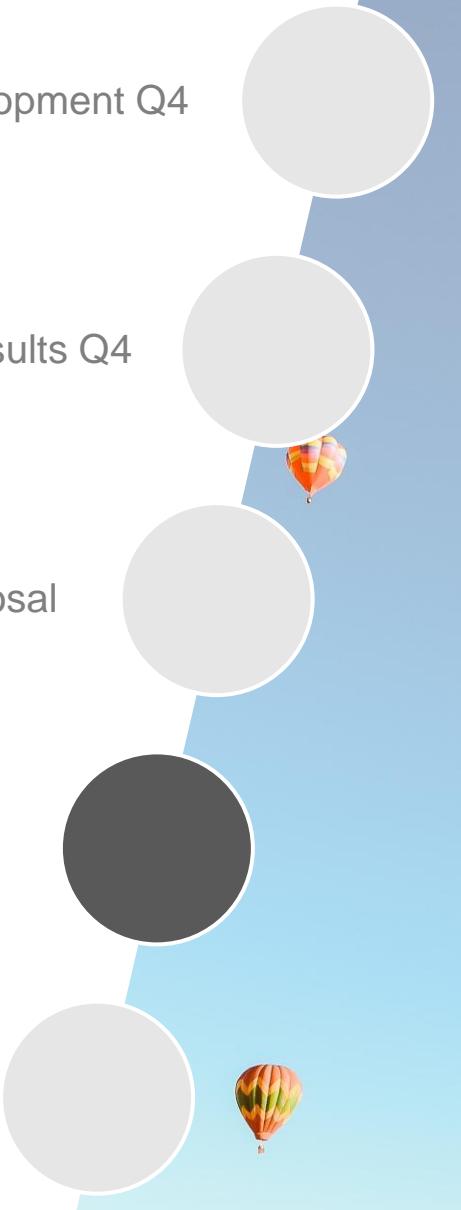
Developing Lea Bank 2.0

Capital situation and dividend proposal

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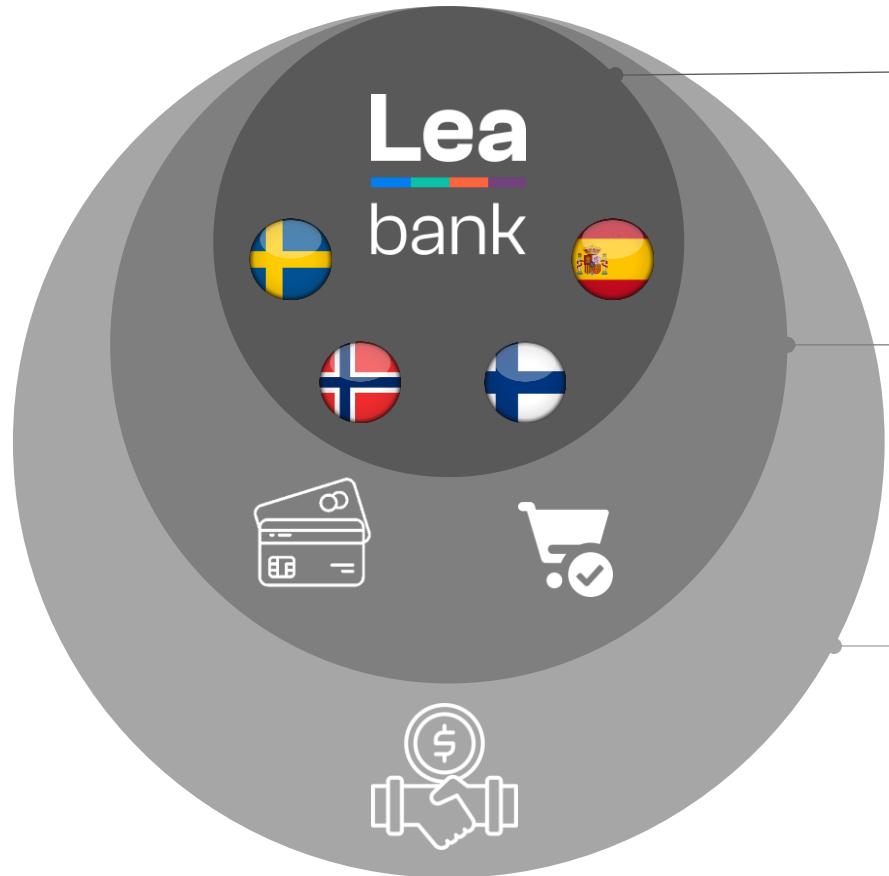
Financial results Q4

Highlights and development Q4



Three main drivers for growth to create Lea Bank 2.0

Enabled by Swedish setup and solid capital position



Focus on growing core business

- Optimize lending processes in the Nordic region and capitalize on the markets with strongest macro tailwind
- Capitalize on the transition from traditional branch banking to digital distribution platforms in Spain

Expansion through new products on the back of strategic partnerships

- New credit card product to be launched in 2025 – capitalize on current and potentially new partnerships
- Sales finance product already in place with network of partners within the Stena Group – potential to connect new partners

Portfolio acquisitions

- Monitor the market for attractive portfolio acquisitions
- Combination of funding capabilities and strong capital position supports potential portfolio acquisitions

Developing Lea Bank 2.0

Strategic roadmap

Financial targets

1

Return on equity > 15%

2

Cost / income < 30%

3

Attractive dividend payments



Profitability

Competitive return on equity through prudent credit risk management and exposure to profitable geographical markets

Growth and scale

Grow organically through existing channels and explore opportunities for strategic partnerships and portfolio acquisitions

Navigate regulatory changes

Swedish loan brokers will be required to operate with banking license from Finansinspektionen, which may result in consolidations and new market dynamics

Dividends

Balancing growth opportunities and dividends

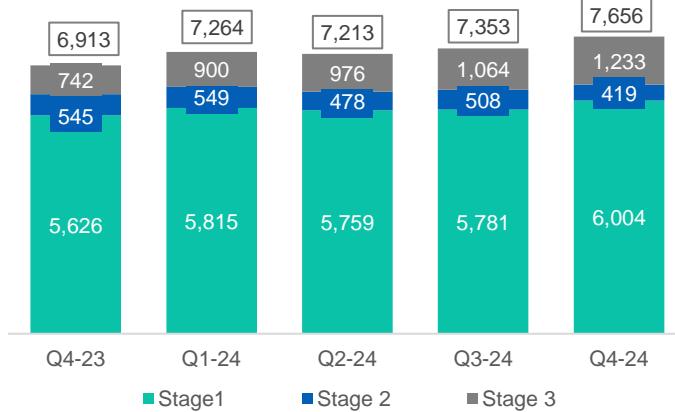


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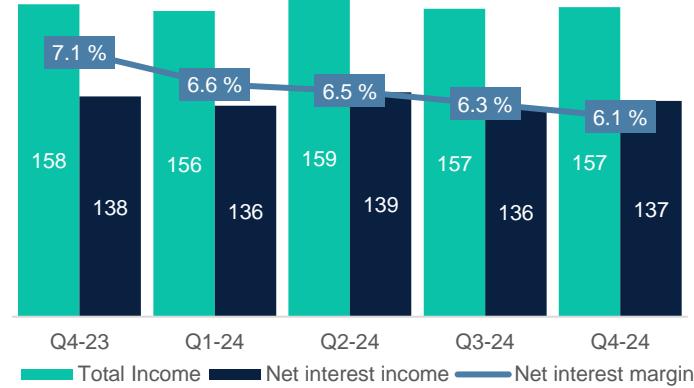
Financial overview

Figures in MNOK

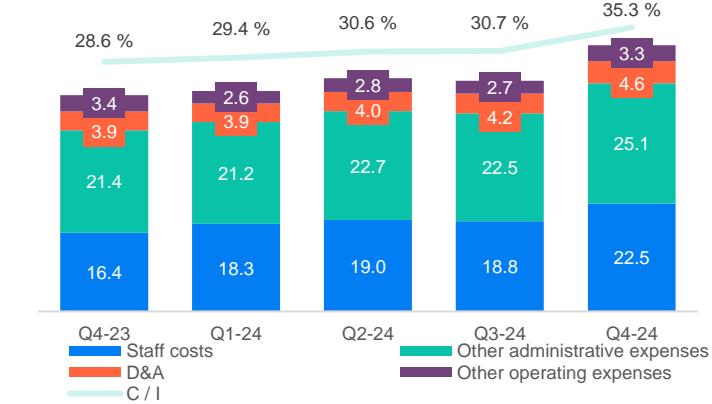
Gross lending



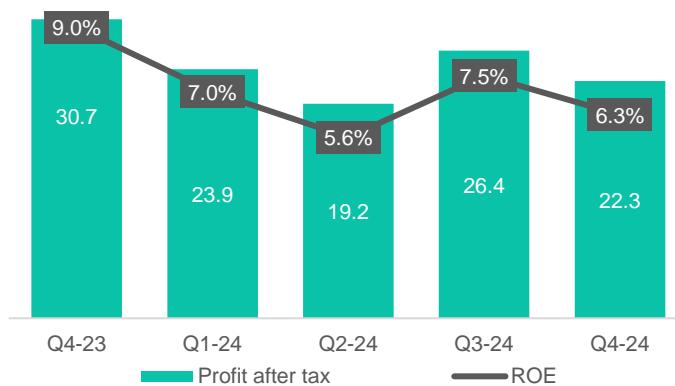
Net income and net interest margin



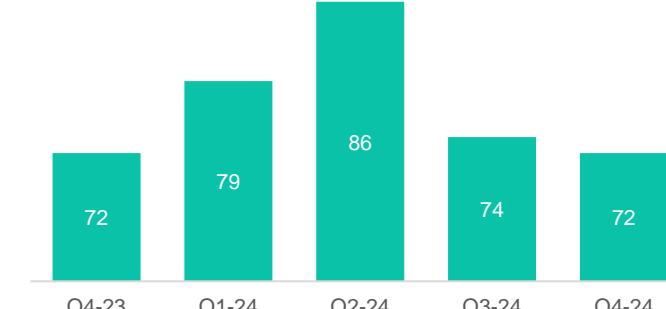
Opex and Cost / Income



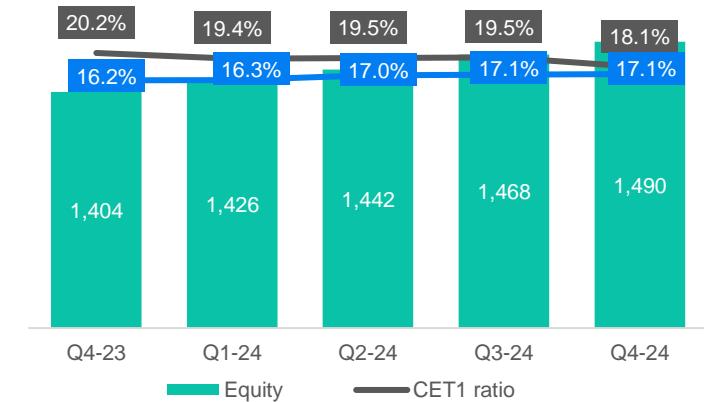
Profit after tax and ROE



Loan losses



Equity and CET1 ratio¹

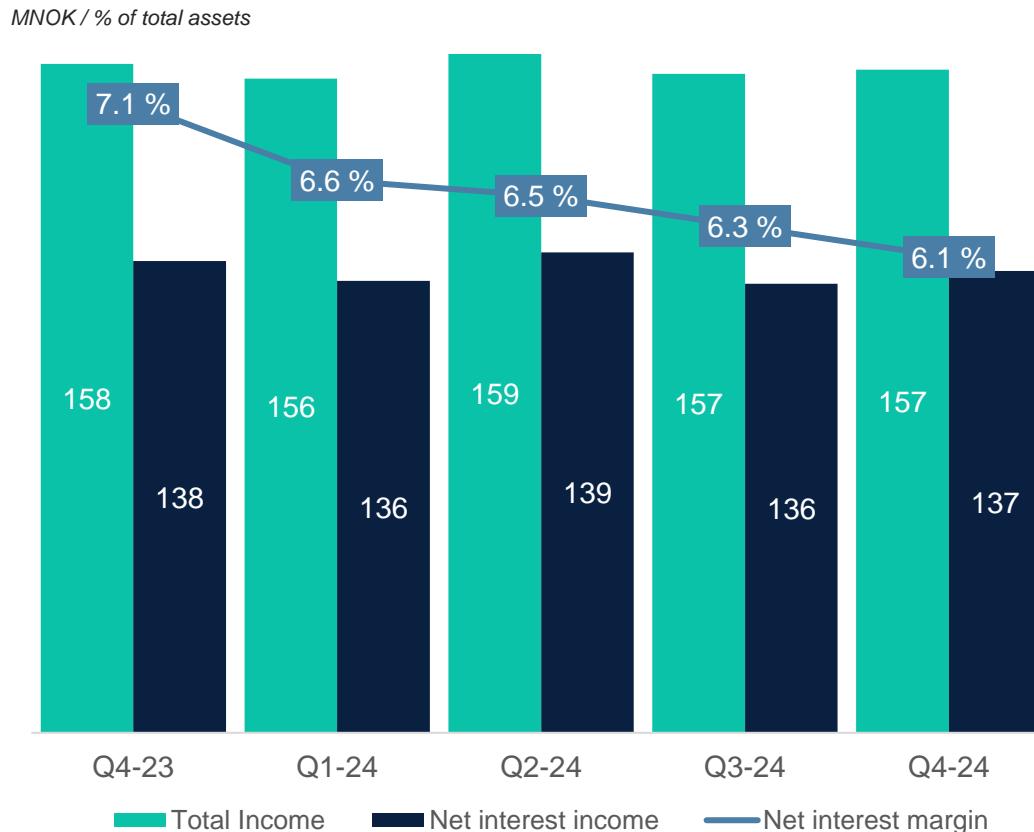


^{1) CET1 ratios for Q1, Q2 and Q3 include YTD unaudited profit. From Q2 2024: Including updated SREP with 2% expected capital buffer}

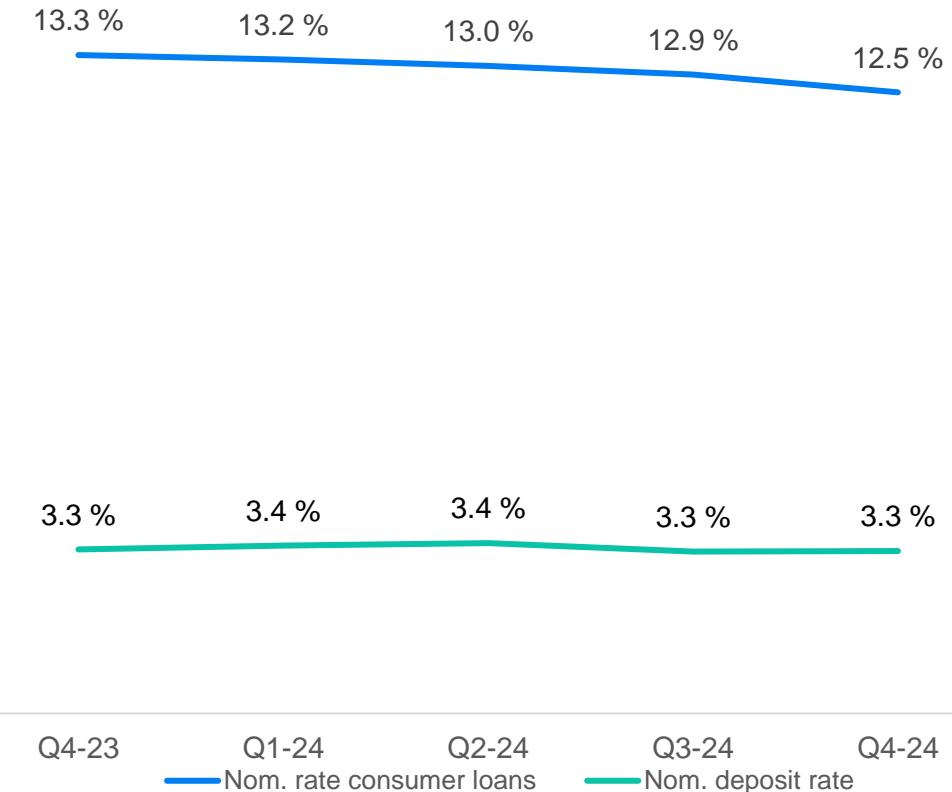
Margin development

Decreased lending yield not offset by deposit rate

Net interest income and net interest margin of total assets



Yields end of quarter¹

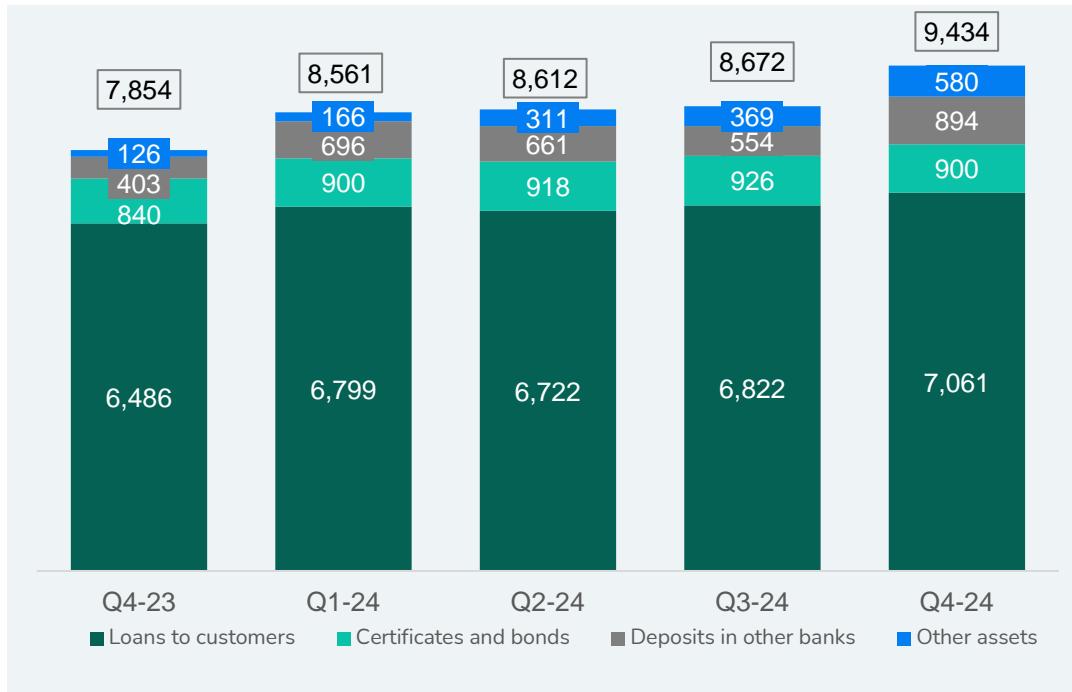


1) All figures are end of quarter and nominal

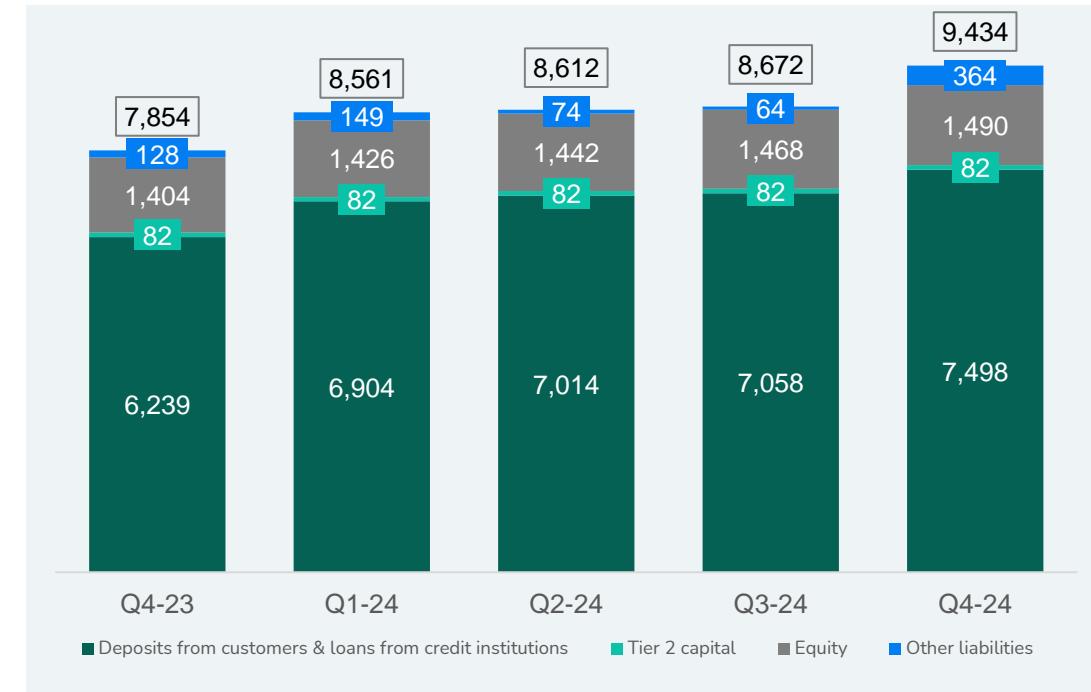
Balance sheet structure

Strong funding and liquidity position

Total assets, MNOK



Equity and liabilities, MNOK



- Deposit ratio: 106%
- Liquidity coverage ratio: 444% total (850% NOK, 140% EUR, 140% SEK)
- Net stable funding ratio: 153% total

For more information, please visit
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Lea
bank

