

Eika Boligkreditt

Investor presentation

February 2018



Executive summary

• The economy is improving

- GDP-growth above trend in 2017-2018 after low growth in 2015-2016
- Large current account and fiscal surpluses
- Lower unemployment
- Correction in house prices in 2017 after very strong development in 2016
- Petroleum investments are expected to increase again from 2018 after more than 25% drop from 2014 to 2017

• Robust, local saving banks

- 3rd largest Norwegian banking group
- Focus on retail lending
- High asset quality with low levels of doubtful & non-performing loans, low LTV and no direct exposure to oil/offshore
- Strong and diversified deposit base
- Strong capitalization and high level of liquidity buffers
- Strong position in the local markets

• Conservative cover pool

- Maximum 60% LTV for mortgages at origination and strict underwriting criteria
- No arrears or losses since inception
- Prudent risk management with regards to refinancing, liquidity, currency, interest rate and counterparty risk
- Credit guarantees from the distributors and capital and liquidity support agreements with the owners

Agenda

- The Norwegian economy
- Eika Alliance
- Eika Boligkreditt
- Appendix
- Disclaimer

The Norwegian economy – Key indicators

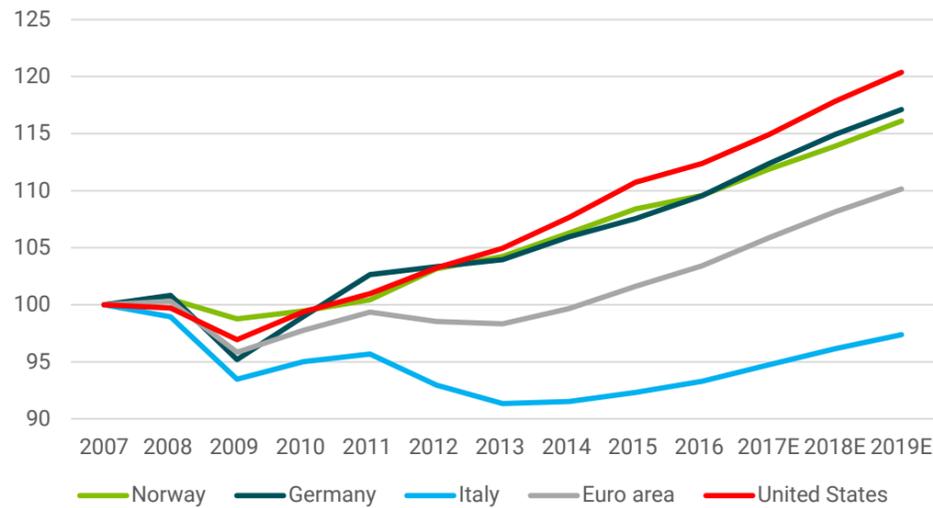
- Constitutional monarchy; Non EU member (EEA member); Population of 5.3 million
- Aaa / AAA / AAA rated country (all with stable outlook)
- GDP per capita amongst the highest in the OECD countries – estimated to be 48% higher than the average in EU (28 countries)
- Contributors to growth in 2017:
 - Positive contribution from private consumption, housing investments, public investments & consumption, other mainland industrial investments and increased export
 - Marginal, negative contribution from reduced petroleum investments, expected to be positive going forward

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017E | 2018E | 2019E | 2020E |
|------------------------------------|---------|---------|---------|--------|--------|--------|--------|--------|--------|-------|
| GDP growth (Mainland) | 1.9 % | 3.8 % | 2.3 % | 2.2 % | 1.1 % | 1.0 % | 1.9 % | 2.5 % | 2.4 % | 2.3 % |
| Consumer price inflation | 1.2 % | 0.8 % | 2.1 % | 2.0 % | 2.1 % | 3.6 % | 1.8 % | 1.9 % | 2.0 % | 2.0 % |
| Unemployment | 3,3% | 3.2 % | 3.5 % | 3.5 % | 4.4 % | 4.7 % | 4.2 % | 3.9 % | 3.8 % | 3.7 % |
| Private Consumption | 2.3 % | 3.5 % | 2.1 % | 2.0 % | 2.1 % | 1.5 % | 2.5 % | 2.5 % | 2.8 % | 3.2 % |
| Household savings rate | 6.2 % | 7.4 % | 7.4 % | 8.5 % | 10.4 % | 6.7 % | 6.1 % | 6.9 % | 7.0 % | 7.2 % |
| Houseprices | 8.0 % | 6.7 % | 4.1 % | 2.7 % | 6.1 % | 7.0 % | 4.6 % | -5.0 % | -1.6 % | 3.1 % |
| Interest rates (money market) | 2.9 % | 2.2 % | 1.8 % | 1.7 % | 1.3 % | 1.1 % | 0.9 % | 0.8 % | 0.9 % | 1.2 % |
| Government net lending as % of GDP | -13.4 % | -13.8 % | -10.8 % | -8.7 % | -6.4 % | -3.1 % | -4.6 % | -4.5 % | -4.5 % | n/a |
| Government pension fund / GDP | 118 % | 129 % | 164 % | 204 % | 238 % | 238 % | 245 % | 250 % | 255 % | n/a |

Source: Statistics Norway – Økonomiske analyser 4/2017 , OECD – Economic Outlook No 102 November 2017 and Norges Bank

The Norwegian economy – Solid economic situation

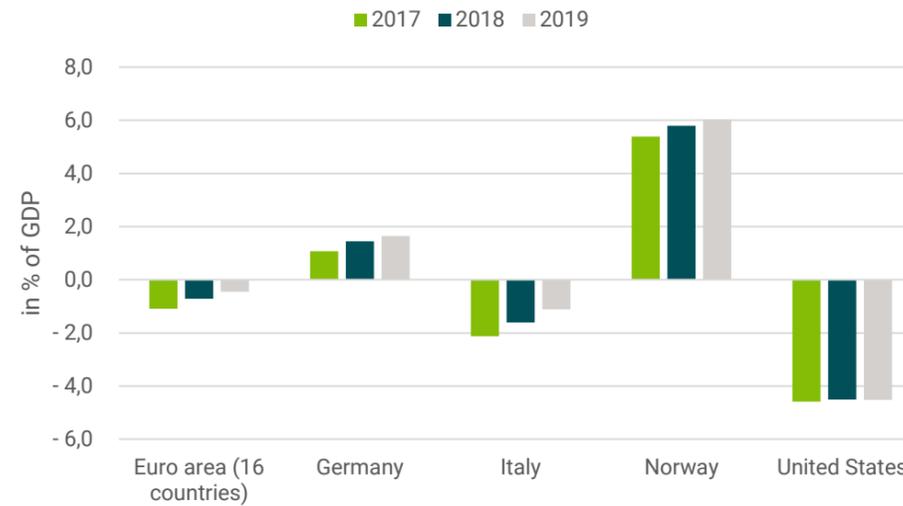
Real GDP growth (rebased to 100 in 2007)



Source: OECD Economic Outlook No. 102 (database), November 2017

- Economic growth at an annual average of 1.5% for Norwegian mainland GDP last 10 years
- Strong current account surplus averaging 10.7% of GDP since 2007

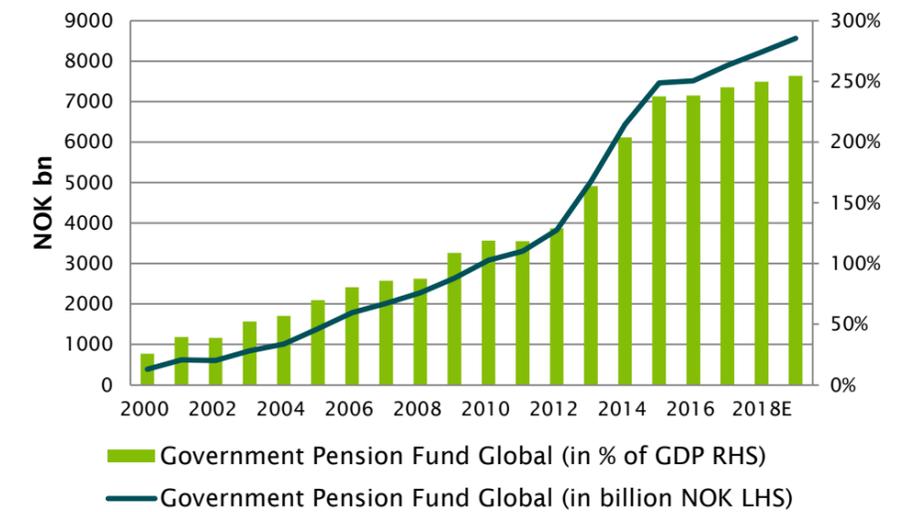
Government net lending



Source: OECD Economic Outlook No. 102 (database), November 2017

- Significant government net lending (5.4% of GDP in 2017) and the Government Pension Fund more than twice the size of GDP

Government Pension Fund Global

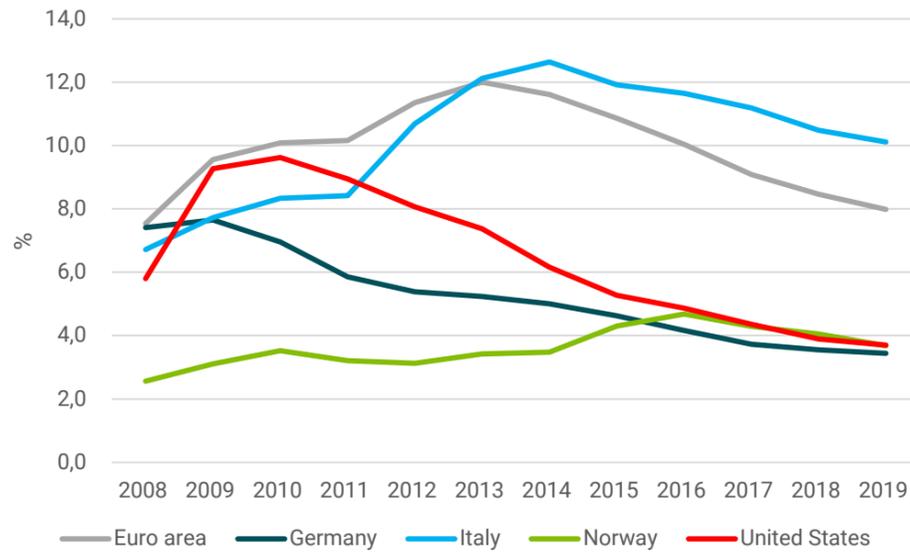


Source : Norges Bank, Statistics Norway, Q3 2017

- Norway has a strong balance sheet
- High net central government financial assets (290% of GDP in 2016)

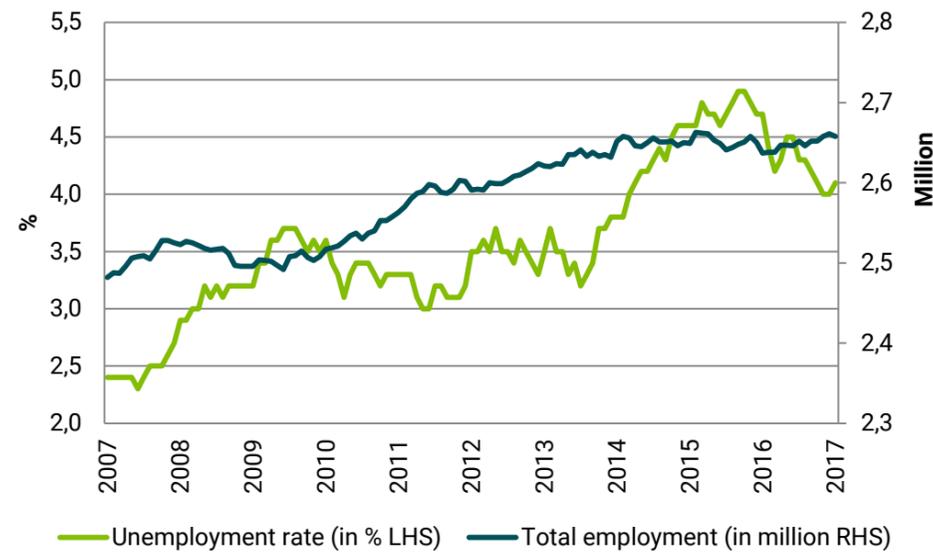
The Norwegian economy – Low unemployment

Norway has consistently low unemployment rate



Source: OECD Economic Outlook No. 102 (database), November 2017

Survey unemployment rate and total employment



Source: Statistics Norway, November 2017

New job applicants per business day



Source: Norwegian Labour and Welfare Administration (NAV), November 2017

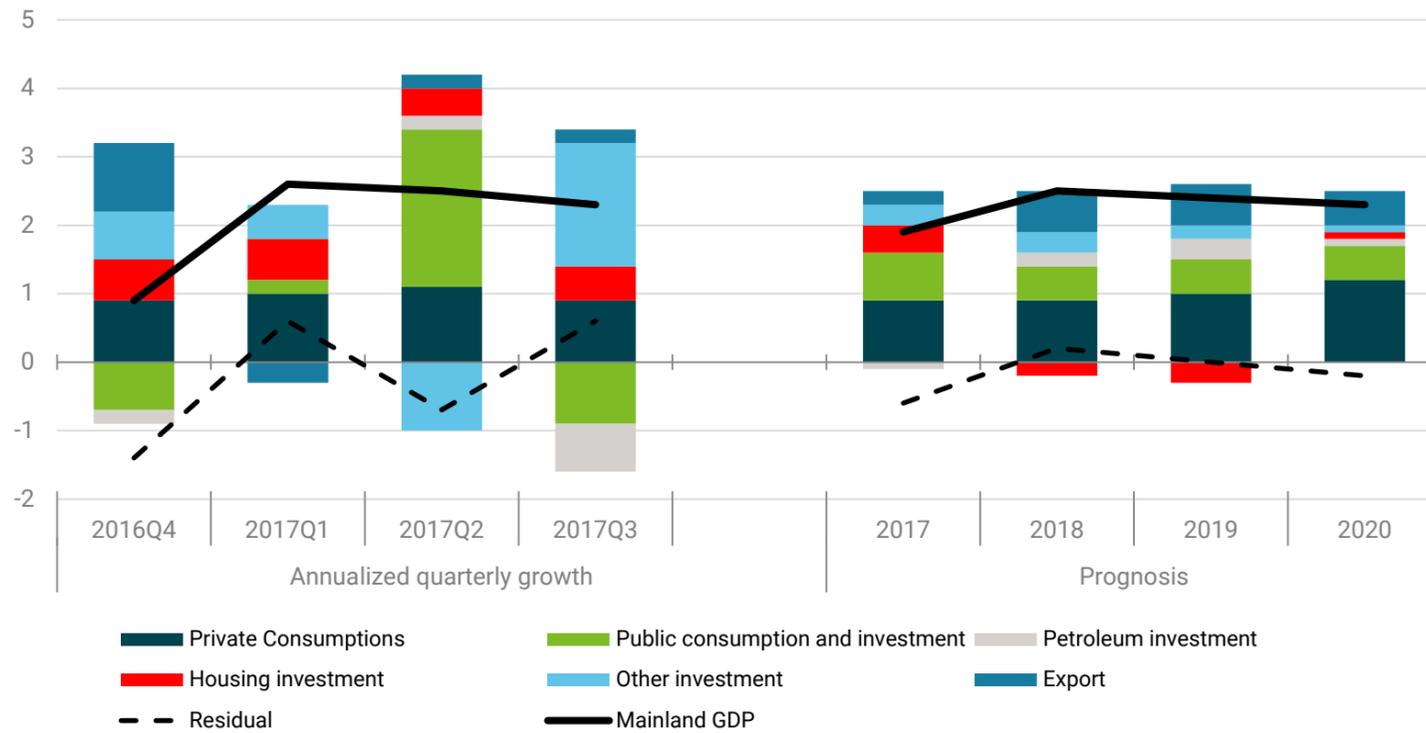
- A stable economy ensures a high rate of employment
- The survey based unemployment rate has fallen by 0.9%-points to 4.1% after hitting the highest level in the last decade of 5.0% in July 2016. Unemployment is expected to decline somewhat over the next couple of years from current levels of 4.1% and remain at low levels compared to elsewhere in Europe

- Labour immigration to Norway has been high over the past 10 years but is sensitive to changes in unemployment. Thus lower migration have counterbalanced increase unemployment

- A strong welfare system provides significant income protection: average unemployment benefit is 62.4% of salary (capped at NOK 540,408) for a minimum of 104 weeks

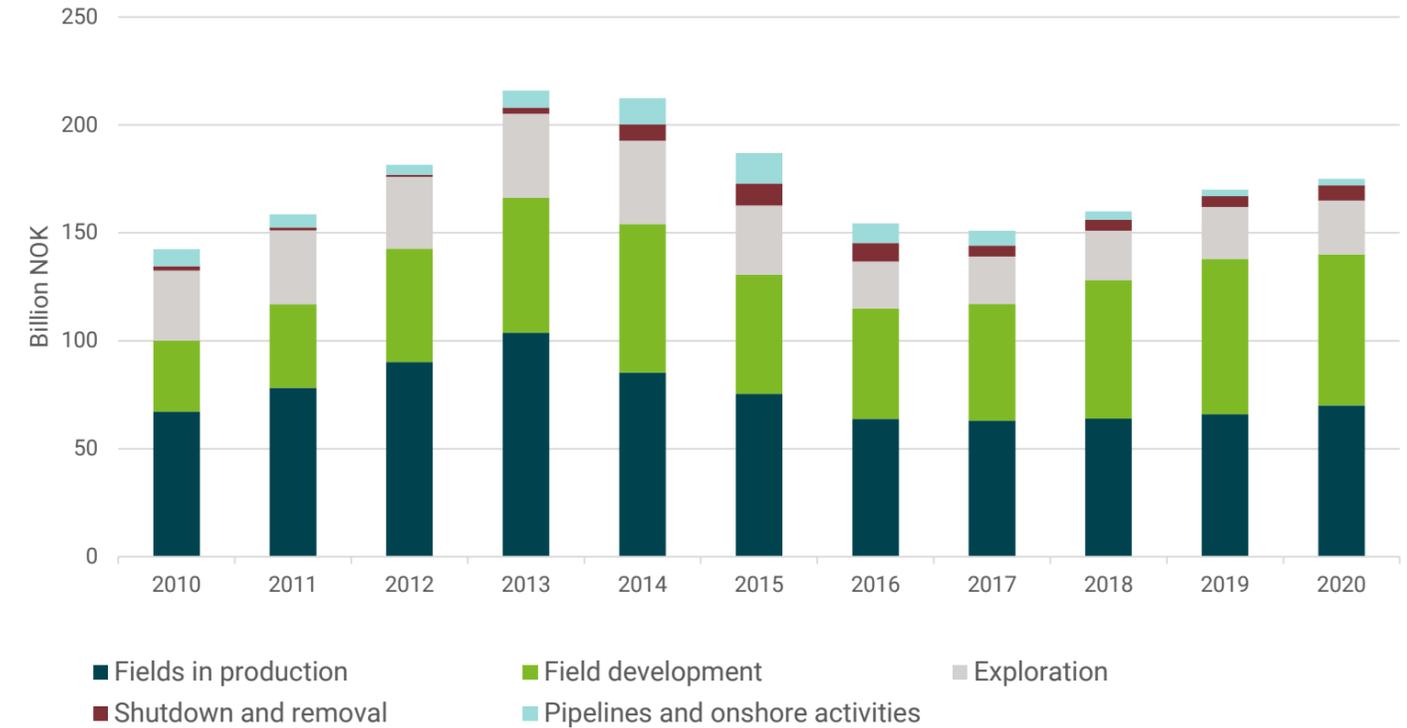
The Norwegian economy – much more than petroleum

Norwegian GDP growth – dependent on much more than petroleum



Source: Statistics Norway, Økonomiske analyser 4/2017

Petroleum investments



Source: Statistics Norway and Norges bank, Q3 2017

- Public and private consumption, housing investment, other investment and export have been positive contributors to growth in 2017. Petroleum investments has been a drag on growth for the last 2015/16, but only a marginal negative effect in 2017

- The reduction in petroleum investments have decelerated in 2017. These investments are expected to pick up going forward driven by reduced costs in the industry and improved prospects for the oil price

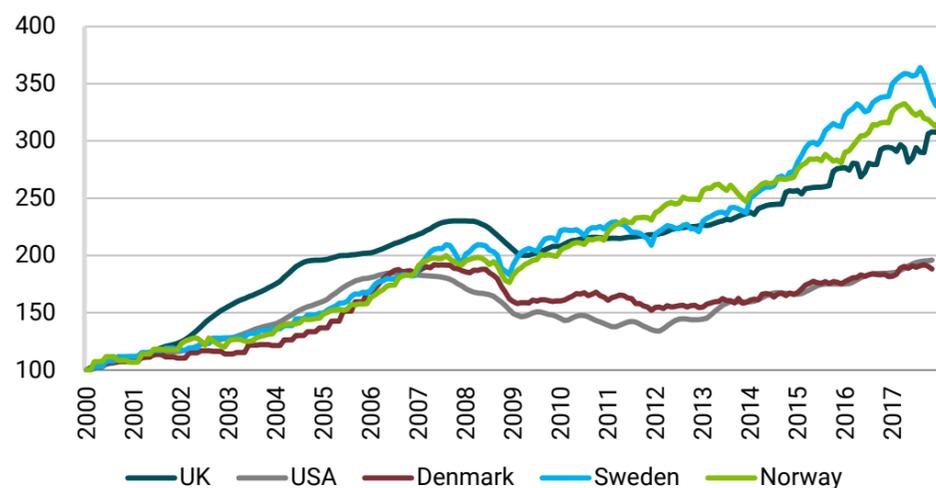
The housing market characteristics in Norway

| | | | |
|----------------------------------|--|-----------------------------|--|
| <h2>Home ownership</h2> | <ul style="list-style-type: none"> • Among the highest in the world - around 80% are owner-occupied households • Total size of the mortgage market NOK 2,628bn (EUR 279bn) | <h2>Personal liability</h2> | <ul style="list-style-type: none"> • Borrowers personally liable for their debt – also following foreclosures and forced sales • Prompt and efficient foreclosure process upon non-payment • Strong incentives to service debt reflected in low arrears • Transparent and reliable information about borrowers available to the lenders |
| <h2>MoF lending regulation*</h2> | <ul style="list-style-type: none"> • Mortgages maximum LTV 85% (60% for secondary homes in Oslo) • Mortgages with an LTV > 60% are required to be amortizing • Debt service ability is stress tested for a 5% - point increase in interest rates • Total debt over gross income less than 5 | <h2>Mortgage lending</h2> | <ul style="list-style-type: none"> • 97.4 % of residential mortgage loans granted by banks/mortgage companies (Q3 2017) • Typical legal maturity 25-30 years, on average 22-23 years • 92.3% of residential mortgages have variable interest rate (Q3 2017) • Lenders allowed to adjust interest rates with a six week notice • No “sub-prime” market in Norway • Very limited buy-to-let market |
| <h2>Tax incentives</h2> | <ul style="list-style-type: none"> • All interest expenses are tax deductible in Norway at capital gains tax rate (23%) • Preferential treatment of properties when calculating the wealth tax (0.85%) • Capital gain on a dwelling tax-free after one year of occupancy by the owner | | |

* The Ministry of Finance sets mortgage guidelines in the regulation as of 1. June 2015, a stricter set of rules than the guidelines set prior to that

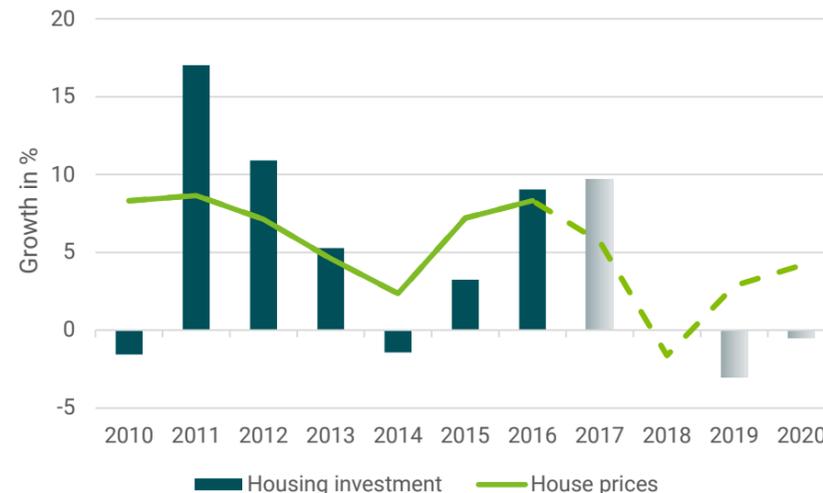
The housing market – Price development

Nominal house price development



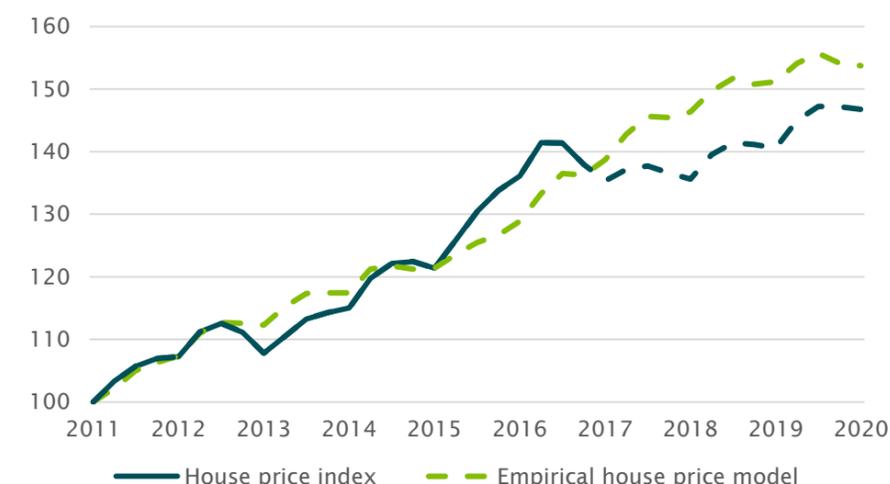
Source: S&P CoreLogic Case-Shiller US National Home Price NSA Index, Danmark statistik Ejen14, Hometrack House price Index, Valueguard HOX® Index, Eiendomsverdi, November 2017 – January 2018

House prices and housing investment



Source: Norges Bank, projections broken lines and shaded bars, Q3 2017

House price index and empirical house price model



Source: Eiendom Norge, FINN, Eiendomsverdi, Norges Bank, Q3 2017

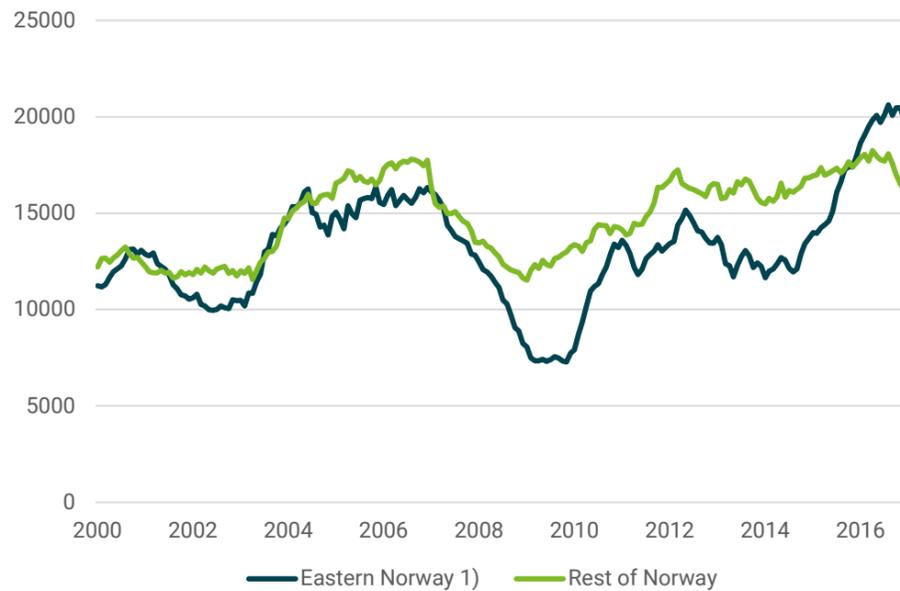
- Nominal house prices have increased by an average of 6.6% per annum since 2000.
- The Norwegian housing market have been through a clear shift in trend in 2017 where prices on a countrywide basis are influenced by falling prices in the Oslo area

- Changes in housing investments are expected to flatten out going forward after increasing strongly in 2016/17
- Changes in house prices are expected to follow the same path as housing investments

- Median house price in Norway is € 294,000, median house price in Oslo is € 365,000
- Median m² price in Norway is € 3,512, median m² price in Oslo is € 6,621

The housing market – Drivers of the housing market

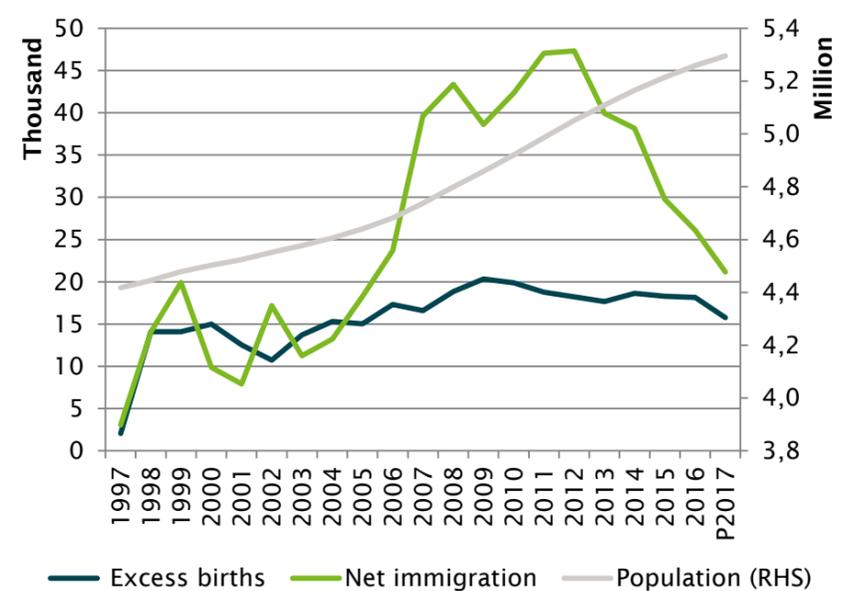
Housing starts (past 12 months)



Source: Statistics Norway, December 2017
 1) Akershus, Buskerud, Hedmark, Oppland, Oslo, Telemark, Vestfold and Østfold

- New home construction is down from “all time high”. Reduced housing investments are expected to bring down housing starts further going forward

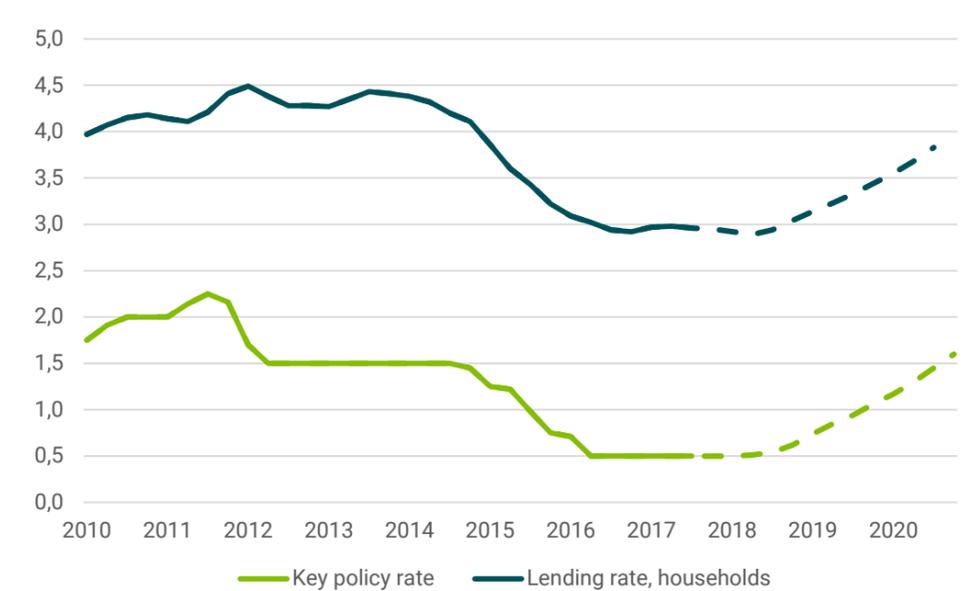
Strong population growth



Source: Statistics Norway, Q3 2017

- Net immigration down from above 47,000 in 2011/12 to low 20,000 in 2017
- The population growth of 0.92% p.a. since 1997 has been driven both by excess birth rate (37%) and net immigration (63%)

Low average lending rates

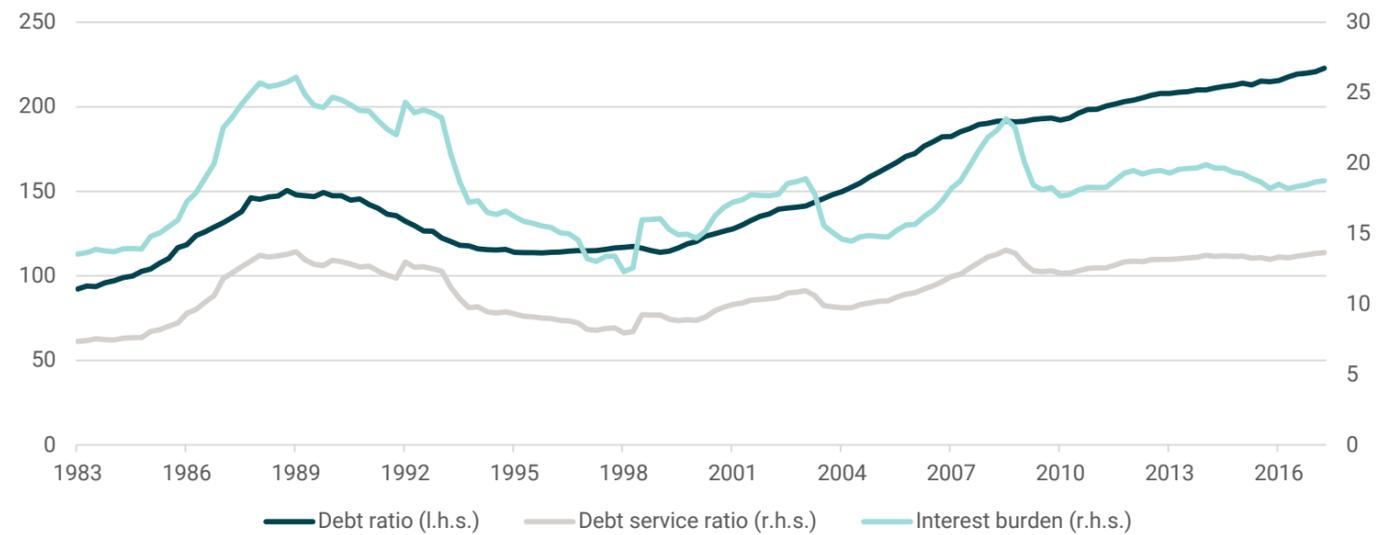


Source: Statistics Norway, Thomson Reuters, Norges Bank, projections broken lines, Q3 2017

- Low average lending rates for households

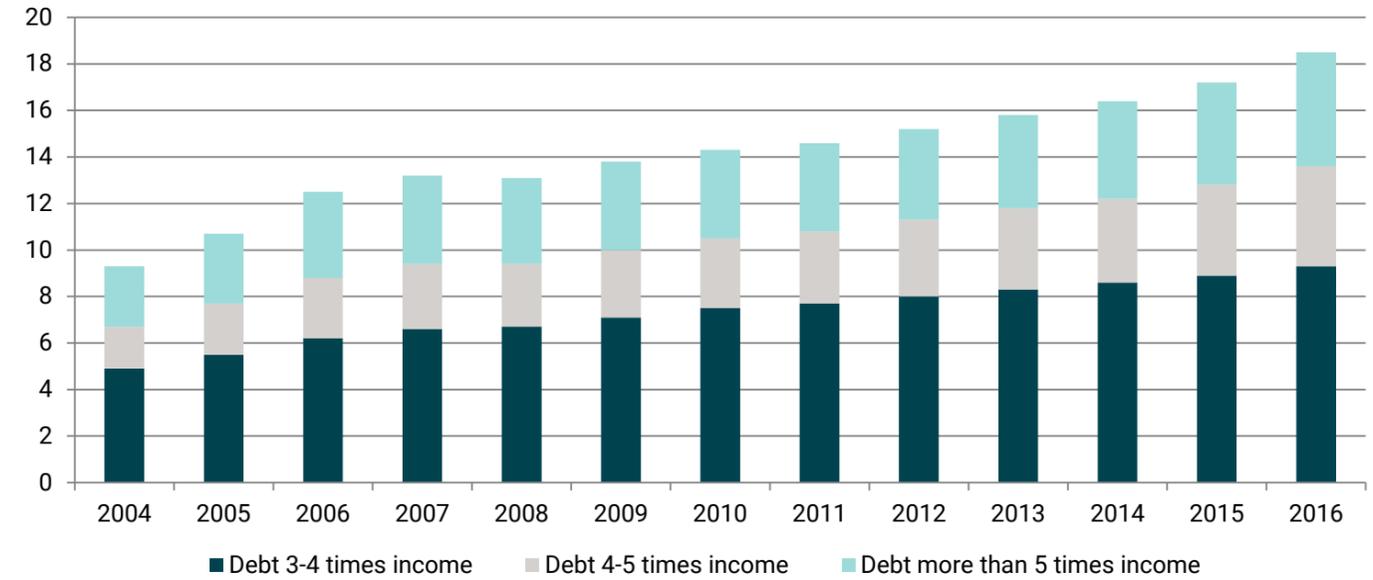
Households financial position

Household debt service ratio, interest burden and debt-to-income ratio (in %)



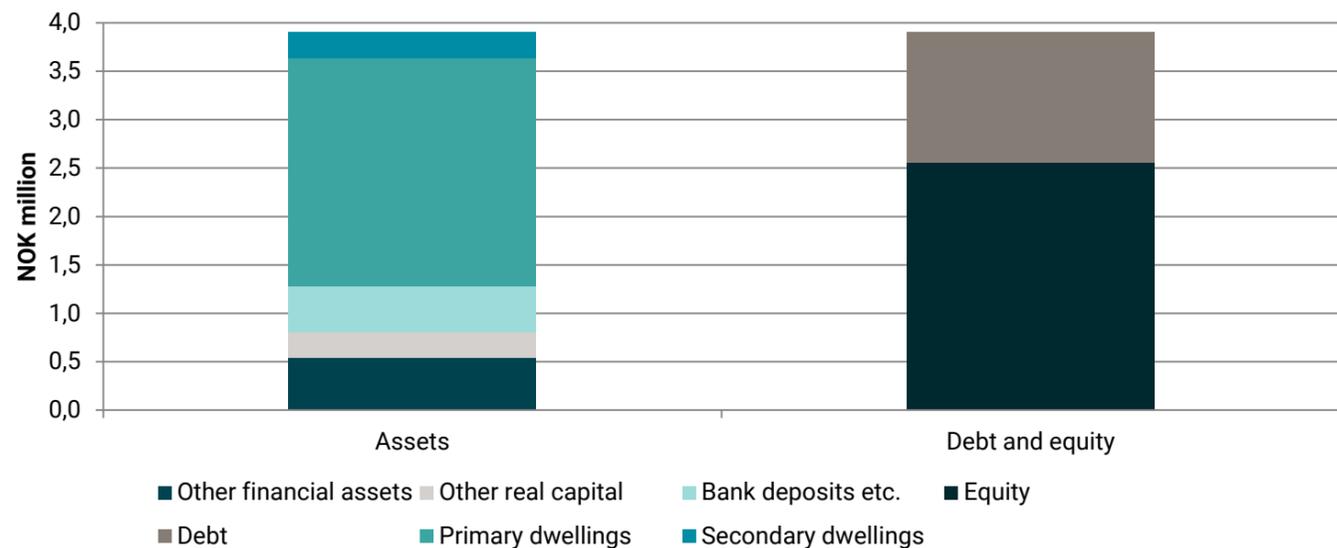
Source: Statistics Norway and Norges Bank, Q2 2017

Norwegian households with debt > 3 X total household income (in %)



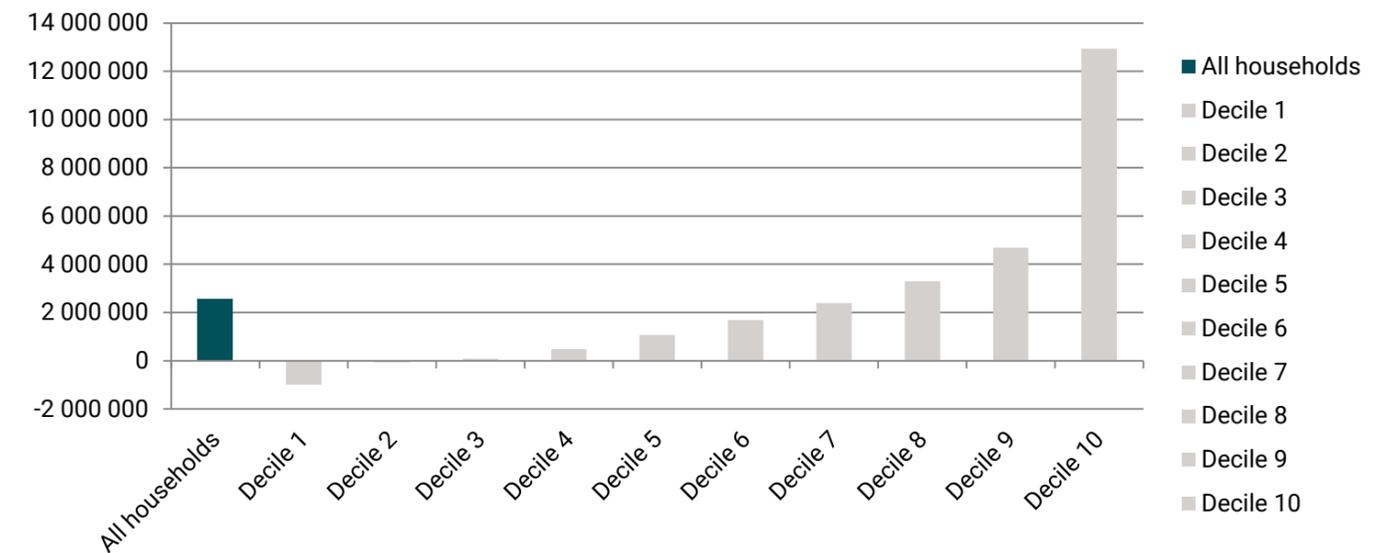
Source: Statistics Norway, Updated 2016

Household balance sheet



Source: Statistics Norway Updated 2016

Norwegian households net wealth (in NOK)



Source: Statistics Norway, Updated 2016

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3rd largest Norwegian banking system

- The Eika Alliance consist of a group of 69 Norwegian local banks¹, Eika Gruppen and Eika Boligkreditt
 - Total assets EUR 43 bn
 - Gross loans amounts to approx. EUR 30bn
 - Total funding incl. equity of Eika Alliance amounts to EUR 35bn
 - 900,000 customers
 - 2,332 employees
 - 209 branch offices

- The banks have a wide geographical reach (presence in 18 out of 19 counties) with a strong position in the vibrant economic centres in Central and Eastern Norway



- **Local banks with a unique market position**
 - The Eika banks have high client satisfaction and loyalty among retail- and corporate clients
 - Local based knowledge and credit committee decisions
 - Perceived to care about their clients
- **Market share in lending to retail customers**
 - Up to 80% in local markets (except the largest cities)
 - 10.2 % overall in Norway

¹ 11 banks have terminated agreements with Eika-Gruppen, the final termination date is 31/12-2021. These banks in total own 11.4% of the shares. The agreements these banks have with Eika Boligkreditt AS are not affected by the notices of termination.

The Eika Alliance



Eika Boligkreditt AS

Covered Bond Funding

Eika Gruppen AS

| | | | |
|--|---------------------------|---------------------|-----------------------|
| Provides products and services to bank clients | Provide services to banks | Infrastructure / IT | Strategy and Lobbying |
|--|---------------------------|---------------------|-----------------------|

Bank2 and Sandnes sparebank are only shareholders in Eika Gruppen AS
 OBOS is the largest Nordic Cooperative Housing Association, established in 1929 and is owned by 415,000 members, mostly located in the Oslo-area. More information about OBOS can be found on www.obos.no

Achieving economies of scale, while being local

I. Eika banks

- The saving banks are independent banks with very strong local focus, and operate solely in the local markets where they have been active for almost 200 years

II. Eika Gruppen

- The smaller Norwegian Savings banks established the Eika Alliance in 1997.
- Efficiency in banking operations and IT infrastructure
- Realize the economics of scale
- Jointly owned product companies (insurance, mutual funds etc)
- Shared resources to handle regulatory changes

III. Eika Boligkreditt

- Provider of covered bond funding

Efficiency

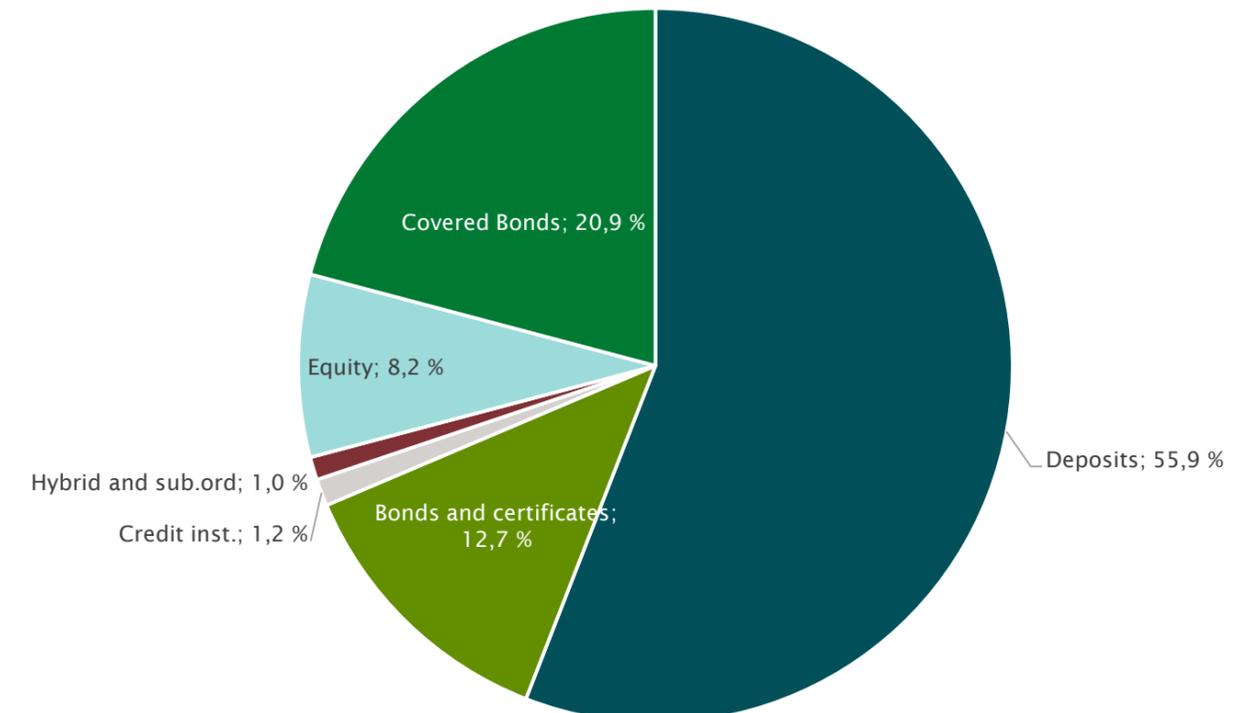
- Work as if one integrated entity
- Operational integration
- Offer non-core banking products through jointly owned product companies



Alliance programme

Total funding sources

As of 2017Q2



Source: Bank analyst Eika , EURNOK 30.06.2017: 9.5713

Focus on retail customers

- Eika banks have a large and stable retail customer base
- Retail lending accounts for 81.2% of Eika banks' total lending.
- Eika banks have a higher share of retail lending compared to the other Norwegian peers
- Retail lending consist predominantly of mortgage collateralized housing loans (approx. 93% of total)
- Low average LTV of 52.9% in mortgage portfolio

Local market focus

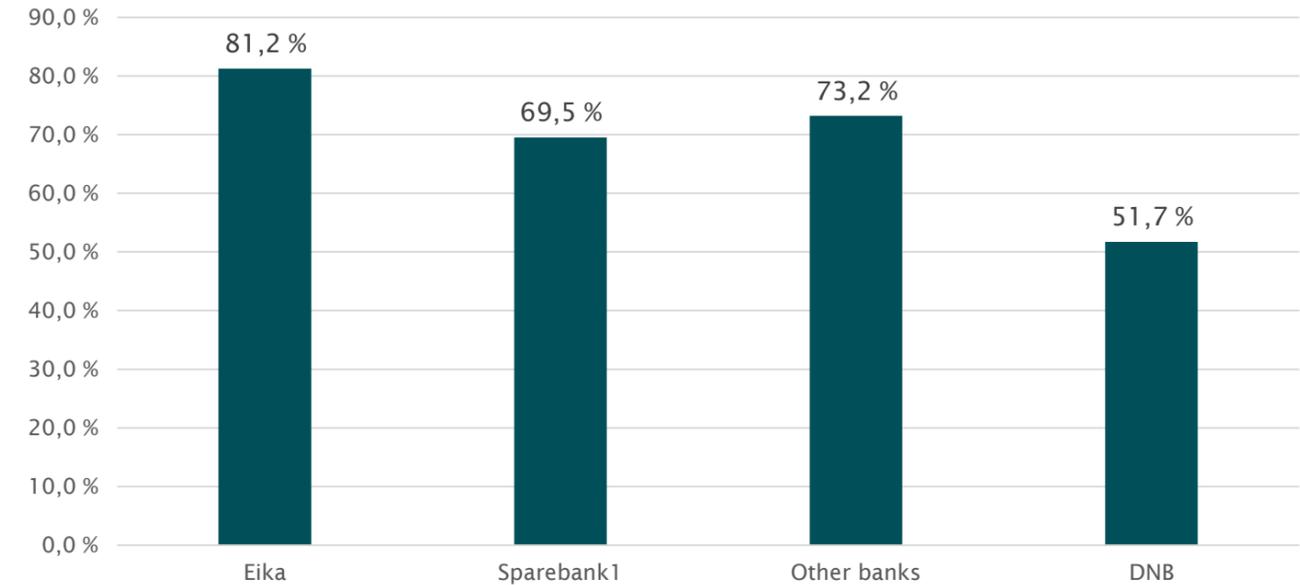
- Decisions are made close to the customer and transaction originations
- Each bank continues to develop its link with its local community
- Keeping its own name and legal identity



Separate legal identities and a common support brand

Retail share - Eika vs. peers

As of 2017Q2



Breakdown of the Eika banks lending

As of 2017Q3



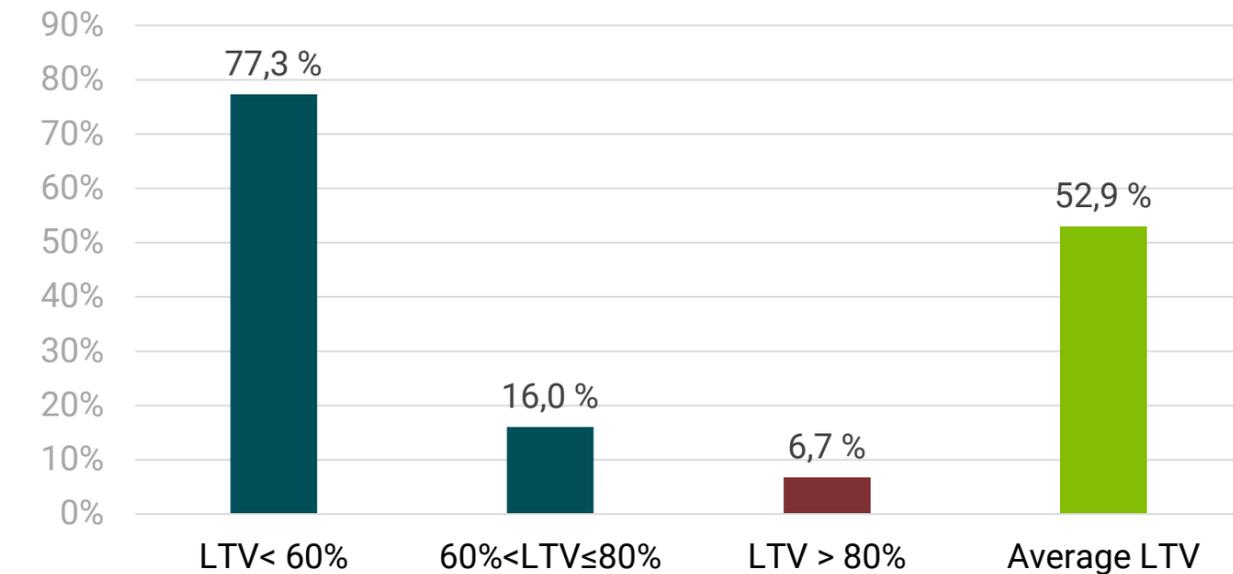
Source: Bank analyst Eika

High asset quality

- Conservative risk profile within the banks
- Eika banks have low exposure to the corporate sector with no lending to shipping, oil sector and relatively low exposure to commercial real estate
- Few non-performing and doubtful loans
 - Gross non-performing loans constitute 0.53% of gross loans 2017Q2
 - Gross doubtful loans constitute 0.59% of gross loans 2017Q2
 - Provisioning ratio on problem loans of 58.1% 2017Q2
- Gross problem loans relative to equity + loan loss reserves has been declining gradually over the last 8 years and is now at 8.2% (Q2 2017)

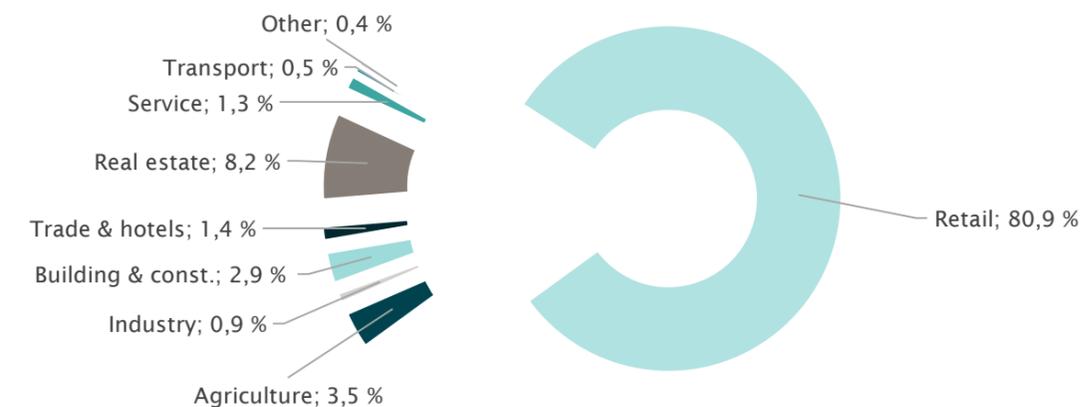
Low LTV in mortgage portfolio (bank book)

As of 2016Q3



Sector breakdown of the loan book

As of YE2016



Source: Bank analyst Eika

Strong capitalization

- Strong capital ratios – YE2016**

- Common equity ratio (CET1): 17.8%
- Core capital ratio: 18.9%
- Capital ratio: 20.0%
- Equity ratio (Equity/Total assets): 10.3%

- All Eika banks are well capitalized (T1 ratio)**

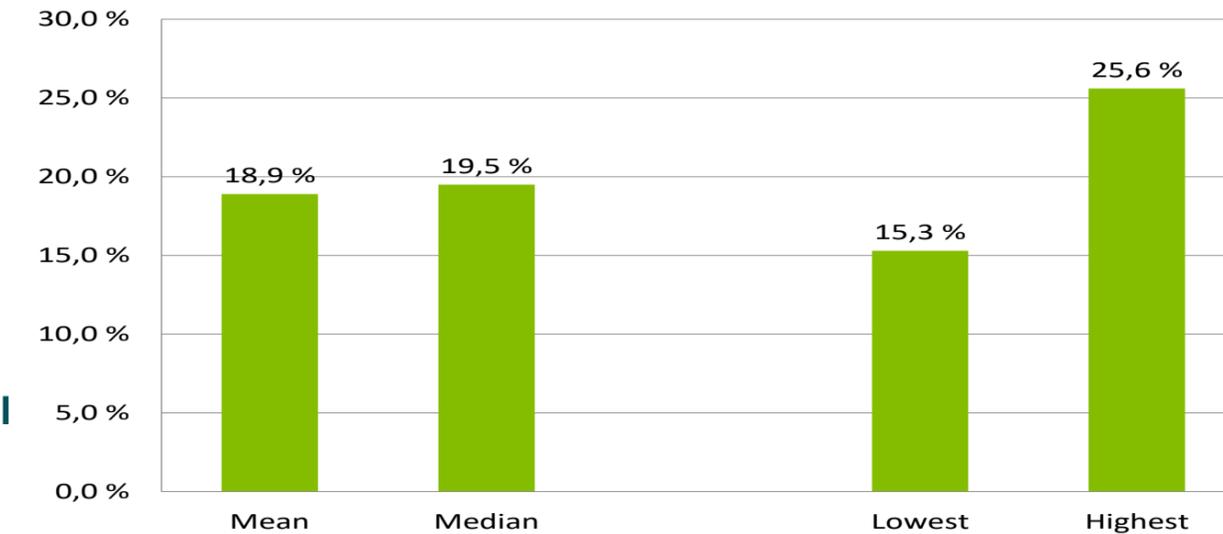
- Lowest: 15.3%
- Highest: 25.6%

- All Eika banks use the standard approach under Basel II and therefore increase in mortgage risk-weights will not impact capital levels of Eika banks**

- If Eika banks were using the IRB method, the core and capital ratios are estimated to have been at 26.8% and 28.4% at end 2016**

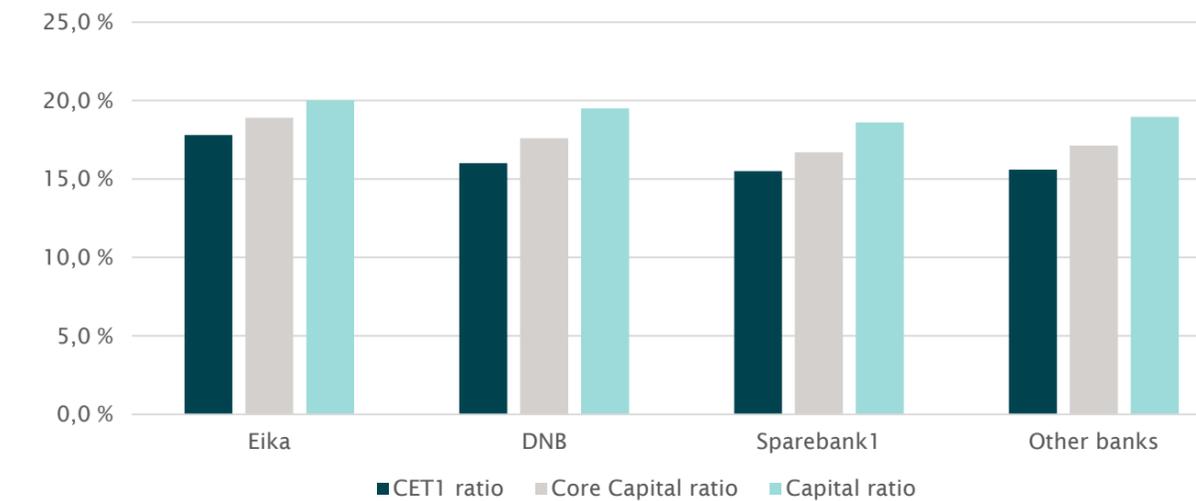
Core capital ratio – Eika banks

As of YE2016



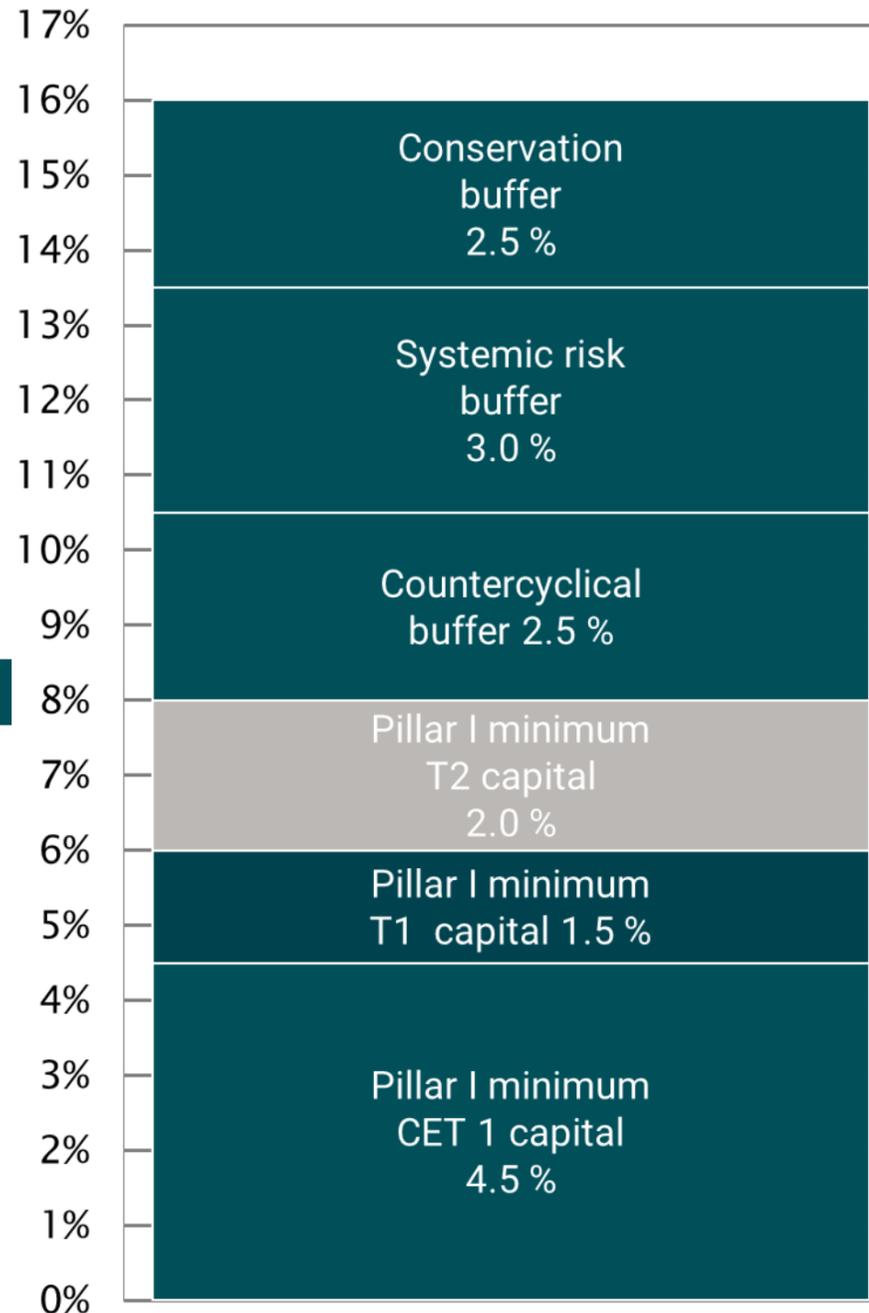
Capital ratio - Norwegian banks

As of YE2016



Source: Bank Analyst Eika

Minimum capital requirements for Eika Banks*



* No Eika Bank has SIFI requirements

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Norwegian covered bonds

I. Norway's covered bonds legislation

- Specialist banking principle, ring fencing of assets and transparency
- Standard principles in the legislation in effect since 2007
- Harmonisation (EBA proposal from 2017) can easily be implemented in Norwegian law with minor changes

II. Regulatory

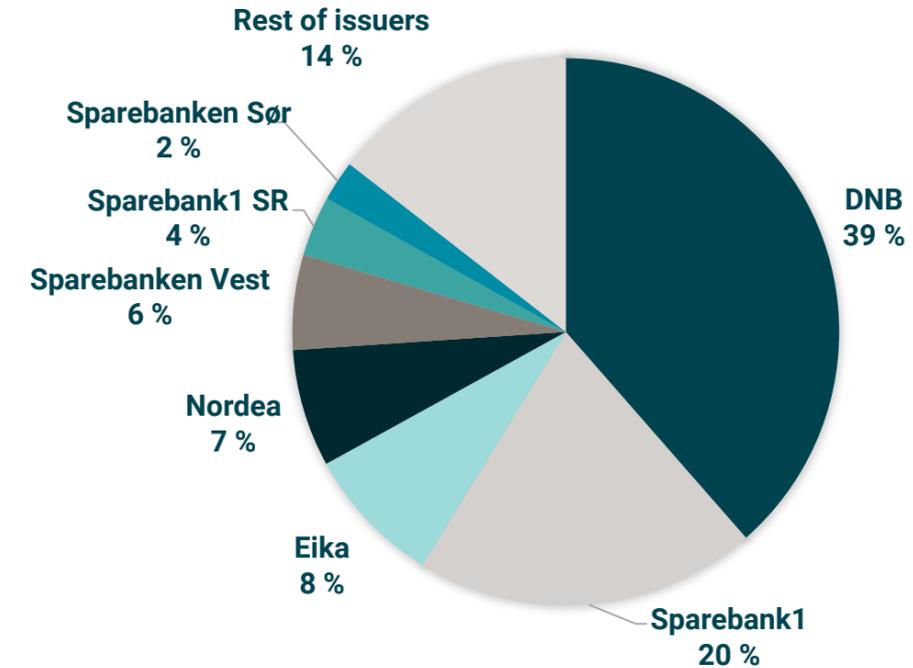
- Norwegian covered bonds are category 1 for LCR purposes (above EUR 500 mill.)
- 10% preferential risk weighting

III. Eika Boligkreditt covered bonds

- Eika Boligkreditt (**EIKBOL**) is a labelled covered bond issuer (www.coveredbondlabel.com)
- EIKBOL covered bonds are rated **Aaa** by Moody's
- Committed minimum OC of 5%
- 12 month soft-bullet on all CBs

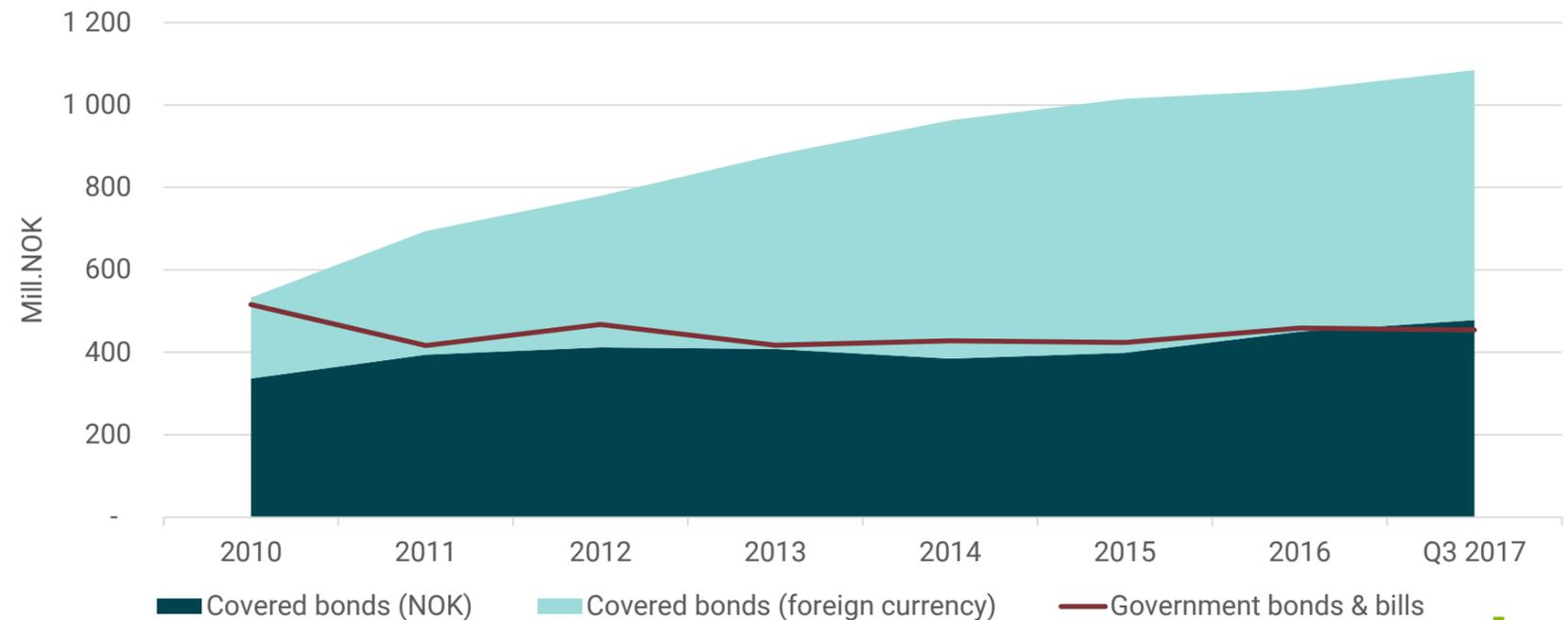
Norwegian covered bond market- biggest issuers

As of 2017Q3



Source: Finance Norway

Norwegian covered bonds and government bonds outstanding



Source: Finance Norway, Oslo Stock Exchange

Eligibility criteria for the cover pool

I. Origination process

- Loan-by-loan origination

II. Customer categories

- Norwegian residents (Retail)
- Cooperative housing associations (common debt between multiple individuals)

III. Credit Criteria

- Eika Boligkreditt sets the credit policy for acceptable mortgages (credit manual)
- No arrears

IV. Collateral

- Max LTV 60% at time of origination (vs. max 75% in the Norwegian legislation)
- Recent valuations (within 6 months at time of origination)
- Quarterly valuation from independent 3rd party, documented

V. Type of properties

- Stand alone residential mortgages
- Cooperative housing residential mortgages

VI. Type of products

- Principal repayment loans (currently no flexi loans)
- Fixed and variable interest rate loans

Structure of liquidity and capital support from owners

- **The Note Purchase Agreement (NPA)** is structured to ensure that EIKBOL has liquidity, at all times, sufficient to pay the Final Redemption Amount of any series of Notes in a rolling twelve month period
- **The Shareholders' Agreement** is structured to ensure that EIKBOL will uphold a sufficient capital adequacy ratio at all times. The Owner Banks are obliged to pay their pro-rata share of any capital increase adopted by EIKBOL's general meeting and of any capital instruments to be issued
- **The Distribution Agreement** is structured to provide servicing of the mortgages and includes credit guarantees for mortgages transferred to EIKBOL.

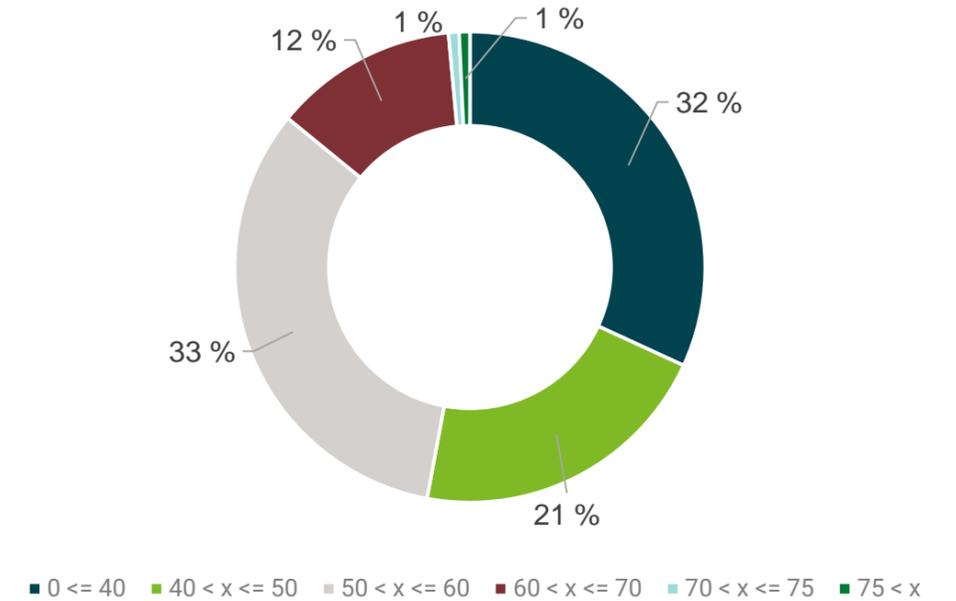


Summary of the cover pool

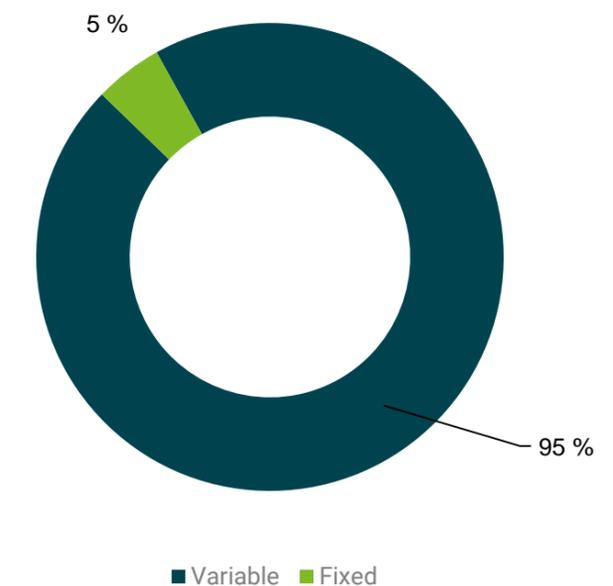
| | |
|------------------------------------|-------------|
| Nominal value | EUR 7.8 bn |
| In % of total mortgage pool | 100 % |
| Number of loans | 50,650 |
| Arithmetic average loan (nominal) | EUR 153,789 |
| WA LTV (indexed) | 44.8% |
| WA seasoning (months) | 31 |
| Loans in arrears (over 90 days) | 0.0 |
| Estimated over collateralization * | 9.81 % |

All data as of 31.12.2017. EURNOK 9.8403
 * OC is estimated based on nominal values

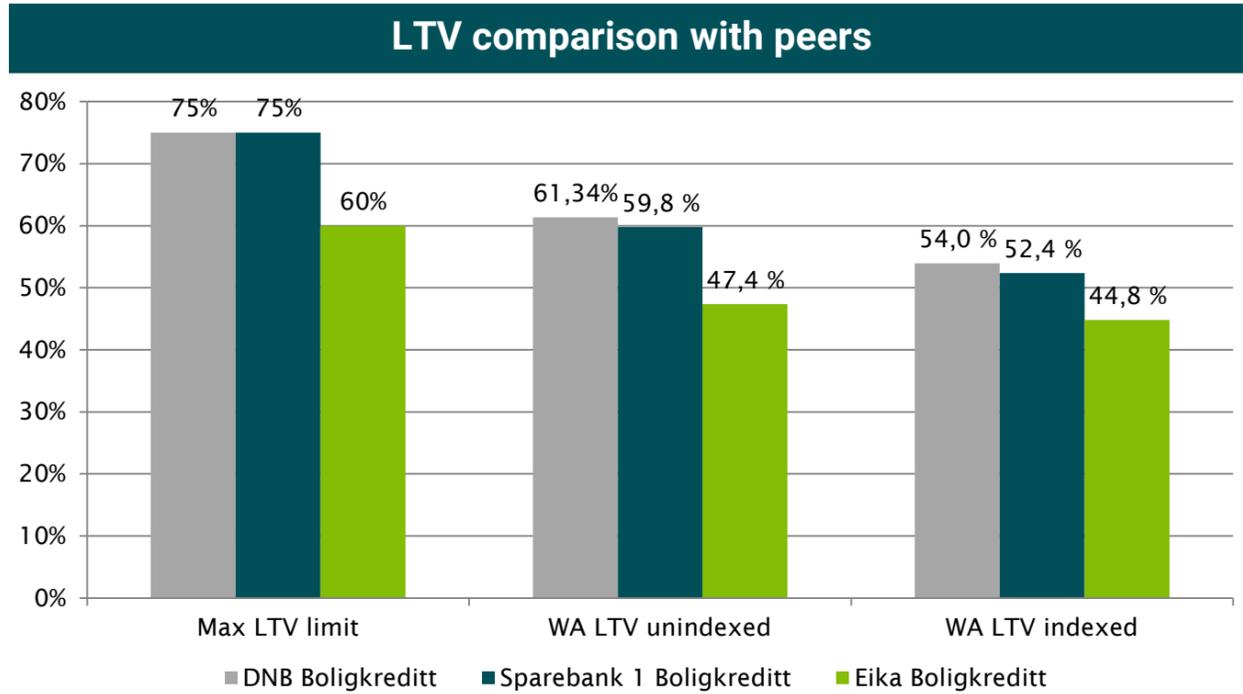
Indexed LTV distribution



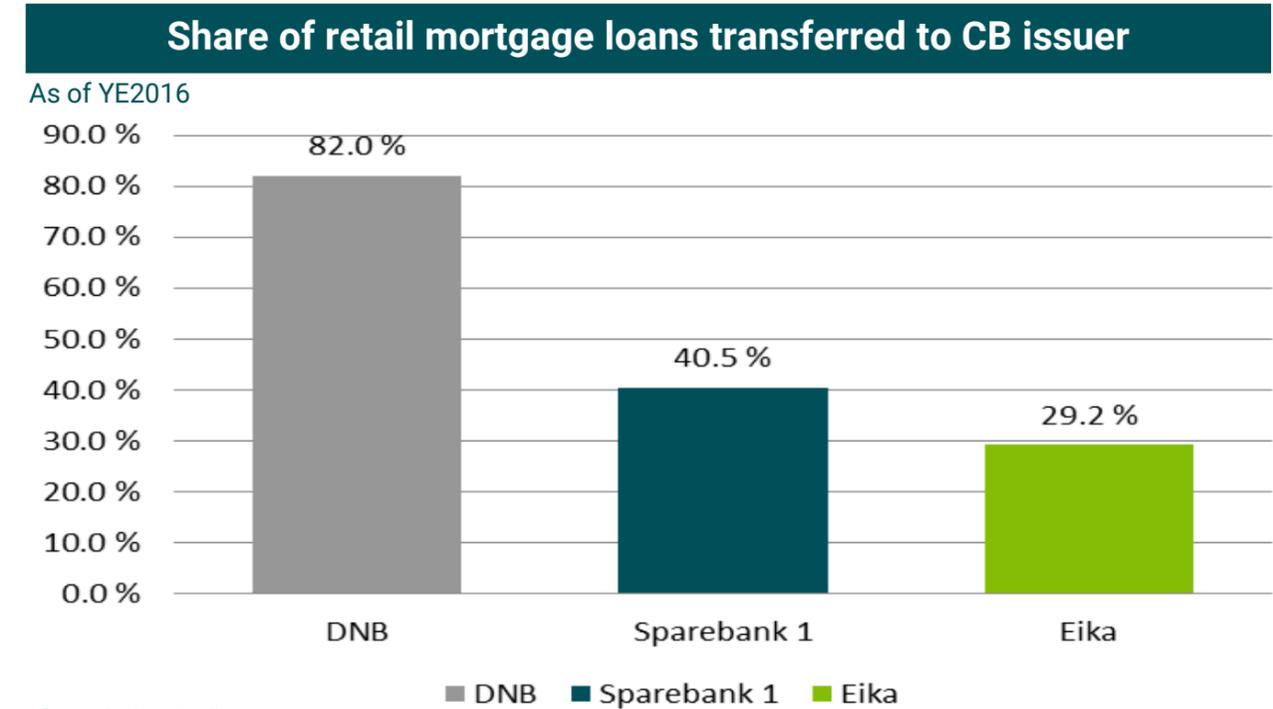
Variable vs fixed rate



Cover pool comparison and stress test



Source: Cover pool information as of Q4 2017



Source: Bank Analyst Eika

Stress test: Decline in house prices

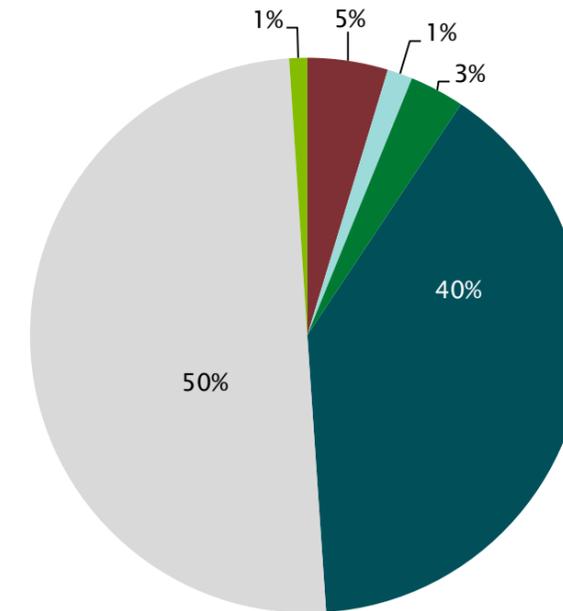
| Stress test house price reduction (numbers in € million) | Unchanged | Decline of 10% | Decline of 20% | Decline of 30% |
|---|-----------|----------------|----------------|----------------|
| Mortgage Portfolio | 7,789 | 7,789 | 7,789 | 7,789 |
| Part of mortgages exceeding 75% LTV | - | 15.3 | 56.2 | 308.7 |
| Share of mortgage portfolio >75% LTV | 0.00 % | 0.20 % | 0.72 % | 3.96 % |
| Estimated Over collateralization* | 9.81 % | 9.62% | 9.12% | 6.00% |

Current funding

- EIKBOL has the objective to be a frequent benchmark issuer in both EUR and NOK covered bond markets
- Redemptions within any future 12-month rolling period should not exceed 20% of the gross funding at the time of redemption
- Targeting a level of liquidity covering redemptions the next 12 months
- Balance swapped to 3M NIBOR on both sides

Funding mix EIKBOL

As of 2018-01-31



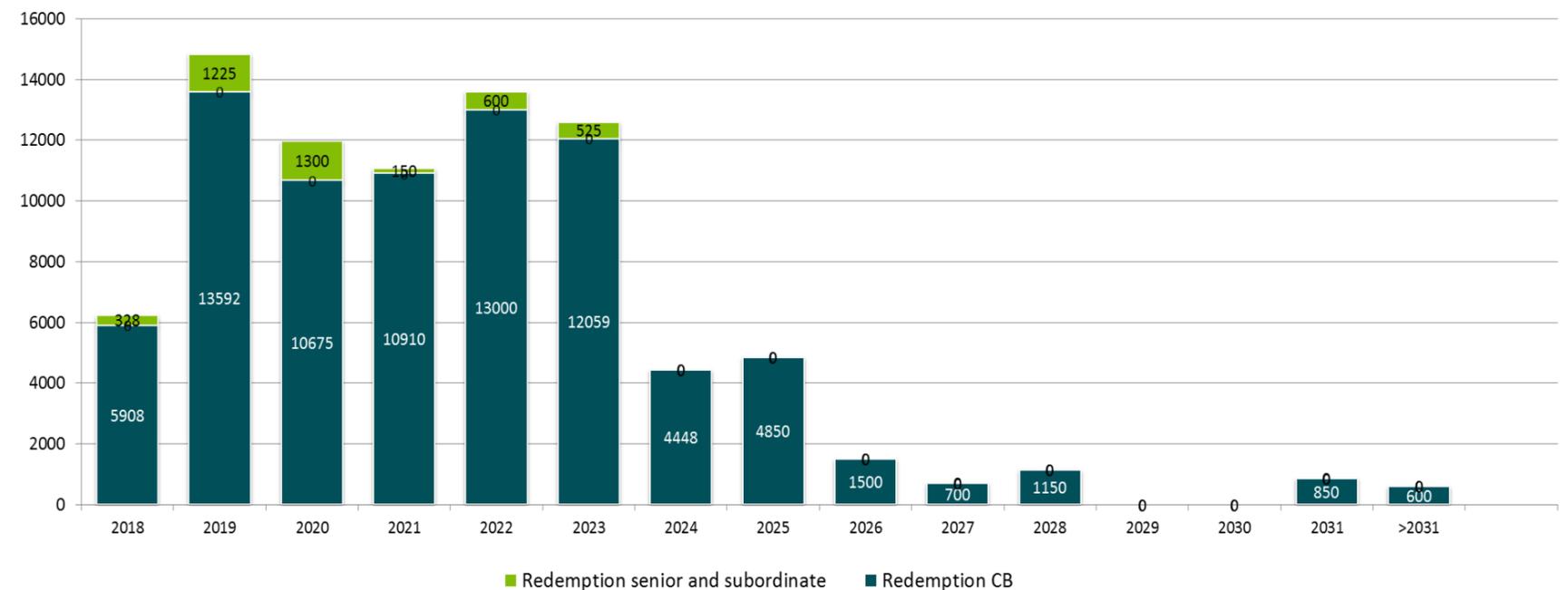
■ Equity ■ Subordinate and hybrid capital ■ Senior debt ■ EUR denominated CBs ■ NOK denominated CBs ■ SEK denominated CBs

Outstanding EUR transactions

| ISIN | Issue date | Volume (EUR mio) | Maturity date |
|--------------|------------|------------------|---------------|
| XS0794570944 | 2012-06-19 | 650 | 2019-06-19 |
| XS1044766191 | 2014-03-12 | 500 | 2021-03-12 |
| XS1312011684 | 2015-10-28 | 500 | 2021-10-28 |
| XS0881369770 | 2013-01-30 | 1000 | 2023-01-30 |
| XS1397054245 | 2016-04-20 | 500 | 2023-04-20 |
| XS1566992415 | 2017-02-16 | 500 | 2024-02-16 |
| XS1725524471 | 2017-11-28 | 500 | 2025-02-26 |

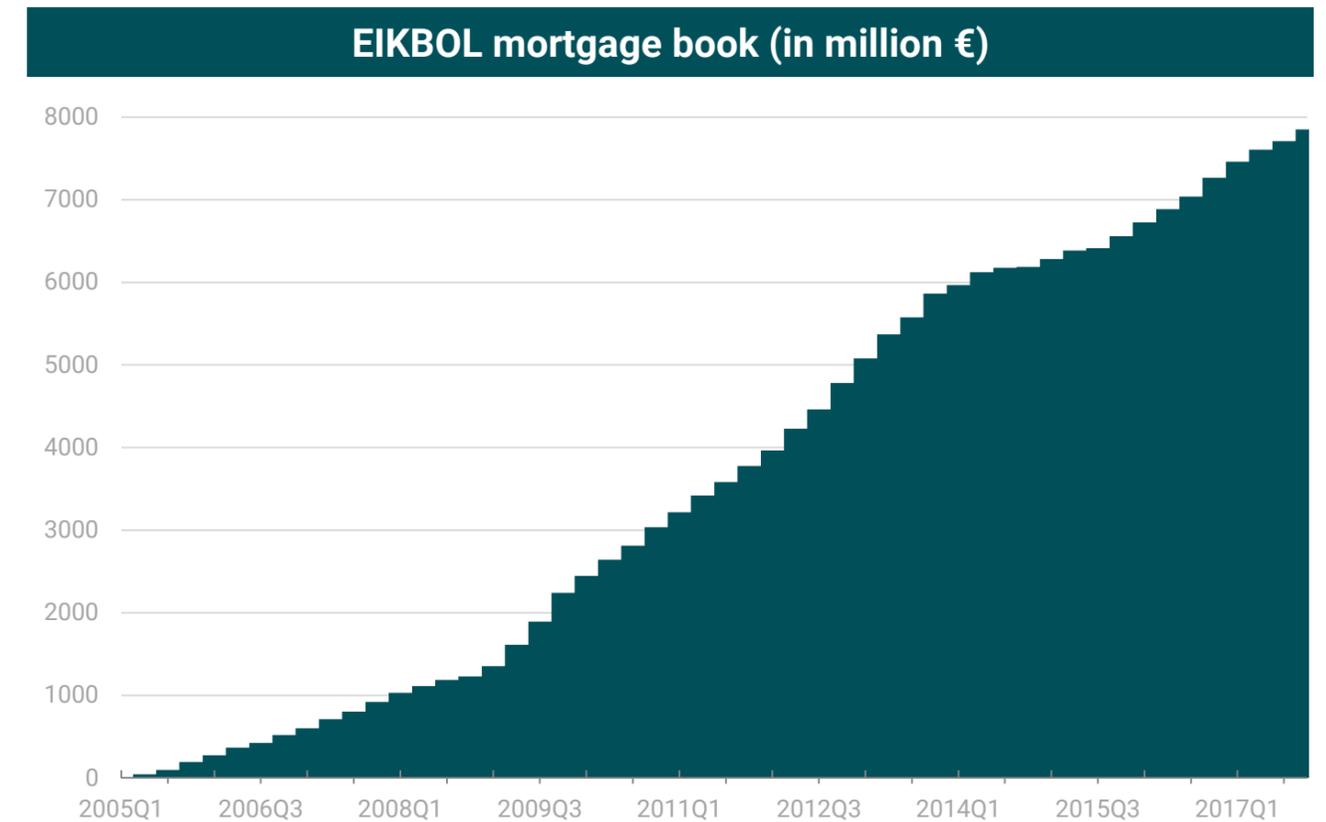
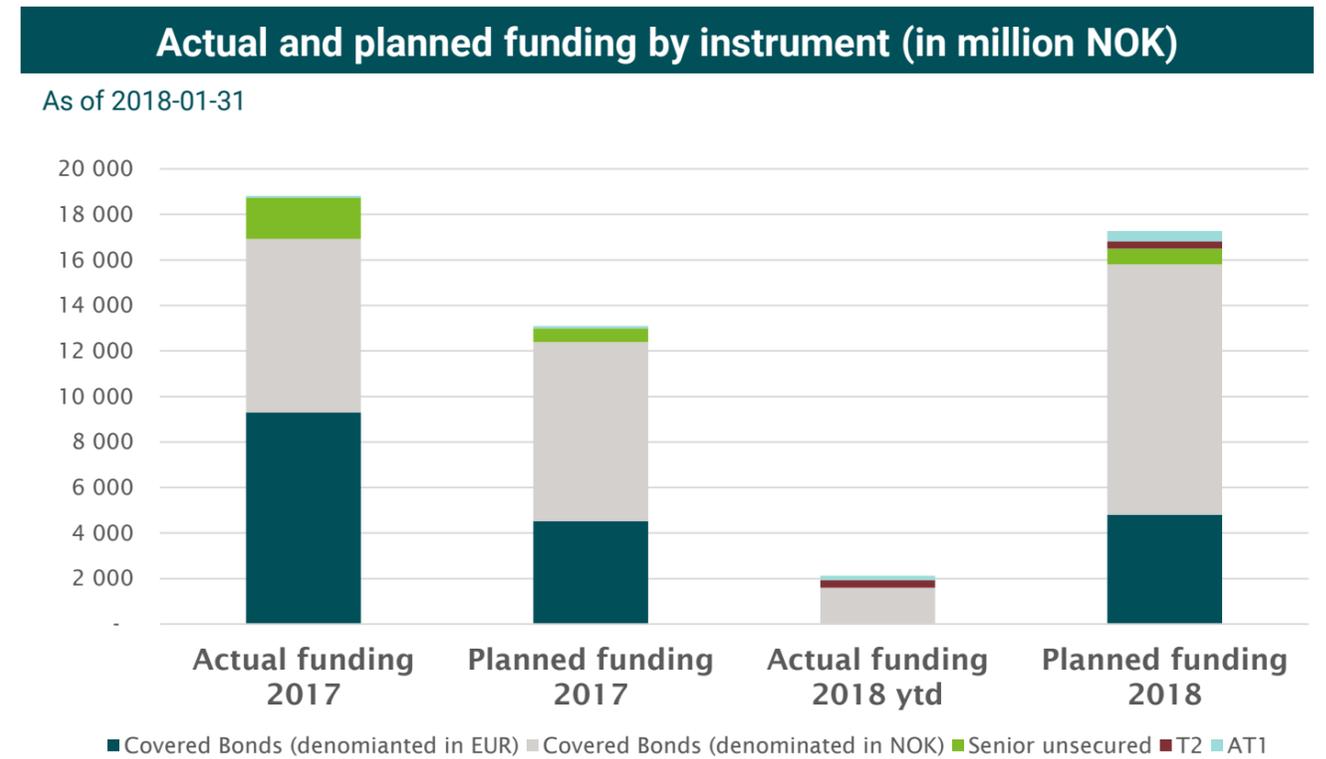
Maturity profile of funding (in million NOK)

As of 2018-01-31



Planned funding

- Budget for gross funding in 2018 is NOK-equivalent of 17.3 billion (EUR 1.8bn)
 - NOK-equivalent of 15.8 billion in covered bonds
 - NOK 700 million in senior unsecured bonds
 - NOK 450 million in Tier 1 bonds
 - NOK 325 million in Tier 2 bonds
- EIKBOL has the flexibility to pre-fund expected need in coming periods or shifting between funding in EUR vs NOK on a discretionary basis.
- Stable growth of mortgage book



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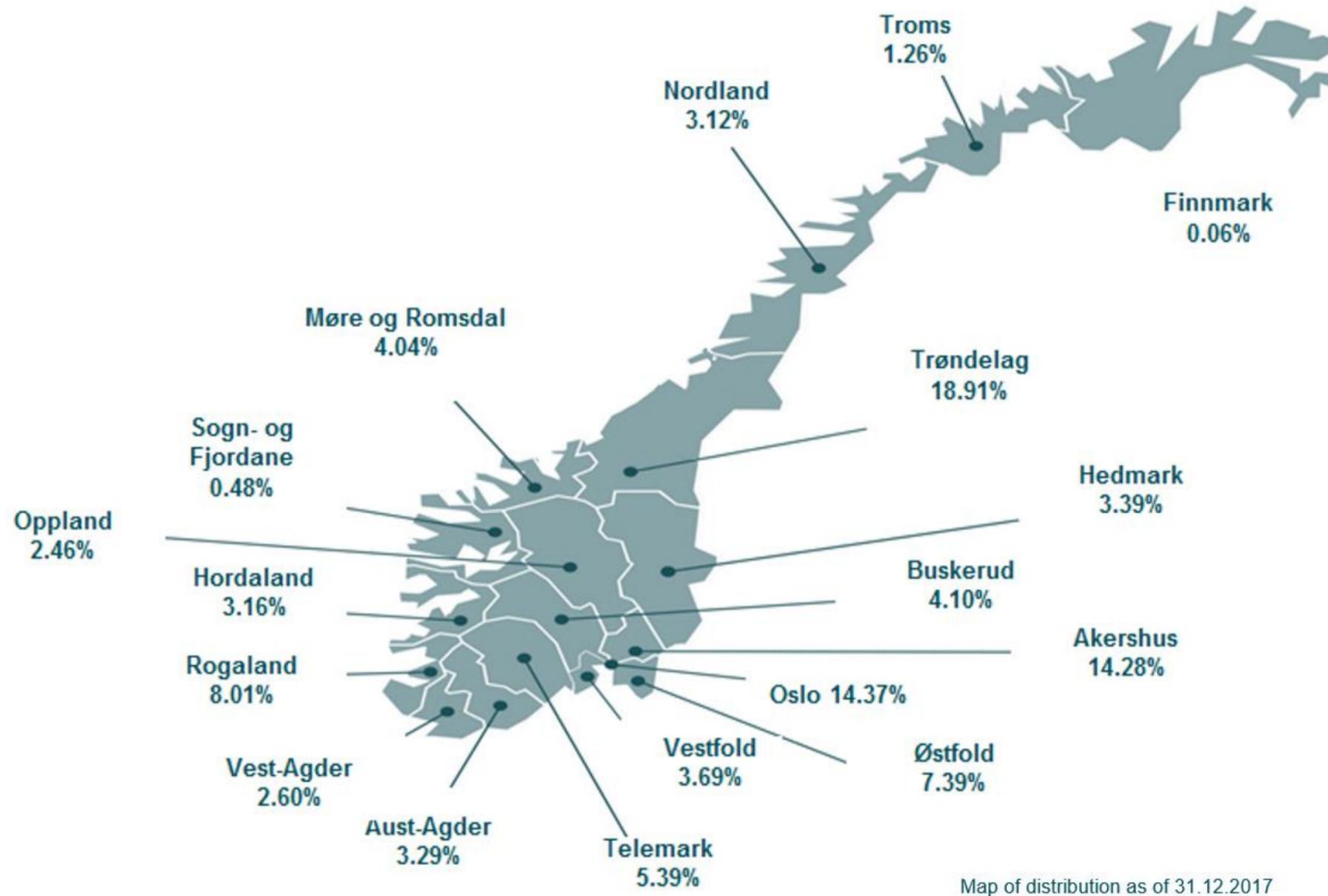
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More information may be found on eikbol.no

Agenda

- The Norwegian economy
- Eika Alliance
- Eika Boligkreditt
- Appendix
- Disclaimer

Eika Boligkreditt - Strong geographical diversification



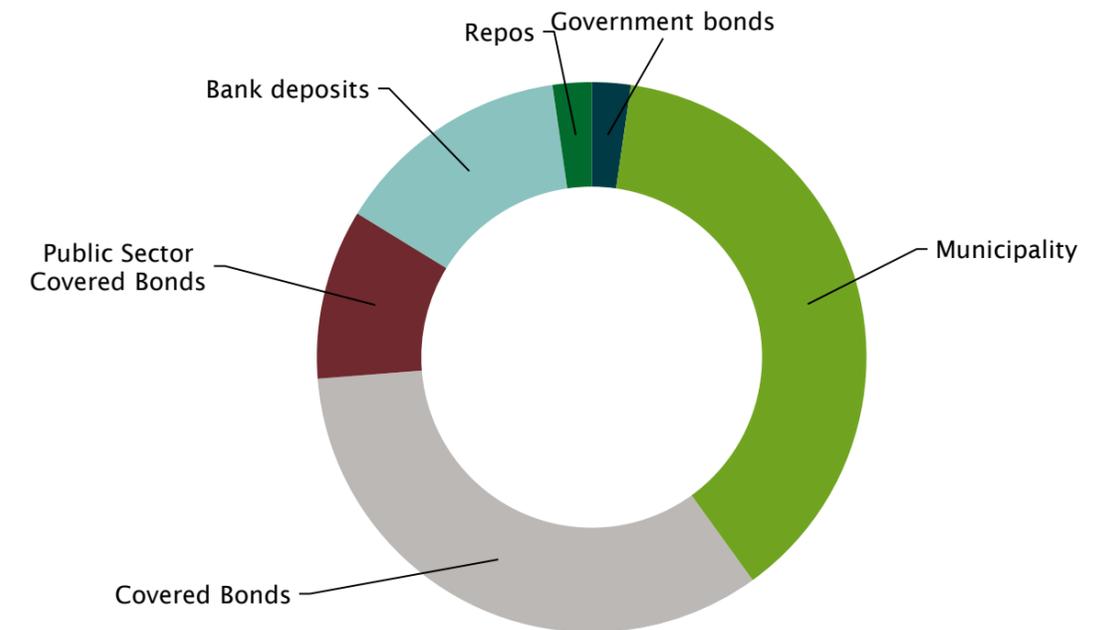
Liquidity portfolio

- **The substitute assets constitute EIKBOL's liquidity buffer**
 - Minimum liquidity > 6% of outstanding covered bonds (hard limit)
 - Minimum liquidity > 100% of next 6 months redemptions (hard limit)
 - Internal target is to have liquid assets covering at least 75% of redemptions within the next 12 months

- **The Liquidity portfolio conforms to a conservative investment policy**
 - Norwegian and Swedish exposure, only NOK denominated
 - Portfolio weighted average time to maturity of maximum 2 years
 - An individual investment can have a remaining maturity of max 3.5 years
 - Rated AA-/Aa3 or better if the maturity exceeds 100 days, or A-/A3 if the maturity less than 100 days
 - Weighted average portfolio interest rate duration of less than 0.3 years, and individual securities less than 1 year

| Sectors and tenors | | | |
|-----------------------------|----------------------|-------------------|-------------|
| Sector | Nominal values (EUR) | In % of portfolio | TtM |
| Government bonds | 25,405,730 | 2 % | 0.22 |
| Municipality | 419,050,599 | 38 % | 0.42 |
| Covered Bonds | 374,175,584 | 34 % | 2.12 |
| Public Sector Covered Bonds | 110,972,226 | 10 % | 1.85 |
| Bank deposits | 155,044,766 | 14 % | - |
| Repos | 25,308,283 | 2 % | 0.05 |
| Total portfolio | 1,109,957,188 | 100 % | 1.06 |

Liquidity portfolio by sectors



Strong incentive structure

With regards to the mortgages in the Eika Boligkreditt cover pool there is a 2 pillar guarantee mechanism; this is to ensure that the originating banks are held responsible for potential losses on mortgages transferred to Eika Boligkreditt

I Loss Guarantee

- 80% of any losses, including unpaid interest, on mortgages in EBK's portfolio will be covered by the owner bank
- The guarantee from an owner bank will have a floor of (i) NOK 5 million; or (ii) 100 per cent. of the relevant owner bank's loan portfolio if it is lower than NOK 5 million
- The guarantee from an owner bank is limited to 1% of the owner bank's total portfolio
- 100% of the loan is guaranteed by the bank until the collateral is registered

II Set-off rights

- The remaining 20% of the losses will be covered by a counter-claim on all commission receivables due from EBK to each owner bank
- The set-off rights are limited to a period of up to 12 months after such losses are incurred.

LCR Level 1 Eligibility

- All EUR denominated Covered bonds issued by Eika Boligkreditt AS fulfil the requirements to qualify as Level 1 assets pursuant to Commission Delegated Regulation (EU) 2015/61 regarding liquidity coverage requirement for credit institutions (“LCR regulation”).
- With reference to Article 10(1)(f) of the LCR-regulation, Eika Boligkreditt AS confirms the following:
 - Covered bonds issued by Eika Boligkreditt AS meet the requirements to be eligible for the treatment set out in Article 129(4) of Regulation (EU) No 575/2013 (“CRR”) and the requirements referred to in Article 52(4) of Directive 2009/65/EC, cf. the European Commission’s website: http://ec.europa.eu/finance/investment/legal_texts/index_en.htm
 - The exposures to institutions in the cover pool meet the conditions laid down in Article 129(1)(c) and in Article 129(1) last subparagraph of CRR
 - Eika Boligkreditt AS gives the information required in Article 129(7) of CRR to its investors: <http://eikabk.no/investorrelations/coverpool>
 - Covered bonds issued by Eika Boligkreditt AS are assigned a credit assessment by a nominated ECAI which is at least credit quality step 1 in accordance with Article 129(4) of CRR, and the equivalent credit quality step in the event of short term credit assessment
 - Eika Boligkreditt AS’ EMTCN Programme requires a level of overcollateralization higher than the 2% needed for LCR level 1 classification

Comparison of legal frameworks for covered bonds

| | Norway | Sweden | Denmark | Finland | Germany |
|--|---|---|--|---|--|
| Special Banking Principle | Yes; Kredittforetaks | No, but specialist banks still exist | No, but specialist banks still exist | No, but specialist banks still exist | No |
| Allowed Collateral | Residential mortgages, commercial mortgages, public sector debt | Residential Mortgages, commercial mortgages (max 10%), public sector debt | Residential and commercial mortgage loans Commercial banks are also allowed to introduce ship loans. | Residential mortgages, commercial mortgages (max. 10%), public sector debt and shares in Finnish real estate corporations | Mortgage loans, public sector debt, ship loans, aircraft loans |
| RMBS inclusion | Yes (allowed in regulation, but not used) | No | No | No | No |
| Inclusion of Hedge Positions | Yes | Yes | Yes | Yes | Yes, 12% of the pool's NPV |
| Substitute collateral | Max. 20%; 30% for a limited period if authorized by the Norwegian FSA | Up to 20% (30% for a limited period if authorised by the Swedish FSA) | Up to 15 % | Up to 20% | Max. 20% |
| Geographical scope for public assets | OECD | OECD | Denmark, Greenland and Faroe Islands without restrictions - other countries with approval of Supervisory Authority | EEA | EEA, Switzerland, USA, Canada and Japan |
| Geographical scope for mortgage assets | OECD | EEA | Denmark, Greenland and Faroe Islands without restrictions - other countries with approval of Supervisory Authority | EEA | EEA, Switzerland, USA, Canada and Japan |
| LTV barrier residential | 75% | 75% (70% for agricultural purposes) | 80% | 70% | 60% |
| LTV barrier commercial | 60% | 60% | 60% | 60% | 60% |
| Basis for valuation | Market value | Market value | Market value | Market value | Mortgage lending value |
| Valuation check | Regular monitoring | Regular monitoring | Regular monitoring | Regular monitoring | Regular (at least every 2 years) examination of the cover register |
| Special supervision | Yes; Finanstilsynet | Yes; Finansinspektionen | Yes ; Finanstilsynet | Yes; Finanssivalvonta Finansinspektionen | Yes; BaFin |
| Protection against mismatching | The law stipulates that cash-flows should be matched narrowly | Nominal coverage, NPV coverage | Yes; general or specific balance principles govern several restrictions on max. mismatches possible | Nominal coverage, NPV coverage; 12 month cash flow coverage, stress testing, liquidity management | Nominal coverage, NPV coverage, 180d liq. buffer |
| Obligation to replace non-performing loans | No, but haircuts for loans in-arrears for more than 90 days | No | No | Readjustment of valuation | No |
| Mandatory overcollateralization | Yes (2% on NPV basis) | No | 8% on a risk-weighted basis for specialised institutions | Yes (2% on a NPV basis) | 2% NPV |
| Fulfills UCITS 22(4)/CRD | Yes | Yes | Yes | Yes | Yes |

Source: Natixis Covered Bond Research, Nordea Markets and Eika Boligkredit

P&L Eika Boligkreditt - Strong income growth

| Amounts in NOK Million | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 1Q17 | 2Q17 | 3Q17 | 4Q17 |
|---|-----------|------------|------------|-----------|------------|------------|-----------|------------|------------|-----------|-----------|
| Total Interest income | 1 029 | 1 403 | 1 806 | 2 205 | 2 461 | 2 066 | 1 861 | 498 | 514 | 518 | 520 |
| Total interest expenses | 866 | 1 229 | 1 458 | 1 568 | 1 721 | 1 430 | 1 380 | 358 | 356 | 335 | 318 |
| Net interest income | 163 | 173 | 348 | 637 | 741 | 636 | 482 | 140 | 158 | 183 | 203 |
| Dividend from shares classified as available for sale | 1 | 3 | 3 | 5 | - | 6 | 6 | - | 6 | - | - |
| Total gains and losses on financial instruments at fair value | 14 | 6 | 16 | (111) | 51 | 203 | (81) | (48) | (66) | 10 | (32) |
| Comission costs | 97 | 111 | 212 | 449 | 431 | 443 | 300 | 76 | 88 | 114 | 132 |
| Total salaries and administrative expenses | 26 | 26 | 31 | 37 | 32 | 42 | 39 | 12 | 11 | 11 | 13 |
| Depreciation | 1 | 1 | 2 | 2 | 1 | 2 | 1 | 0 | 1 | 0 | 0 |
| Other operating expenses | 8 | 11 | 11 | 14 | 10 | 13 | 14 | 4 | 4 | 4 | 4 |
| Losses on loans and gurantees | - | - | - | - | - | - | - | - | - | - | - |
| PROFIT/(LOSS) BEFORE TAXES | 45 | 112 | 112 | 29 | 117 | 344 | 50 | (2) | (6) | 63 | 22 |
| Taxes | 12 | 31 | 31 | 8 | 30 | 81 | 11 | (1) | (3) | 16 | 6 |
| PROFIT/(LOSS) FOR THE PERIOD | 33 | 81 | 81 | 21 | 87 | 263 | 39 | (1) | (3) | 48 | 16 |

Eika Boligkreditt AS - Report Q4 2017:

Eika Boligkreditt showed a pre-tax profit of NOK 22 million for the fourth quarter, compared with a loss of NOK 129 million in the same period of 2016. The fourth-quarter profit included negative changes of NOK 33 million (2016: NOK 125 million) in the value of basis swaps, so that the pre-tax profit excluding such changes came to NOK 54.9 million (2016: NOK loss of 5 million). For the full year, negative changes in basis swaps amounted to NOK 164 million (2016: NOK 115 million), so that the pre-tax profit excluding such value changes was NOK 242 million (NOK 165 million).

The full report is available on: eika.no

Eika Boligkreditt - Balance sheet and key figures

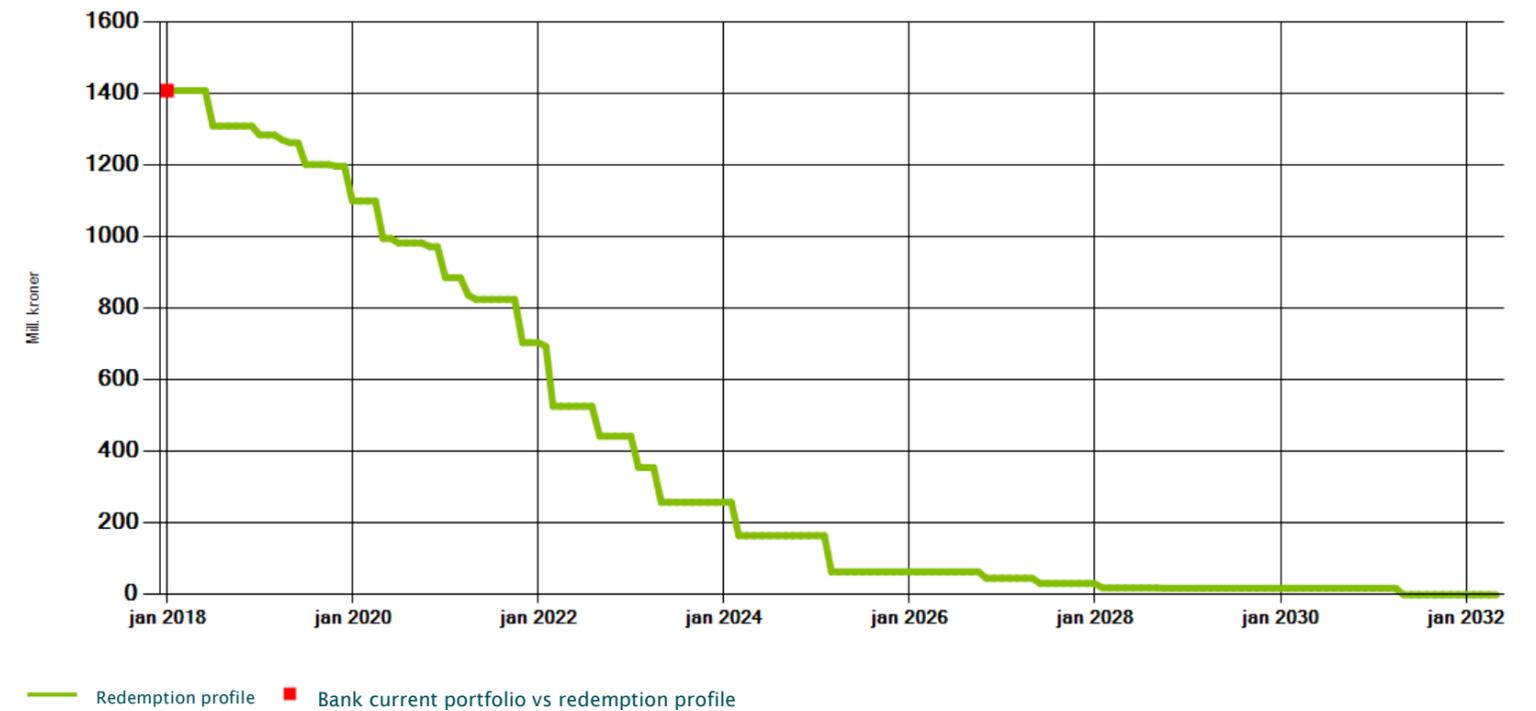
| Amounts in NOK Million | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 1Q2017 | 2Q2017 | 3Q2017 | 4Q2017 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|--------|
| Balance sheet development | | | | | | | | | | | |
| Lending to customers | 29 904 | 37 194 | 47 086 | 57 692 | 60 889 | 64 527 | 71 509 | 73 420 | 74 857 | 75 868 | 77 286 |
| Debt from issuing securities | 32 719 | 41 212 | 52 583 | 63 889 | 72 878 | 79 876 | 86 983 | 87 130 | 93 172 | 93 720 | 90 030 |
| Subordinated loans | 438 | 318 | 319 | 678 | 698 | 450 | 599 | 599 | 600 | 600 | 600 |
| Equity | 909 | 1 070 | 1 801 | 2 459 | 3 024 | 4 242 | 4 396 | 4 516 | 4 514 | 4 756 | 4 770 |
| Equity in % of total assets | 2.63 | 2.47 | 3.21 | 3.52 | 3.72 | 4.72 | 4.58 | 4.70 | 4.40 | 4.61 | 4.79 |
| Average total assets | 31 337 | 38 645 | 50 013 | 63 765 | 76 845 | 84 571 | 92 324 | 96 022 | 98 225 | 99 431 | 99 466 |
| Total assets | 34 612 | 43 255 | 56 165 | 69 829 | 81 298 | 89 932 | 96 017 | 96 026 | 102 632 | 103 051 | 99 603 |
| Rate of return / profitability | | | | | | | | | | | |
| Fee and commission income to relation to average total assets, annualised (%) | 0.31 | 0.29 | 0.42 | 0.70 | 0.74 | 0.50 | 0.32 | 0.32 | 0.33 | 0.37 | 0.41 |
| Staff and general administration expenses in relation to average total assets, annualised (%) | 0.08 | 0.07 | 0.06 | 0.06 | 0.05 | 0.10 | 0.04 | 0.05 | 0.05 | 0.05 | 0.05 |
| Return on equity, annualised (%) | 4.92 | 3.12 | 6.54 | 1.21 | 4.17 | 10.70 | 1.37 | (0.04) | (0.19) | 1.43 | 1.94 |
| Total assets per full-time position | 2 704 | 2 923 | 3 555 | 3 714 | 4 106 | 4 542 | 4 849 | 4 850 | 5 183 | 5 205 | 5 030 |
| Financial strength | | | | | | | | | | | |
| Core tier 1 capital | 904 | 1 053 | 1 710 | 2 399 | 2 925 | 3 607 | 3 833 | 3 955 | 3 934 | 4 154 | 4 156 |
| Total tier 1 capital | 904 | 1 053 | 1 710 | 2 648 | 3 374 | 4 055 | 4 282 | 4 405 | 4 483 | 4 703 | 4 706 |
| Total primary capital (tier 2 capital) | 1 342 | 1 371 | 2 029 | 3 077 | 3 623 | 4 505 | 4 882 | 5 004 | 5 083 | 5 303 | 5 305 |
| Weighted calculation basis | 10 829 | 13 724 | 17 150 | 21 445 | 25 155 | 27 510 | 29 766 | 30 446 | 31 292 | 31 557 | 31 468 |
| Core tier 1 capital ratio | 8.35 | 7.67 | 9.97 | 11.19 | 11.63 | 13.10 | 12.88 | 12.99 | 12.57 | 13.15 | 13.22 |
| Total tier 1 capital ratio | 8.35 | 7.67 | 9.97 | 12.35 | 13.41 | 14.70 | 14.39 | 14.47 | 14.33 | 14.89 | 14.96 |
| Capital adequacy ratio | 12.39 | 9.99 | 11.83 | 14.35 | 14.40 | 16.40 | 16.40 | 16.44 | 16.24 | 16.79 | 16.87 |
| Delinquencies in % of gross loans | - | - | - | - | - | - | - | - | - | - | - |
| Loss in % of gross loans | - | - | - | - | - | - | - | - | - | - | - |
| Staff | | | | | | | | | | | |
| Number of full-time positions at end of period | 12.8 | 14.8 | 15.8 | 18.8 | 19.8 | 19.8 | 19.8 | 19.8 | 19.8 | 19.8 | 19.8 |

Source: EBK quarterly reports

Cancellation of distribution agreement

- An EIKBOL Distributor (**EBKD**) can terminate the distribution agreement with EIKBOL with 3 months notice
- EIKBOL can terminate a distribution agreement with an EBKD with 12 months notice
- In the event a distribution agreement is terminated, obligations continues to apply with regards to the various agreements;
 - At the expiry date for the distribution agreement, the EBKD will no longer have the right to transfer new residential mortgages to EIKBOL
 - The EKBD is required to uphold its mortgage portfolio in line with the redemptions of EIKBOL's funding
 - The EBKD has continued responsibilities for servicing the mortgages in the existing residential mortgage portfolio, including other rights and obligations pursuant to the guarantee, custody, commission and shareholder agreements and the agreement on the purchase of covered bonds

Example of an EBKD's redemption profile



Mergers between Eika banks in 2017

Kragerø and Bamble Sparebank

- Merged January 1st 2017
- The name of the merged bank is Skagerrak Sparebank
- Jon Guste-Pedersen is CEO in the merged bank
- Strong market position in lower Telemark/greater Grenland
- 4 branches/69 employees
- After the merger Skagerrak Sparebank is the 5th largest bank in the Eika Alliance
- Total assets of NOK 11.1 billion (including transfers to EBK NOK 2.5 billion)
- Gross loans of NOK 9.5 billion (including transfers to EBK NOK 2.5 billion)
- Deposits of NOK 5.7 billion
- Equity of NOK 842 million
- Rationales for the merger were to increase competitiveness in local markets and expand market reach, strengthen profitability and contribute to sustainable development of their local communities

Orkdal og Meldal Sparebank

- Merged October 1st 2017
- The name of the merged bank is Orkla Sparebank
- Dag Olav Løseth, CEO from Orkdal Sparebank, is CEO in the merged bank
- 64 employees
- After the merger the bank will be the 9th largest bank in the Eika Alliance
- Total assets of NOK 9,5 billion (including transfers to EBK NOK 1,9 billion)
- Rationales for the merger were to increase competitiveness in local markets and attractiveness as an employer and contribute to sustainable development of their local communities

Mergers between Eika banks in 2017

Gjerstad og Vegårshei Sparebank

- Merged October 1st 2017
- The name of the merged bank is Østre Agder Sparebank
- Nina Holte, CEO from Gjerstad Sparebank, is CEO in the merged bank
- 28 employees
- After the merger the bank will be the 54th largest bank in the Eika Alliance
- Total assets of NOK 3,0 billion (including transfers to EBK NOK 0,8 billion)
- Rationales for the merger were regulative requirements, digitalization, market position and development of expertise

Vang og Vestre Slidre Sparebank

- Merged August 21st 2017
- The name of the merged bank is Valdres Sparebank
- Arnfinn-Helge Kvam, CEO from Vang Sparebank, is CEO in the merged bank
- Adjusted total assets under management (including CB transferred) of the banks are NOK 1.0 bn and NOK 0.8bn (3rd smallest and 2nd smallest bank in the alliance, the combined bank ranks 58th)
- Rationales for the merger is to reduce operational risk, form larger specialized teams, increase competitiveness in local markets and increase capacity for lending to local corporates

Bud, Fræna og Hustad Sparebank og Nesset Sparebank

- Will be merged January 1st 2018
- The name of the merged bank will be Romsdal Sparebank
- Odd Kjetil Sørgaard, CEO in BFH Sparebank, is proposed as CEO in the merged bank
- Total assets of NOK 6 billion
- Rationales for the merger is to increase competitiveness in local markets, expand market reach and improve attractiveness as an employer

P&L Eika banks - Strong income growth and low loan losses

| P&L & balance in NOK mil. | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Net interest income | 3.512 | 3.631 | 3.777 | 3.949 | 4.163 | 4.275 | 4.556 |
| Net commission income | 662 | 734 | 863 | 1.142 | 1.320 | 1.260 | 1.195 |
| Other income | 43 | 44 | 40 | 39 | 39 | 37 | 38 |
| Total income | 4.217 | 4.409 | 4.681 | 5.130 | 5.523 | 5.572 | 5.789 |
| Personnel and adm. expenses | 2.061 | 2.134 | 2.243 | 2.344 | 2.491 | 2.669 | 2.780 |
| Depreciation | 123 | 98 | 95 | 100 | 110 | 117 | 131 |
| Other costs | 469 | 495 | 515 | 578 | 605 | 665 | 687 |
| Total costs | 2.653 | 2.726 | 2.852 | 3.023 | 3.206 | 3.451 | 3.598 |
| Core earnings before loan losses | 1.564 | 1.683 | 1.828 | 2.108 | 2.317 | 2.121 | 2.191 |
| Impairment of loans and guarantees | 404 | 458 | 329 | 389 | 315 | 237 | 233 |
| Core earnings | 1.160 | 1.225 | 1.499 | 1.719 | 2.002 | 1.884 | 1.957 |
| Dividends/associated companies | 177 | 189 | 89 | 257 | 238 | 348 | 397 |
| Net return on financial investments | 218 | -78 | 217 | 228 | 132 | -189 | 182 |
| One-offs and loss/gain on long-term assets | 376 | -69 | 150 | -61 | 181 | 217 | 314 |
| Pre tax profit | 1.931 | 1.267 | 1.955 | 2.142 | 2.553 | 2.260 | 2.851 |
| Taxes | 501 | 412 | 542 | 583 | 623 | 553 | 579 |
| Net profit | 1.430 | 855 | 1.413 | 1.559 | 1.930 | 1.707 | 2.271 |
| Gross loans | 157.375 | 159.645 | 166.255 | 173.617 | 182.081 | 193.576 | 214.360 |
| Gross loans incl. EBK | 182.382 | 193.092 | 208.764 | 225.292 | 238.296 | 253.212 | 280.620 |
| Deposits | 120.419 | 128.567 | 137.142 | 144.975 | 156.594 | 164.697 | 178.098 |
| Equity | 16.748 | 17.525 | 18.833 | 20.422 | 22.268 | 23.624 | 26.240 |
| Total assets | 190.813 | 196.623 | 200.895 | 210.302 | 224.157 | 231.814 | 254.313 |
| Total assets incl. EBK | 215.820 | 230.070 | 243.403 | 261.977 | 280.371 | 291.450 | 320.573 |

Source: Bank Analyst Eika

Eika banks - Key figures

| Key figures | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|--------|--------|--------|--------|--------|--------|--------|
| Growth in loans | 4,1 % | 1,4 % | 4,1 % | 4,4 % | 4,9 % | 6,3 % | 10,7 % |
| Growth in loans incl. EBK | 7,3 % | 5,9 % | 8,1 % | 7,9 % | 5,8 % | 6,3 % | 10,8 % |
| Growth in deposits | 7,5 % | 6,8 % | 6,7 % | 5,7 % | 8,0 % | 5,2 % | 8,1 % |
| Deposit ratio | 76,5 % | 80,5 % | 82,5 % | 83,5 % | 86,0 % | 85,1 % | 83,1 % |
| Deposit over total funding | 69,9 % | 72,6 % | 76,1 % | 77,2 % | 78,4 % | 79,9 % | 78,9 % |
| (Market funding - Liquid assets)/Total assets | 11,6 % | 7,8 % | 6,3 % | 5,4 % | 3,1 % | 4,2 % | 5,8 % |
| Liquid assets/Total assets | 15,5 % | 16,9 % | 15,1 % | 15,0 % | 16,2 % | 13,7 % | 13,0 % |
| Market funds/Total assets | 27,1 % | 24,7 % | 21,4 % | 20,4 % | 19,3 % | 17,8 % | 18,8 % |
| Equity ratio | 8,8 % | 8,9 % | 9,4 % | 9,7 % | 9,9 % | 10,2 % | 10,3 % |
| Common Equity Tier 1 ratio (CET1) | 15,0 % | 15,2 % | 15,8 % | 16,1 % | 16,9 % | 17,5 % | 17,8 % |
| Core capital ratio | 17,0 % | 17,3 % | 18,1 % | 18,5 % | 18,3 % | 18,5 % | 18,9 % |
| Capital ratio | 18,2 % | 18,2 % | 18,6 % | 18,7 % | 18,9 % | 19,2 % | 20,0 % |
| Loan loss provision ratio | 0,26 % | 0,29 % | 0,20 % | 0,23 % | 0,18 % | 0,13 % | 0,11 % |
| Loan loss provision/Pre-provision income | 20,6 % | 25,5 % | 15,4 % | 15,0 % | 11,7 % | 10,4 % | 8,4 % |
| Gross problem loans/Gross loans | 1,83 % | 1,89 % | 1,78 % | 1,62 % | 1,53 % | 1,38 % | 1,12 % |
| Net problem loans/Gross loans | 1,34 % | 1,38 % | 1,32 % | 1,20 % | 1,13 % | 1,01 % | 0,84 % |
| Loan loss reserves/Gross loans | 0,88 % | 0,92 % | 0,88 % | 0,82 % | 0,79 % | 0,73 % | 0,64 % |
| Problem loans/(Equity + LLR) | 15,9 % | 15,9 % | 14,6 % | 12,9 % | 11,8 % | 10,7 % | 8,7 % |
| Net interest income/total assets | 1,87 % | 1,87 % | 1,90 % | 1,92 % | 1,92 % | 1,88 % | 1,87 % |
| Net commission incom/total assets | 0,35 % | 0,38 % | 0,43 % | 0,56 % | 0,61 % | 0,55 % | 0,49 % |
| Cost/income ratio | 57,5 % | 60,3 % | 57,2 % | 53,8 % | 54,4 % | 60,2 % | 56,5 % |
| Cost/income ratio (adjsted) | 62,9 % | 61,8 % | 60,9 % | 58,9 % | 58,0 % | 61,9 % | 62,2 % |
| Net profit in % of total assets | 0,76 % | 0,44 % | 0,71 % | 0,76 % | 0,89 % | 0,75 % | 0,93 % |
| Net profit/average RWA | 1,38 % | 0,80 % | 1,29 % | 1,37 % | 1,61 % | 1,37 % | 1,74 % |
| Pre-provision income/average RWA | 1,89 % | 1,68 % | 1,94 % | 2,28 % | 2,25 % | 1,83 % | 2,12 % |
| Core earnings in % of average RWA | 1,12 % | 1,14 % | 1,36 % | 1,51 % | 1,67 % | 1,52 % | 1,50 % |
| Return on equity | 8,9 % | 5,0 % | 7,8 % | 7,9 % | 9,0 % | 7,4 % | 9,1 % |

Source: Bank Analyst Eika

P&L Eika banks quarterly figures

| P&L & balance in NOK mil. | 1Q15 | 2Q15 | 3Q15 | 4Q15 | 1Q16 | 2Q16 | 3Q16 | 4Q16 | 1Q17 | 2Q17 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net interest income | 1.022 | 1.053 | 1.087 | 1.114 | 1.086 | 1.117 | 1.167 | 1.186 | 1.176 | 1.224 |
| Net commission income | 318 | 312 | 325 | 305 | 278 | 285 | 320 | 311 | 298 | 322 |
| Other income | 8 | 9 | 10 | 10 | 10 | 9 | 9 | 10 | 9 | 10 |
| Total income | 1.348 | 1.373 | 1.422 | 1.429 | 1.375 | 1.411 | 1.496 | 1.506 | 1.483 | 1.556 |
| Personnel and adm. expenses | 667 | 600 | 692 | 710 | 687 | 642 | 686 | 765 | 739 | 668 |
| Depreciation | 29 | 28 | 29 | 31 | 32 | 34 | 33 | 32 | 35 | 35 |
| Other costs | 161 | 155 | 164 | 185 | 176 | 180 | 160 | 172 | 187 | 185 |
| Total costs | 857 | 784 | 884 | 927 | 894 | 855 | 879 | 969 | 961 | 888 |
| Core earnings before loan losses | 492 | 590 | 537 | 502 | 481 | 556 | 617 | 537 | 522 | 668 |
| Impairment of loans and guarantees | 22 | 40 | 65 | 110 | 42 | 53 | 81 | 57 | 23 | 68 |
| Core earnings | 469 | 550 | 472 | 393 | 439 | 503 | 536 | 480 | 499 | 600 |
| Dividends/associated companies | 24 | 308 | 2 | 13 | 21 | 343 | 18 | 15 | 25 | 370 |
| Net return on financial investments | 5 | 16 | -173 | -37 | -20 | 67 | 82 | 53 | 62 | 35 |
| One-offs and loss/gain on long-term assets | 121 | 2 | 7 | 88 | -15 | 189 | 28 | 111 | -8 | 12 |
| Pre tax profit | 620 | 876 | 308 | 456 | 425 | 1.102 | 664 | 659 | 577 | 1.017 |
| Taxes | 137 | 189 | 97 | 130 | 110 | 203 | 165 | 102 | 142 | 191 |
| Net profit | 483 | 687 | 211 | 327 | 314 | 899 | 499 | 557 | 435 | 826 |
| Gross loans | 182.360 | 185.797 | 190.144 | 193.576 | 197.107 | 204.103 | 209.583 | 214.360 | 217.908 | 222.793 |
| Gross loans incl. EBK | 240.034 | 244.137 | 248.609 | 253.212 | 257.689 | 266.507 | 273.450 | 280.620 | 286.361 | 293.026 |
| Deposits | 157.601 | 164.461 | 163.216 | 164.697 | 165.747 | 175.619 | 175.243 | 178.098 | 180.211 | 188.040 |
| Equity | 22.200 | 23.049 | 23.255 | 23.624 | 23.913 | 25.009 | 25.598 | 26.240 | 26.634 | 27.735 |
| Total assets | 225.034 | 231.543 | 231.088 | 231.814 | 234.504 | 248.270 | 250.379 | 254.313 | 259.210 | 269.633 |
| Total assets incl. EBK | 282.708 | 289.883 | 289.553 | 291.450 | 295.086 | 310.675 | 314.246 | 320.573 | 327.663 | 339.866 |

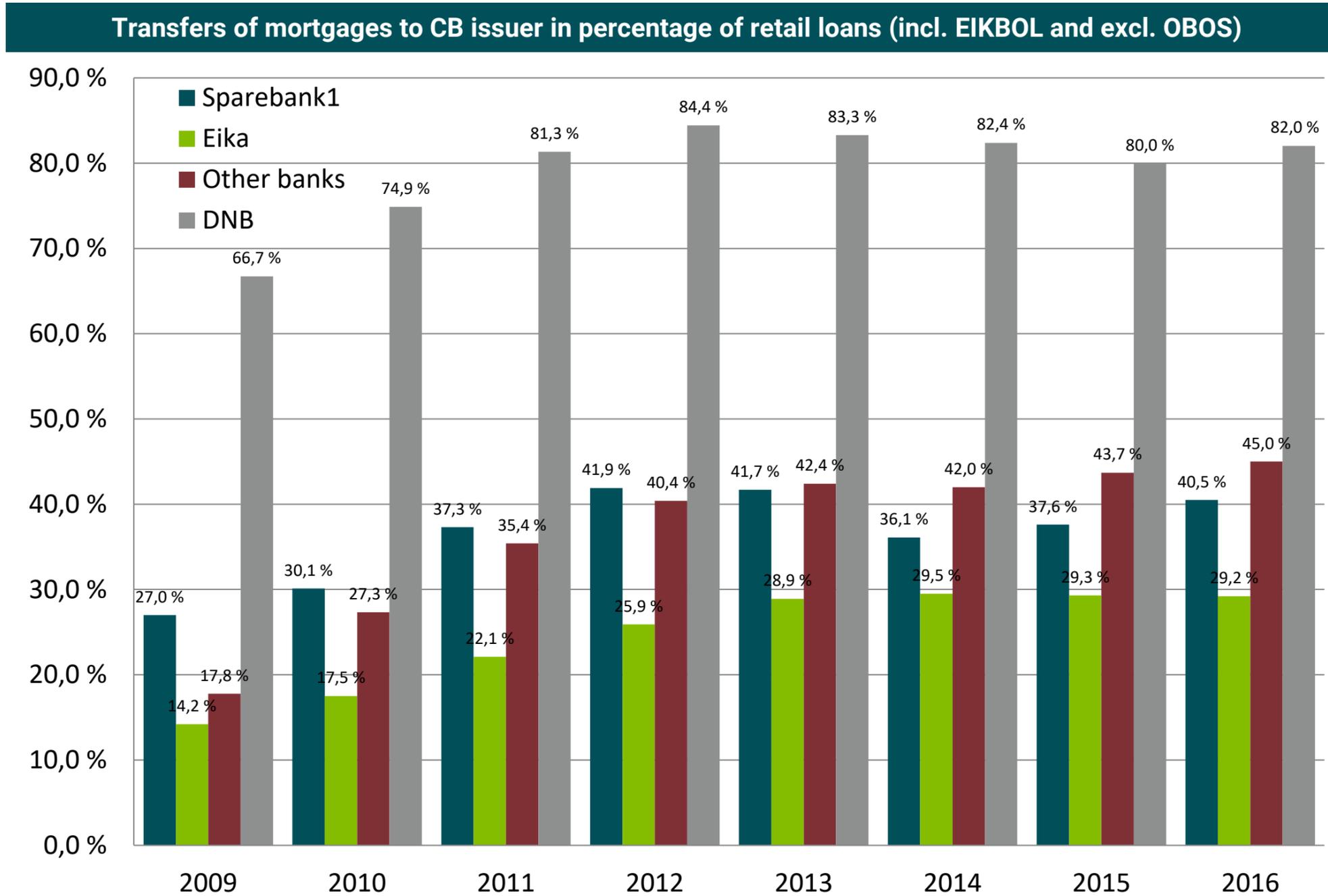
Source: Bank Analyst Eika

Eika banks - Key figures quarterly

| Key figures | 1Q15 | 2Q15 | 3Q15 | 4Q15 | 1Q16 | 2Q16 | 3Q16 | 4Q16 | 1Q17 | 2Q17 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Growth in loans | 0,2 % | 1,9 % | 2,3 % | 1,8 % | 1,8 % | 3,5 % | 2,7 % | 2,3 % | 1,7 % | 2,2 % |
| Growth in loans incl. EBK | 0,7 % | 1,7 % | 1,8 % | 1,9 % | 1,8 % | 3,4 % | 2,6 % | 2,6 % | 2,0 % | 2,3 % |
| Growth in deposits | 0,6 % | 4,4 % | -0,8 % | 0,9 % | 0,6 % | 6,0 % | -0,2 % | 1,6 % | 1,2 % | 4,3 % |
| Deposit ratio | 86,4 % | 88,5 % | 85,8 % | 85,1 % | 84,1 % | 86,0 % | 83,6 % | 83,1 % | 82,7 % | 84,4 % |
| Deposit over total funding | 78,9 % | 80,3 % | 80,1 % | 79,9 % | 79,7 % | 79,7 % | 79,1 % | 78,9 % | 78,3 % | 78,6 % |
| (Market funding - Liquid assets)/Total assets | 2,5 % | 0,4 % | 2,6 % | 4,2 % | 4,9 % | 3,0 % | | 5,8 % | | |
| Liquid assets/Total assets | 16,3 % | 16,9 % | 14,9 % | 13,7 % | 13,0 % | 14,9 % | 13,6 % | 13,0 % | 13,0 % | 14,6 % |
| Market funds/Total assets | 18,8 % | 17,4 % | 17,5 % | 17,8 % | 18,0 % | 18,0 % | 18,5 % | 18,8 % | 19,3 % | 19,0 % |
| Equity ratio | 9,9 % | 10,0 % | 10,1 % | 10,2 % | 10,2 % | 10,1 % | 10,2 % | 10,3 % | 10,3 % | 10,3 % |
| Common Equity Tier 1 ratio (CET1) | 16,5 % | 16,2 % | 16,2 % | 17,5 % | 17,0 % | 16,5 % | 16,4 % | 17,8 % | 17,1 % | 18,0 % |
| Core capital ratio | 17,6 % | 17,3 % | 17,2 % | 18,5 % | 18,2 % | 17,6 % | 17,5 % | 18,9 % | 18,5 % | 18,2 % |
| Capital ratio | 18,4 % | 17,9 % | 17,9 % | 19,2 % | 19,0 % | 18,5 % | 18,5 % | 20,0 % | 19,8 % | 19,6 % |
| Loan loss provision ratio | 0,05 % | 0,09 % | 0,14 % | 0,23 % | 0,09 % | 0,11 % | 0,16 % | 0,11 % | 0,04 % | 0,12 % |
| Loan loss provision/Pre-provision income | 4,3 % | 4,4 % | 17,8 % | 23,0 % | 8,7 % | 5,5 % | 11,4 % | 9,4 % | 3,8 % | 6,3 % |
| Gross problem loans/Gross loans | 1,52 % | 1,51 % | 1,47 % | 1,38 % | 1,47 % | 1,40 % | 1,35 % | 1,13 % | 1,14 % | 1,08 % |
| Net problem loans/Gross loans | 1,15 % | 1,14 % | 1,09 % | 1,01 % | 1,11 % | 1,05 % | 1,00 % | 0,84 % | 0,86 % | 0,80 % |
| Loan loss reserves/Gross loans | 0,76 % | 0,74 % | 0,74 % | 0,73 % | 0,72 % | 0,71 % | 0,71 % | 0,64 % | 0,63 % | 0,63 % |
| Problem loans/(Equity + LLR) | 11,8 % | 11,5 % | 11,3 % | 10,7 % | 11,4 % | 10,8 % | 10,5 % | 8,7 % | 8,9 % | 8,2 % |
| Net interest income/total assets | 1,82 % | 1,84 % | 1,88 % | 1,93 % | 1,86 % | 1,85 % | 1,87 % | 1,88 % | 1,83 % | 1,85 % |
| Net commission incom/total assets | 0,57 % | 0,55 % | 0,56 % | 0,53 % | 0,48 % | 0,47 % | 0,51 % | 0,49 % | 0,46 % | 0,49 % |
| Cost/income ratio | 62,2 % | 46,2 % | 70,7 % | 66,0 % | 65,0 % | 47,0 % | 55,1 % | 61,6 % | 61,2 % | 45,3 % |
| Cost/income ratio (adjsted) | 63,5 % | 57,1 % | 62,2 % | 64,8 % | 65,0 % | 60,6 % | 58,7 % | 64,4 % | 64,8 % | 57,1 % |
| Net profit in % of total assets | 0,86 % | 1,20 % | 0,36 % | 0,56 % | 0,54 % | 1,49 % | 0,80 % | 0,88 % | 0,68 % | 1,25 % |
| Net profit/average RWA | 1,56 % | 2,19 % | 0,67 % | 1,04 % | 1,00 % | 2,78 % | 1,51 % | 1,66 % | 1,27 % | 2,37 % |
| Pre-provision income/average RWA | 1,68 % | 2,92 % | 1,16 % | 1,52 % | 1,53 % | 2,99 % | 2,16 % | 1,80 % | 1,78 % | 3,08 % |
| Core earnings in % of average RWA | 1,51 % | 1,74 % | 1,49 % | 1,25 % | 1,38 % | 1,53 % | 1,60 % | 1,42 % | 1,45 % | 1,70 % |
| Return on equity | 8,7 % | 12,1 % | 3,6 % | 5,6 % | 5,3 % | 14,7 % | 7,9 % | 8,6 % | 6,6 % | 12,2 % |

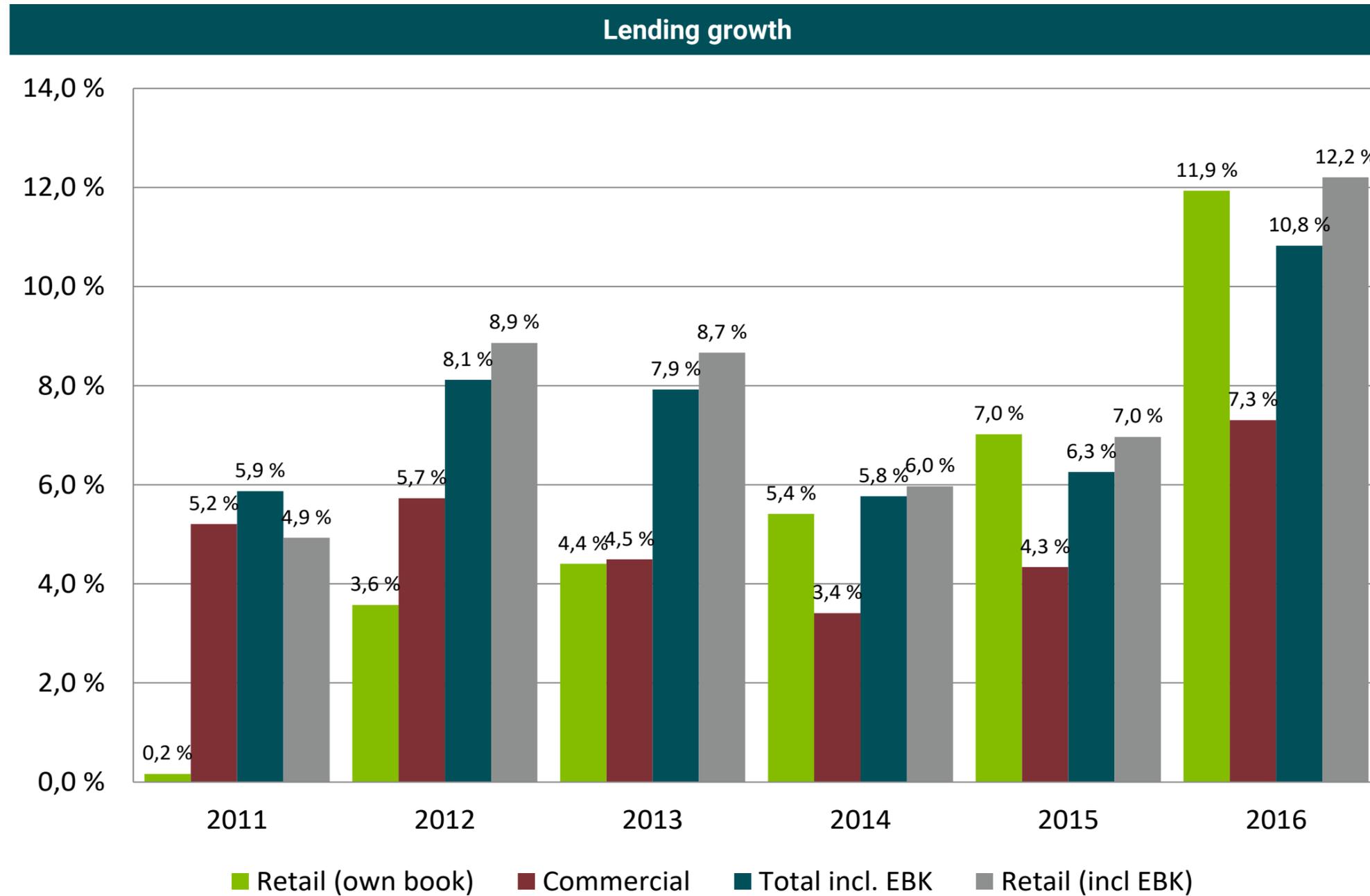
Source: Bank Analyst Eika

Banks – transfer rate to Cov. Bond companies



Source: Bank Analyst Eika

Eika banks - lending growth



Source: Bank Analyst Eika

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