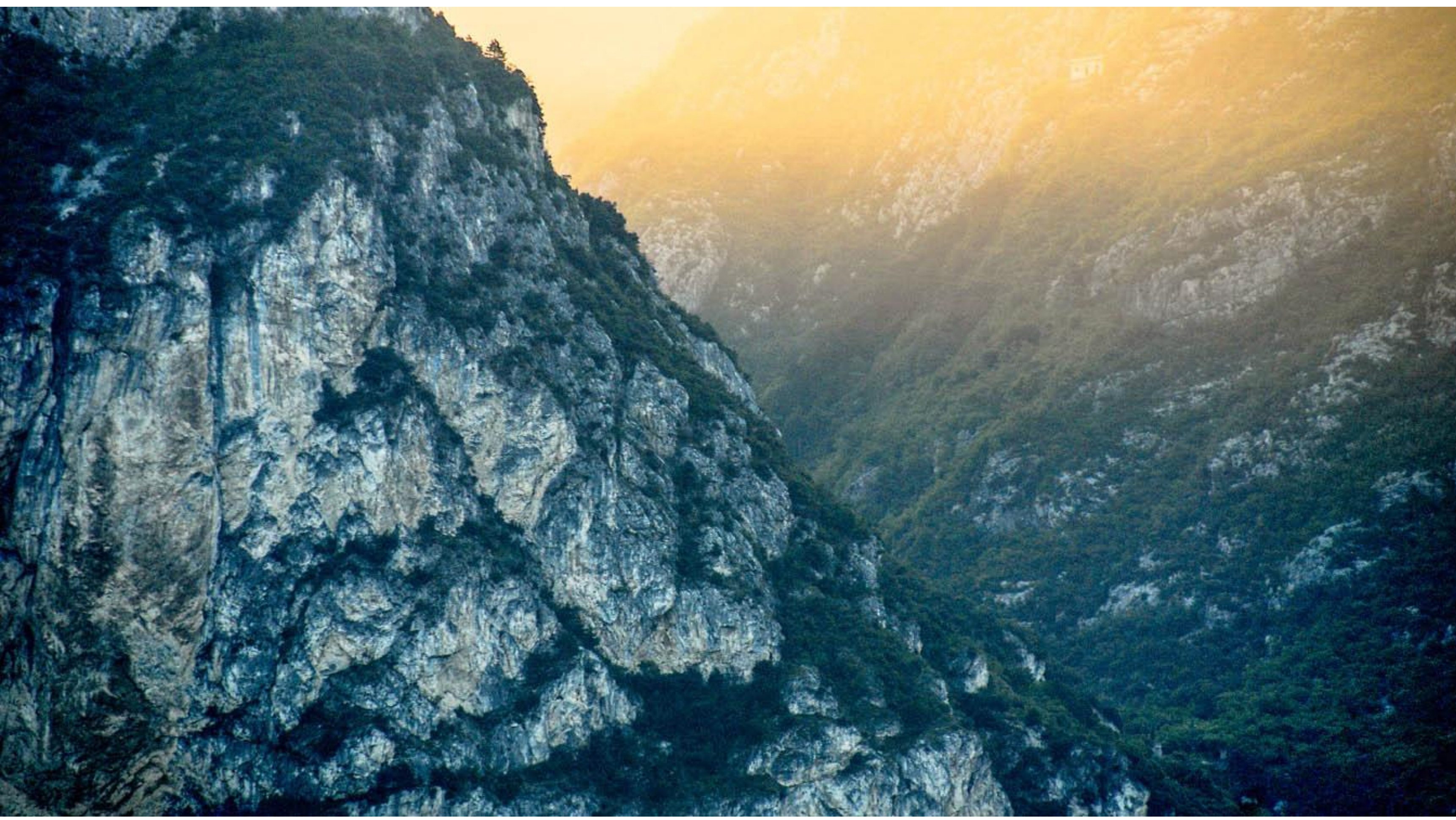
Eika Boligkreditt

Investor presentation

August 2013



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Agenda

Name change of the banking alliance

As first announced 20 December 2012 the Terra banking alliance decided to change the name to Eika effective 21 March 2013.

Eika is Norwegian for Oak Tree, referring to the traditional savings bank logo, and was the original name of the banking alliance pre 2000. With the change in name the alliance is returning back to the roots and focusing on the traditional savings bank role.

As a consequence of the change in name, the ticker codes for instruments listed on the Oslo Stock Exchange have changed from TBK to EIKB. Effective 12 April 2013 the ticker TERBOL in Bloomberg changes to EIKBOL.

Except for the name change there will be no further legal or organizational changes. The registration ID in the Norwegian business registry remains unchanged, and the European Medium Term Covered Note Programme will remain unaltered (the name will be updated on the next annual update)

Agenda

The Norwegian economy – Key indicators

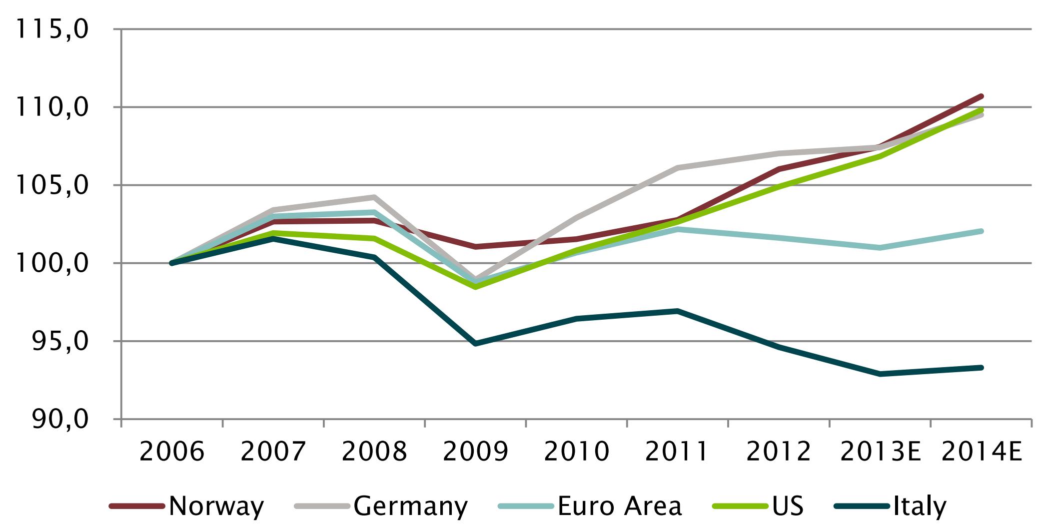
- Constitutional monarchy; Non EU member (EEA member); Population of 5 million
- Aaa / AAA / AAA (outlook stable) rated country
- GDP per capita amongst the highest in the OECD countries – estimated at $98,300 in 2012
- Drivers of growth:
  - Energy sector – Norway is the seventh largest oil exporter and second largest gas exporter
  - Open, export oriented economy
  - High domestic demand

	2007	2008	2009	2010	2011	2012	2013E	2014E
GDP growth (Mainland)	5.3 %	1.5 %	-1.6 %	1.9 %	2.6 %	3.4 %	2.4 %	3.0 %
Consumer price inflation	2.8 %	2.1 %	2.0 %	2.8 %	0.2 %	1.4 %	1.3 %	1.7 %
Unemployment	2.4 %	2.9 %	3.4 %	3.4 %	3.3 %	3.6 %	3.6 %	3.5 %
Private Consumption	5.7 %	1.8 %	-0.2 %	4.0 %	2.5 %	3.1 %	3.5 %	4.3 %
Household savings rate	0.8 %	6.3 %	7.8 %	5.3 %	7.9 %	8.6 %	8.7 %	8.3 %
Houseprices	7.6 %	-6.9 %	11.6 %	6.6 %	7.9 %	6.7 %	5.3 %	4.3 %
Interest rates (3m Nibor)	6.1 %	4.1 %	2.2 %	2.7 %	3.0 %	1.9 %	1.8 %	2.0 %
Government budget surplus / GDP	17.3 %	18.8 %	10.5 %	11.1 %	13.4 %	13.9 %	12.3 %	11.8 %
Government pension fund / GDP	78 %	79 %	95 %	131 %	130 %	131 %	145 %	153 %

Source: Statistics Norway, OECD and Ministry of Finance

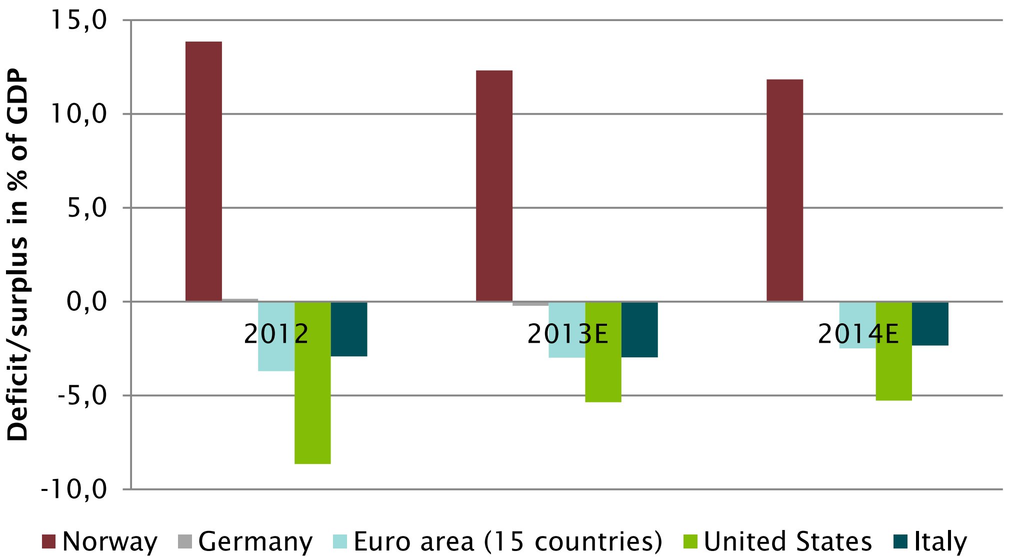
The Norwegian economy – Solid economic situation

Real GDP growth (indexed to 100)



Source: OECD Economic Outlook No. 93 (database)

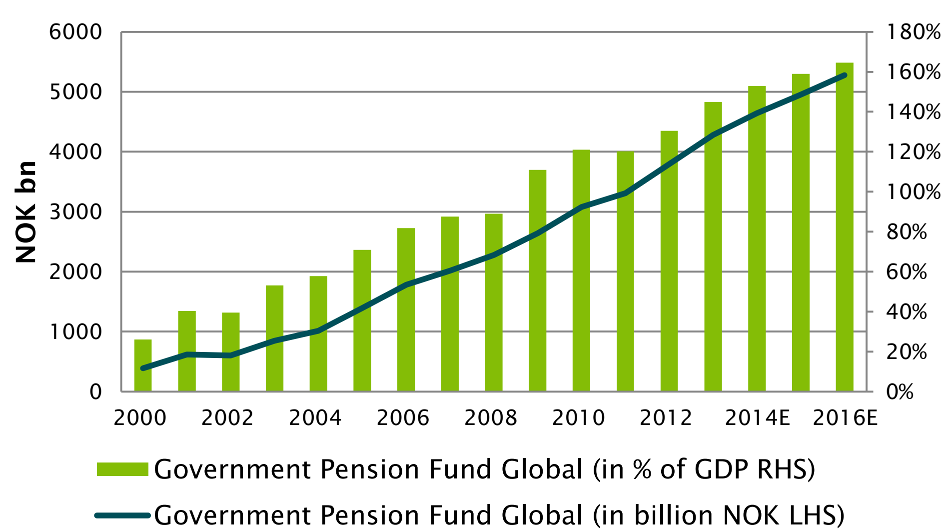
Government budget deficit/surplus



Source: OECD Economic Outlook No. 93 (database)

- Norway has an extremely strong balance sheet
- Relatively high net central government financial assets (166% of GDP in 2011)
- Significant budget surplus (13.9% of GDP in 2012) and a Government pension fund well in excess of GDP
- Sound growth at an a per annum average of 2.7% for mainland GDP for the last 10 years
- A strong current account surplus averaging around 14% of GDP since 2002

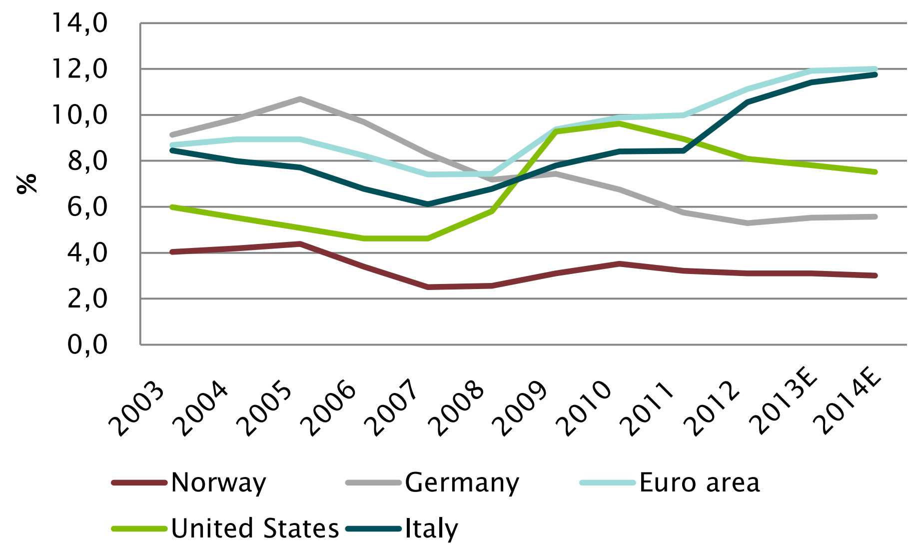
Government Pension Fund Global



Source : Ministry of Finance, Statistics Norway

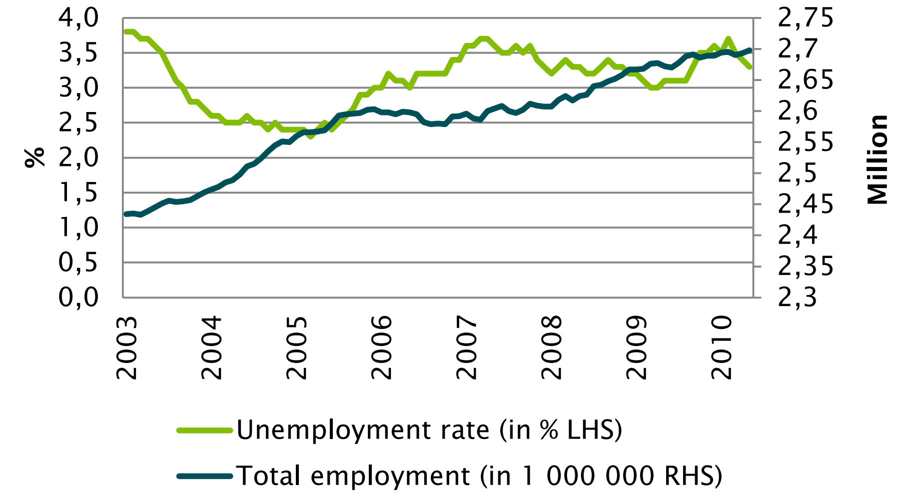
The Norwegian economy – Low unemployment

Norway has consistently lower unemployment rates



Source: OECD Economic Outlook 92 database

Unemployment rate and total employment

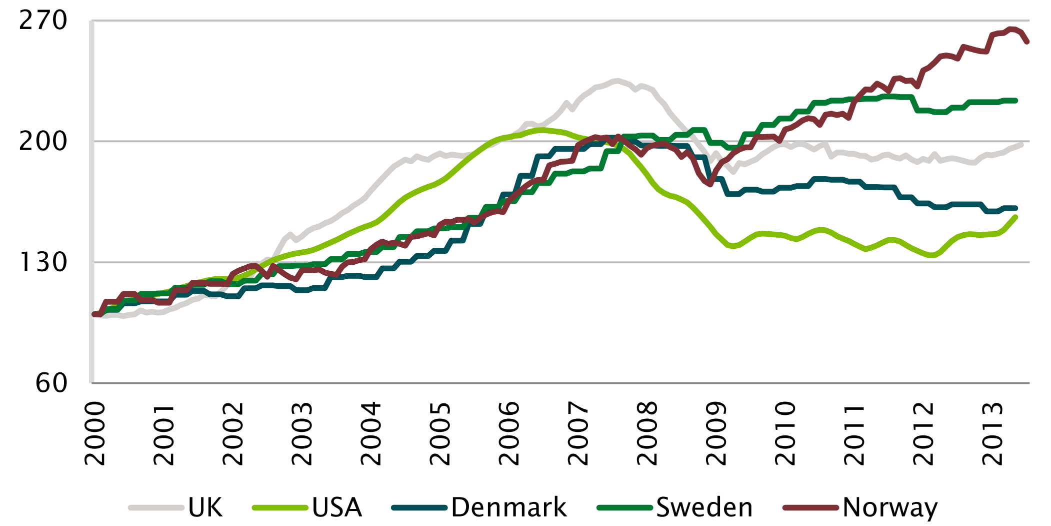


Source: Statistics Norway, updated June 2013.

- A buoyant economy ensures a high rate of employment
- Average unemployment rate of 3.4% in the past 10 years
- A strong welfare system providing significant income protection: average unemployment benefit of 62% of salary for a minimum of 104 weeks

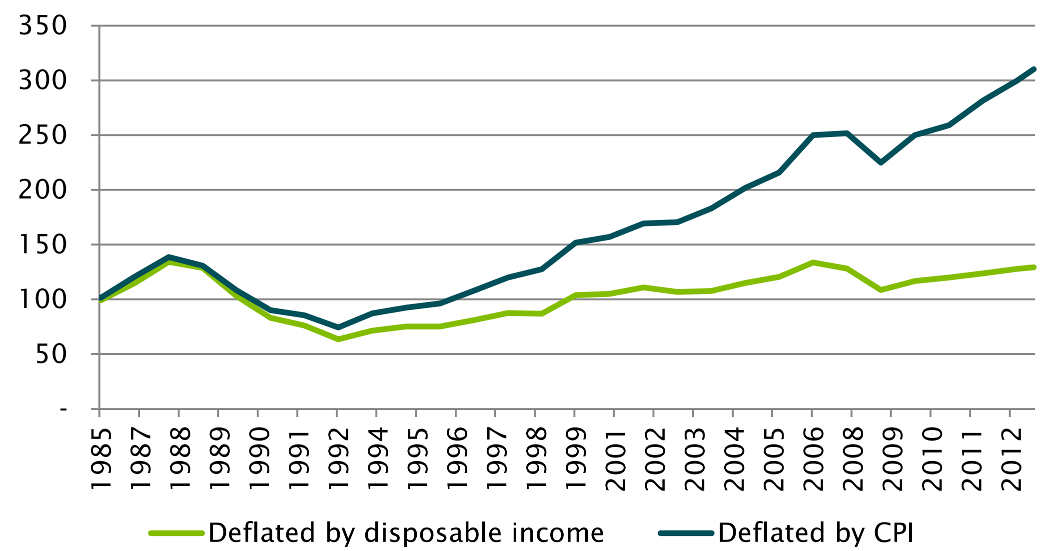
The housing market – Price developement

Nominal house price development



Source: S&P Case-Shiller Home Price Indices Composite 20, Realkreditrådet,
Halifax House price Index, Statistics Sweden, Eiendomsverdi, updated May-July 2013

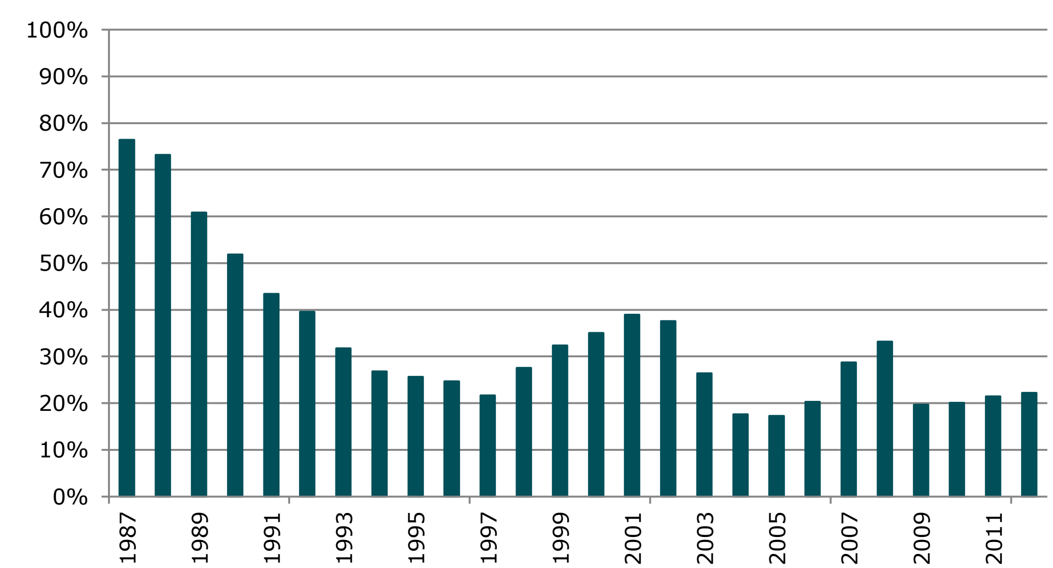
Real house price development



Source: Norges Bank, Statistics Norway, Eiendomsverdi, updated June 2013

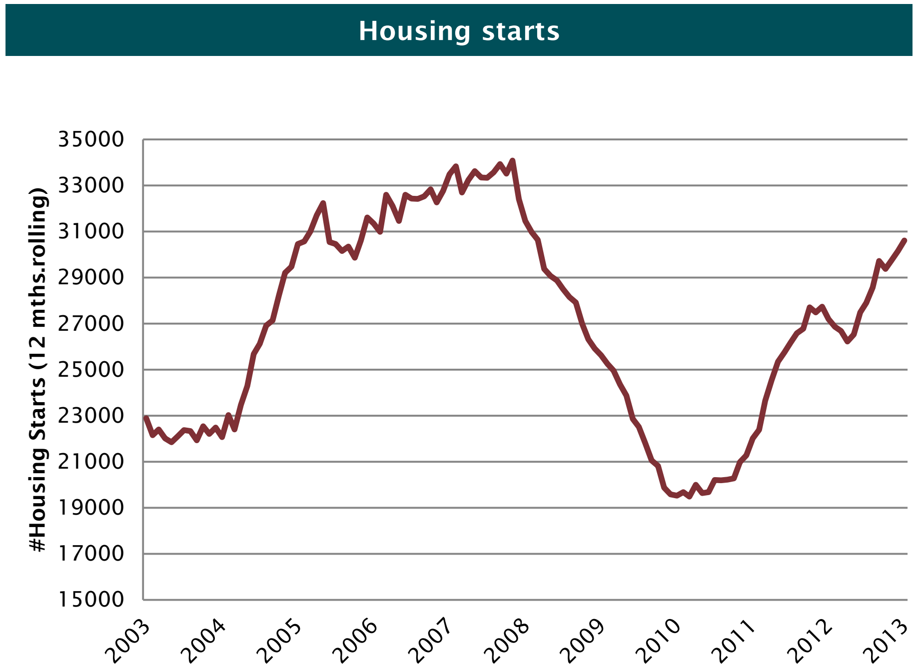
- House prices have increased by an average of 7,0 % per annum since 1985. House prices have grown by 48% since end of 2008
- This has been spurred by an environment of low interest rates, high wage growth, population growth and supply constraints
- When deflated by income growth (6,1 % per annum since 1985) the increase in house prices is more moderate
- Household solid income growth and lower interest rates determine the affordability of housing

Interest-to-income ratio

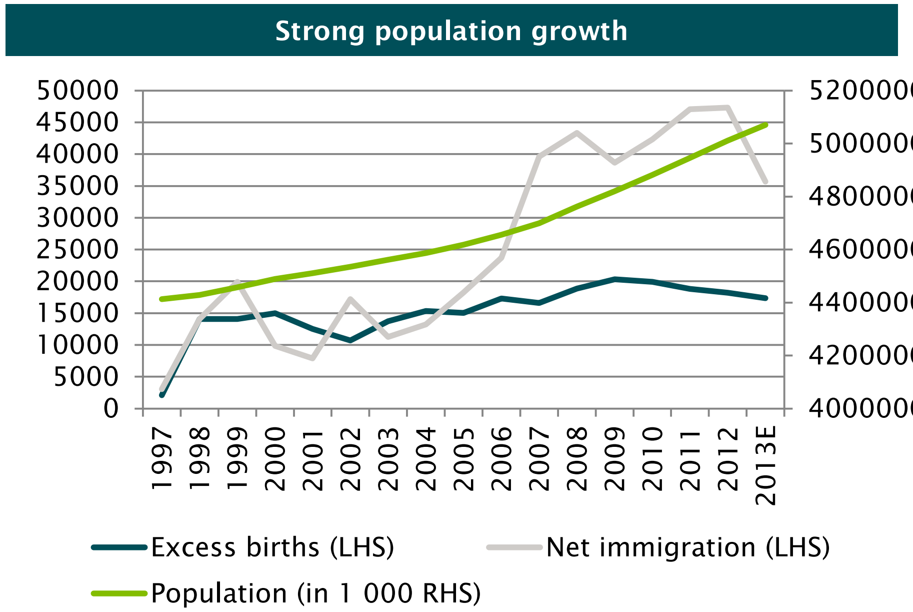


Source: Eiendomsverdi, updated December 2012

The housing market – Drivers of the housing market



Source: Statistics Norway, updated June 2013



Source: Statistics Norway, updated Q2 2013. 2013 Estimate is annualized based on half-year figures

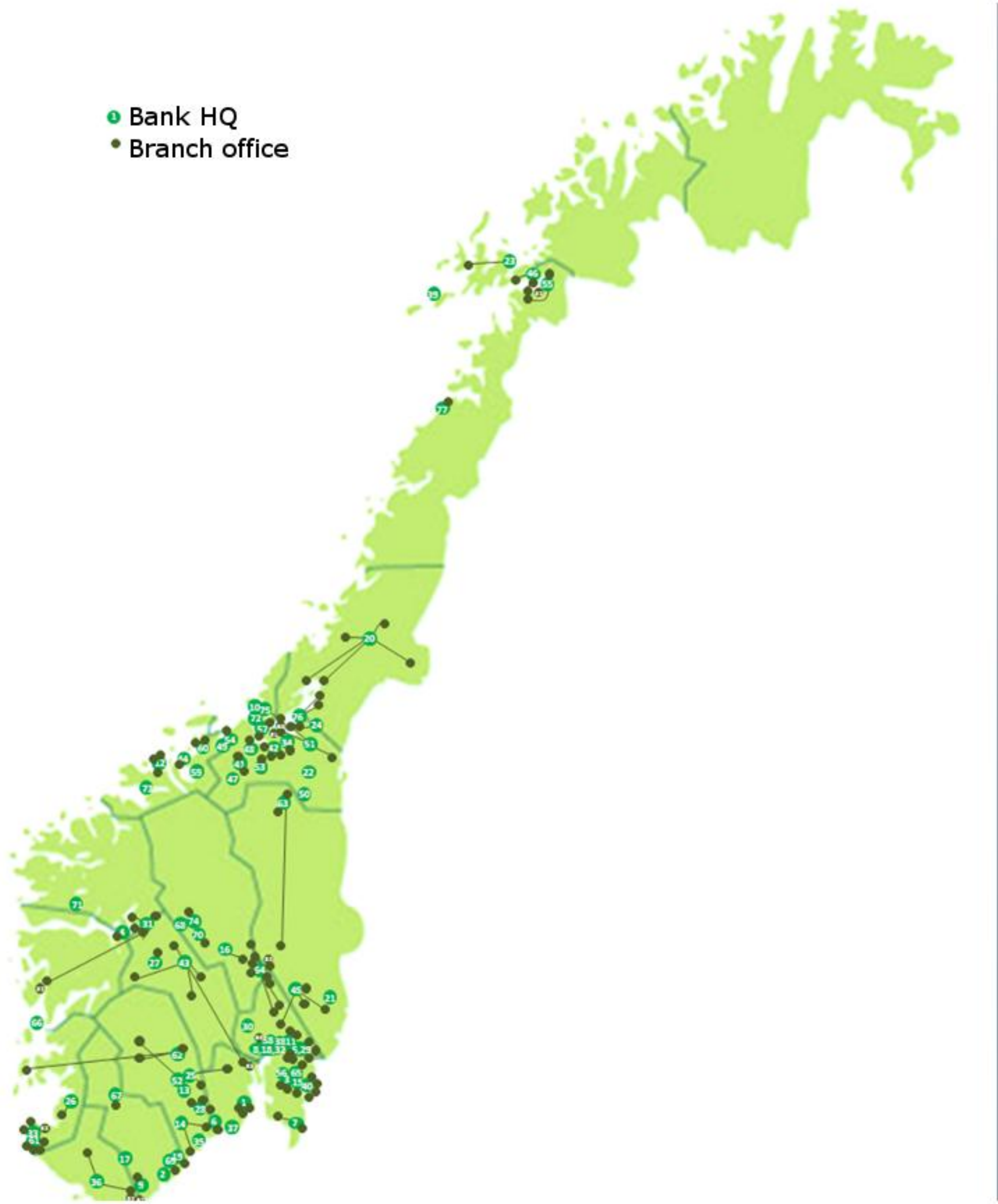
- Low housing starts and a strong population growth have been significant drivers of the strong price growth in the Norwegian housing market since 2008
- New home construction is up on the record lows of 2009 and 2010 and they have evolved recently towards the higher end of construction. This should mitigate the momentum on house prices going forward
- The population growth has essentially been driven by a growth in the birth rate in Norway (1.98 in 2009, 1.95 in 2010 and 1.88 in 2011). A growth in immigration is also noteworthy since the trough of 2009 and is also a strong contributor as migrant population gets settled professionally and culturally

Agenda

Eika banks

Diversified operations

- The Eika banks are a group of 79 Norwegian banks and OBOS*
- Although the Eika banks activity is fully focused on Norway, they have a wide geographical reach (18 out of 19 counties) with a strong focus in vibrant economic centres in mid and Eastern Norway
- Scope of the banking operations:
  - Third largest banking group in Norway
  - 200 branch offices
  - 2,000 employees
- Aggregated balance sheet of Eika Banks is NOK 201bn (EUR 27.3bn) and average capital ratio of 18.7 %
- Market share lending retail customers
  - from 40% to 80% in local markets (except the largest cities)
  - 10.4 % overall in Norway



Bank numbers as of 31.03.213. EURUSD 7.4740

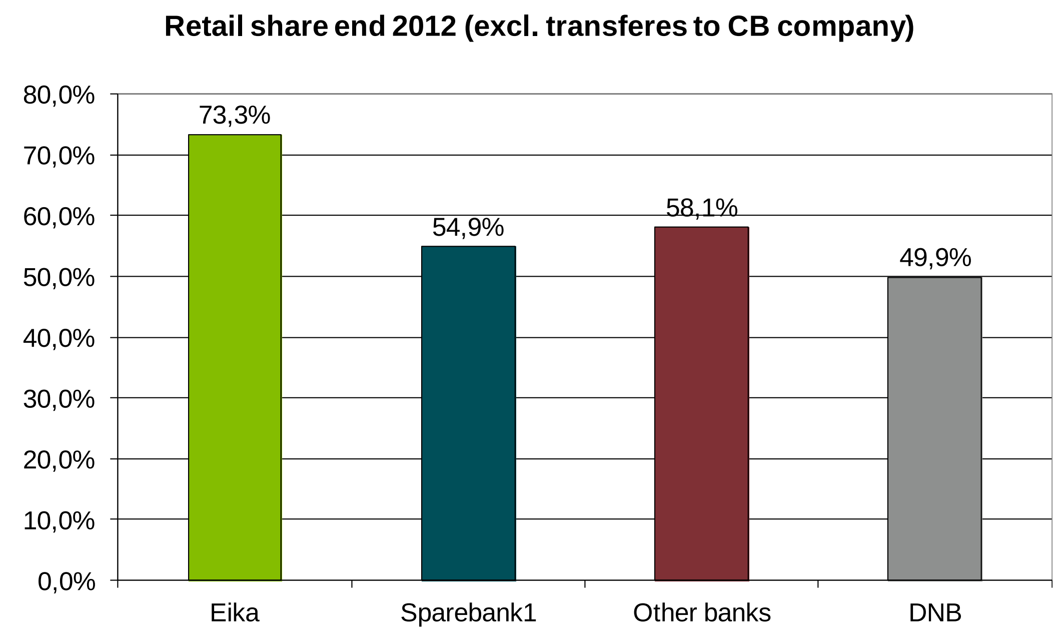
*OBOS is the largest Nordic Cooperative Housing Association, established in 1929 and is owned by 226,000 members, mostly located in the Oslo-area. More information about OBOS can be found on www.obos.no

Eika banks

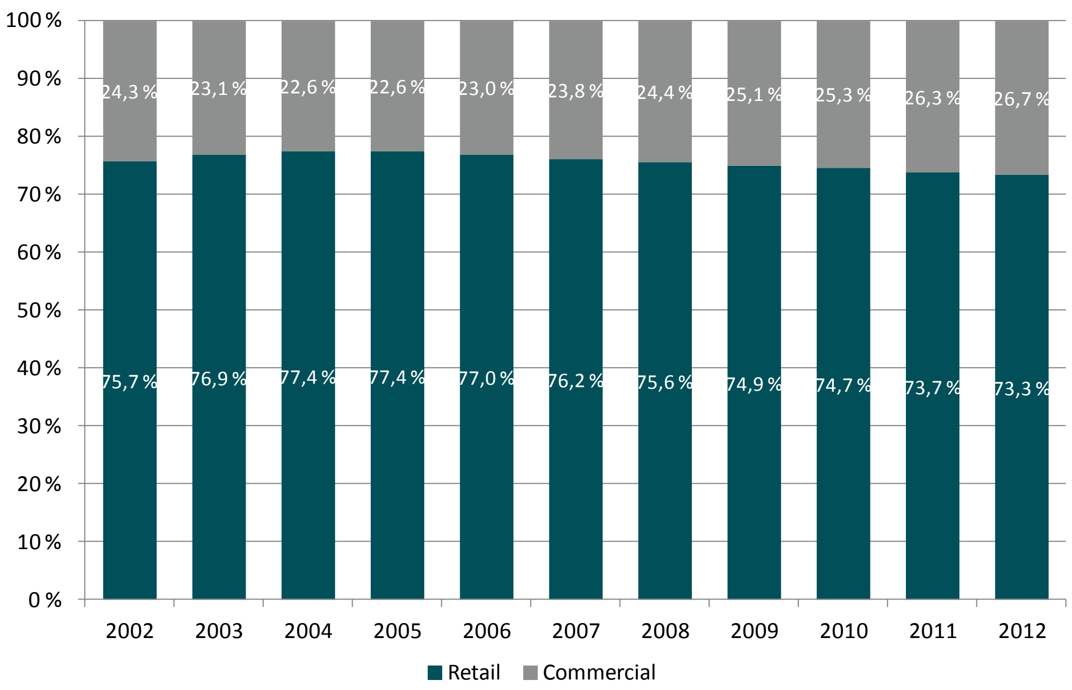
Focus on retail customers

- High and stabile retail share.
- Retail lending accounts for 73.3% of Eika banks' total lending at YE2012 (own balance sheet). Including transfers to EBK retail share is 78.6%
- Eika banks have a higher share of retail lending compared to peers
- Retail lending consist mainly of loans to housing/mortgage (approx. 94% of total)
- Low average LTV (53.5%) in mortgage portfolio
- Eika banks have no exposure to shipping and relatively low exposure to commercial real estate

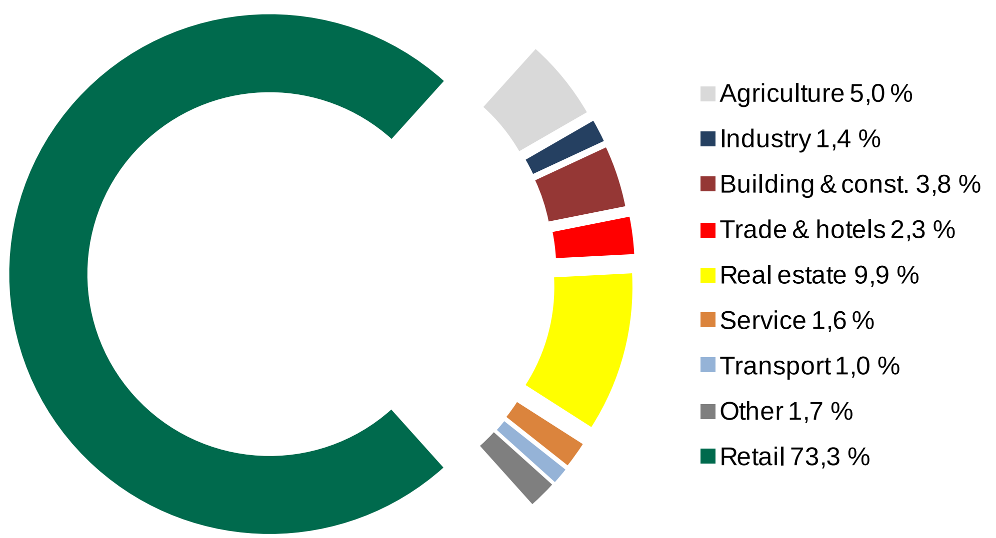
Retail share excl. transfers to CB company – Eika banks vs. peers



Breakdown of lending for the Eika banks (own book)



Sector breakdown of the loan book YE 2012



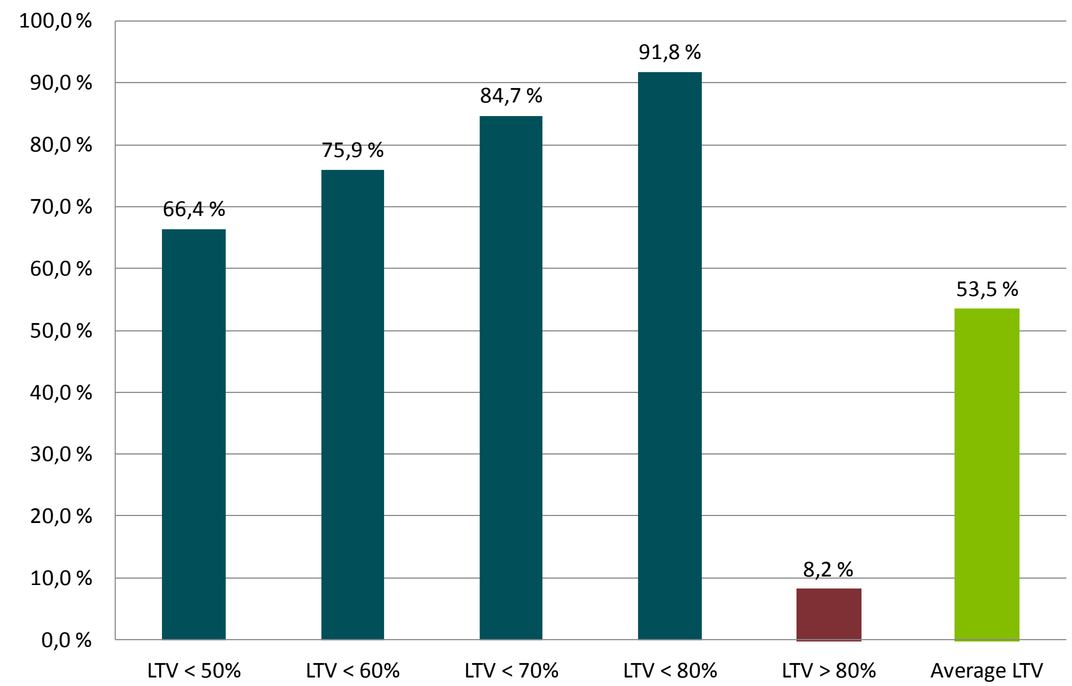
Source: Bank analyst Eika

Eika banks

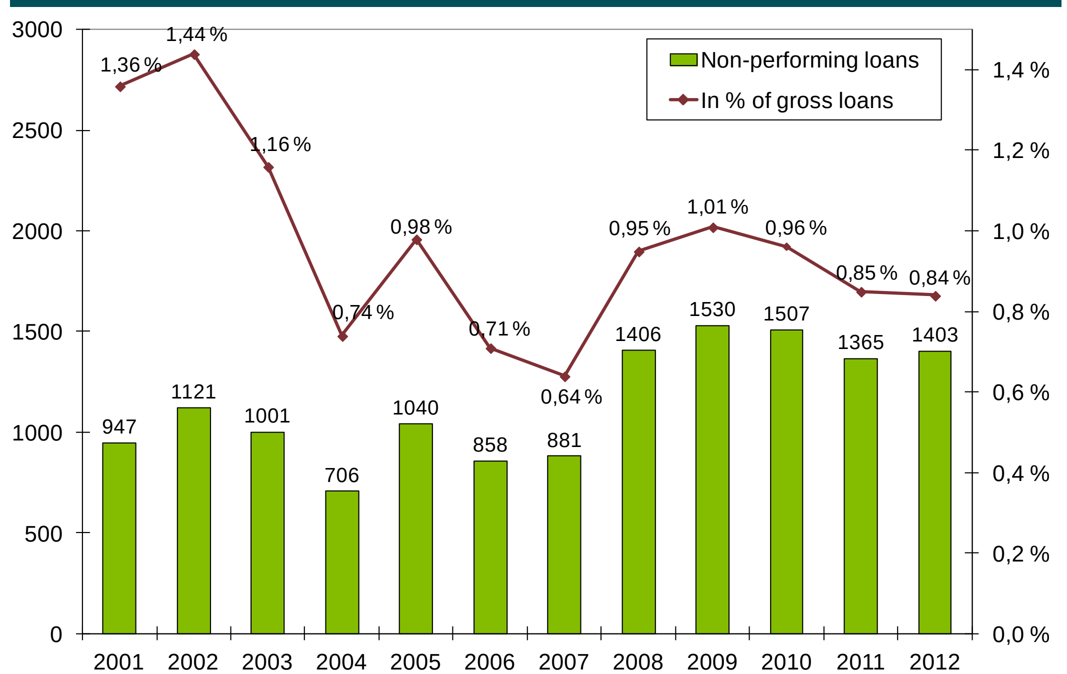
High Asset Quality

- Conservative risk profile within the banks
- Low average LTV (53.5%) in mortgage portfolio and few loans over 80% of LTV (only 8.2%). 76% of mortgage portfolio within 60% of LTV
- Retail share ranging from 60% to 98% (excl. transfers to EBK)
- Few non-performing and problem loans
    - Non-performing loans constitute 0.84% of gross loans, versus 0.85% in 2011.
    - Problem loans constitute 0.94% of gross loans, versus 1.03% in 2011.
- Provisioning ratio of 49.0% (48.9%)

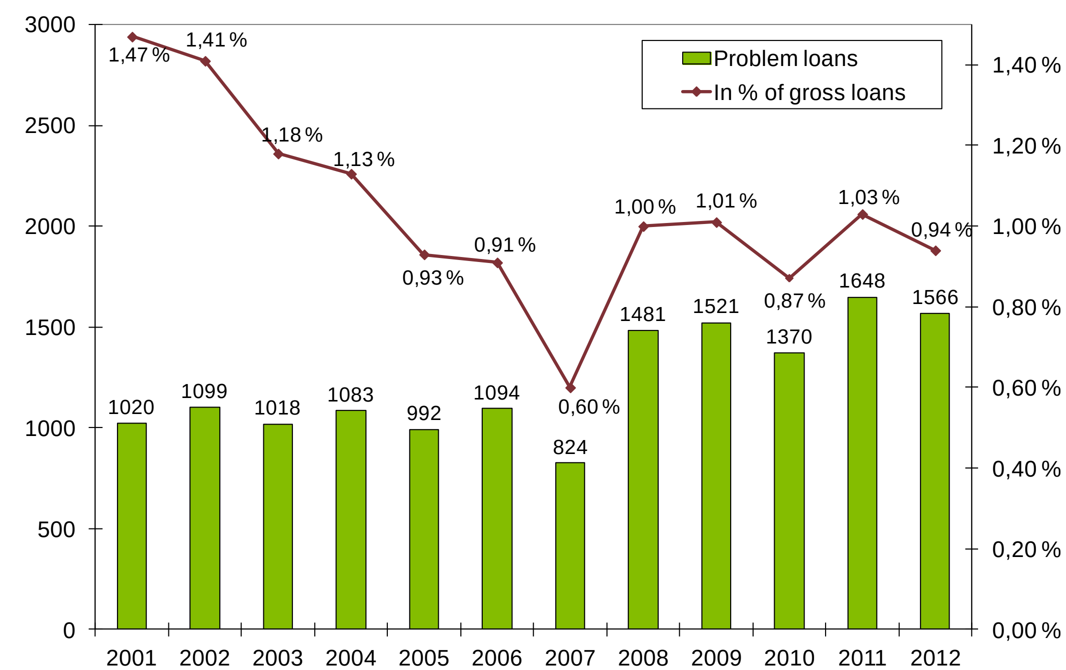
Low LTV in mortgage portfolio (Bank book)



Non performing loans



Problem loans

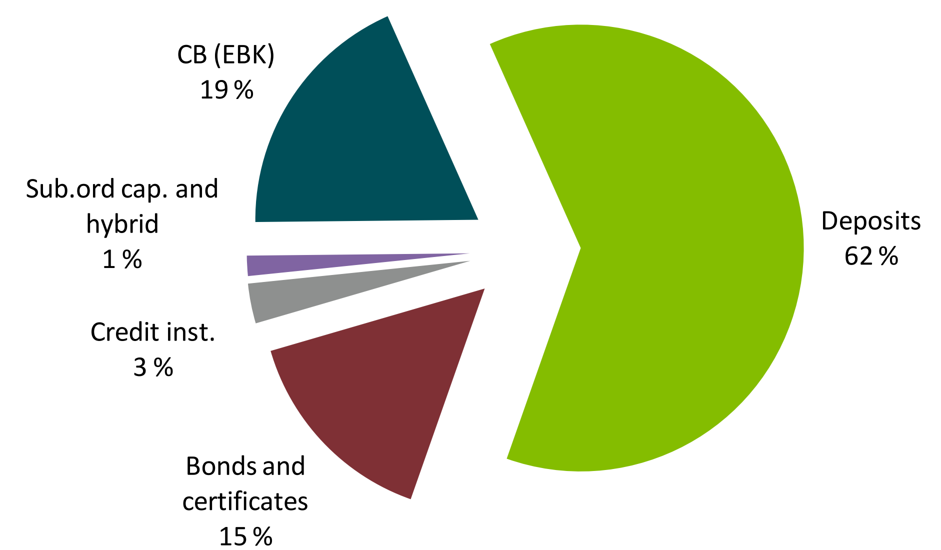


Definitions:
Provisioning ratio: Write down ratio = (individual provisions + group provisions) / Problem loans
Non-performing loans (NPL): Loans in delinquency for more than 3 months.
Problem loans: Loans that risk impairment (note that most banks use this rather conservatively)

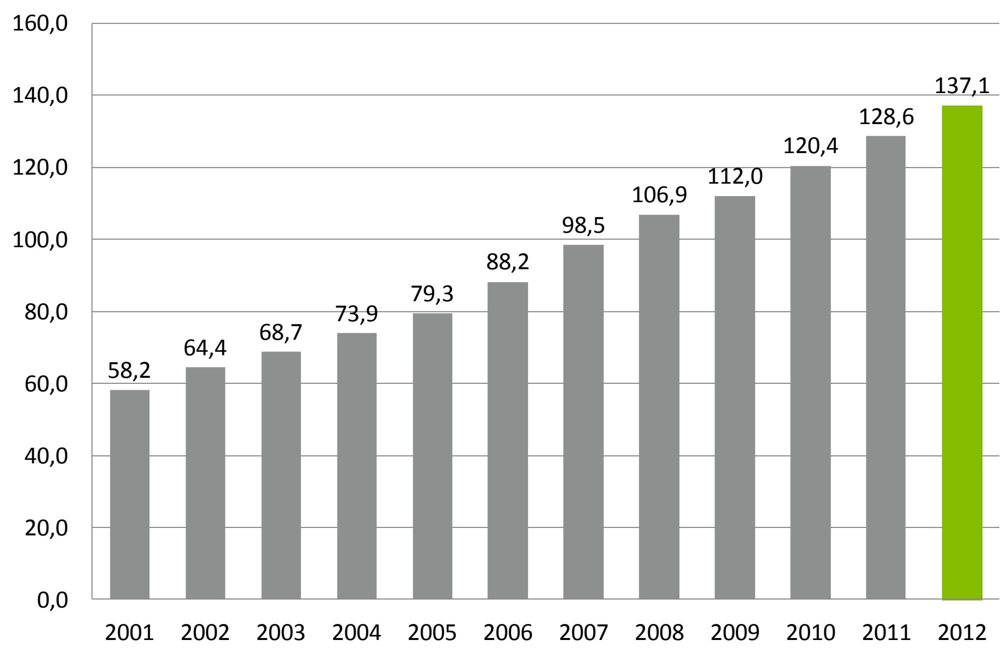
High and increasing deposit base

- Total funding for Eika banks amounts to NOK 221bn.
- Steady growth in the deposit base and high deposit ratio of 82.5%. Average yearly growth rate in deposits has been 8.6% last 12 years
- Well diversified deposit base - approx. 85% of all deposits is within the NOK 2mn bank guarantee fund limit
- Deposit base are essentially household retail deposits.

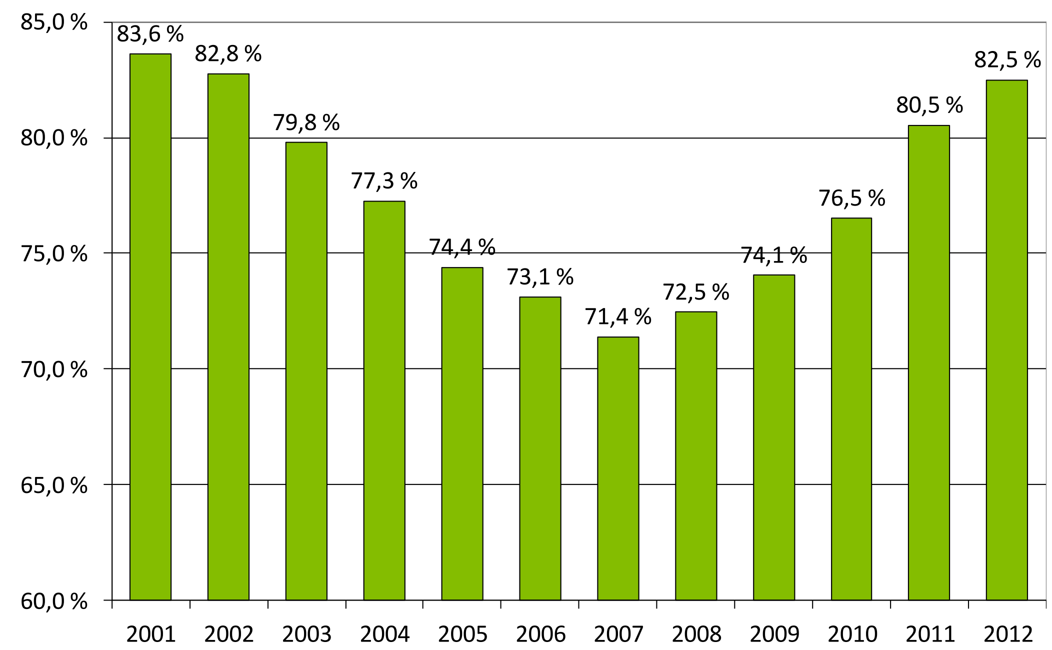
Total funding sources – NOK 221 bn YE 2012



Aggregated deposits (in NOK bn)



Deposit ratio (Deposit / lending)



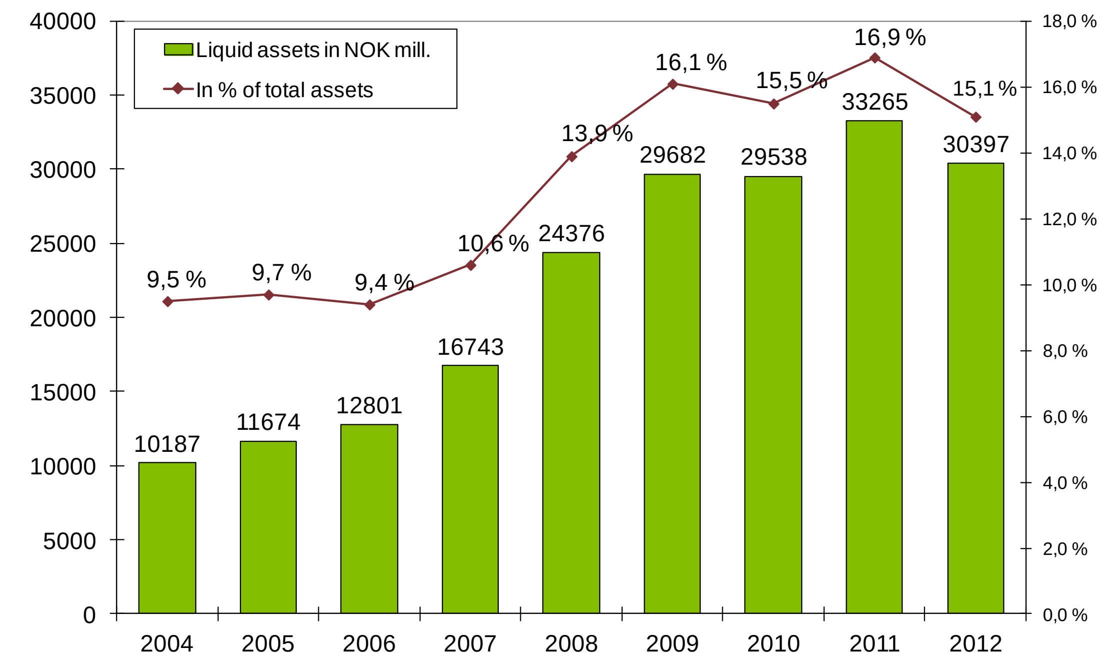
Source: Bank analyst Eika

Eika banks

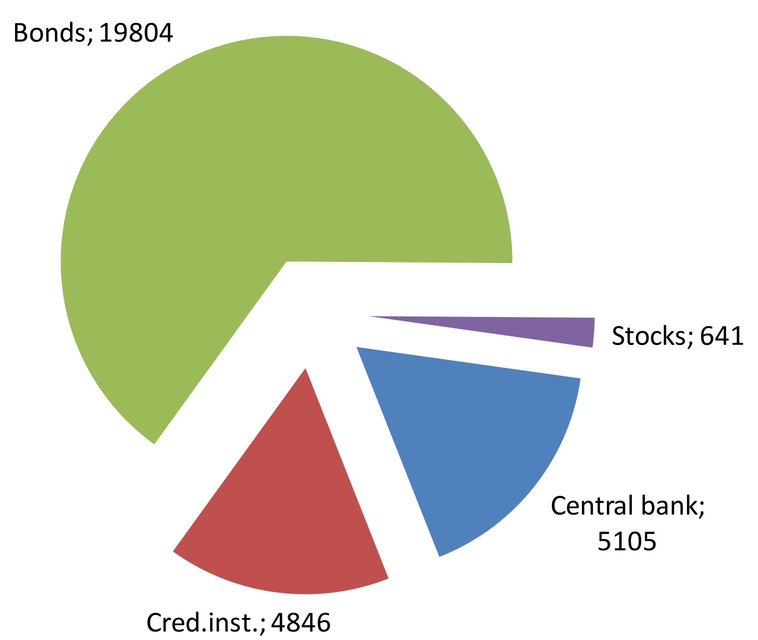
Strong liquidity position

- High liquidity buffer – 15.1% of total assets.
- Relative low dependency on market funding. Net market funding (less liquid assets) over total assets is only 6.3%
- Total amount of liquidity NOK 30.4bn (EUR 4.07bn)
- No PIIGS exposure. Low stock marked exposure
- Increased proportion of longer term funding
- Bond portfolio consists mainly of CB, senior bank and money market funds.

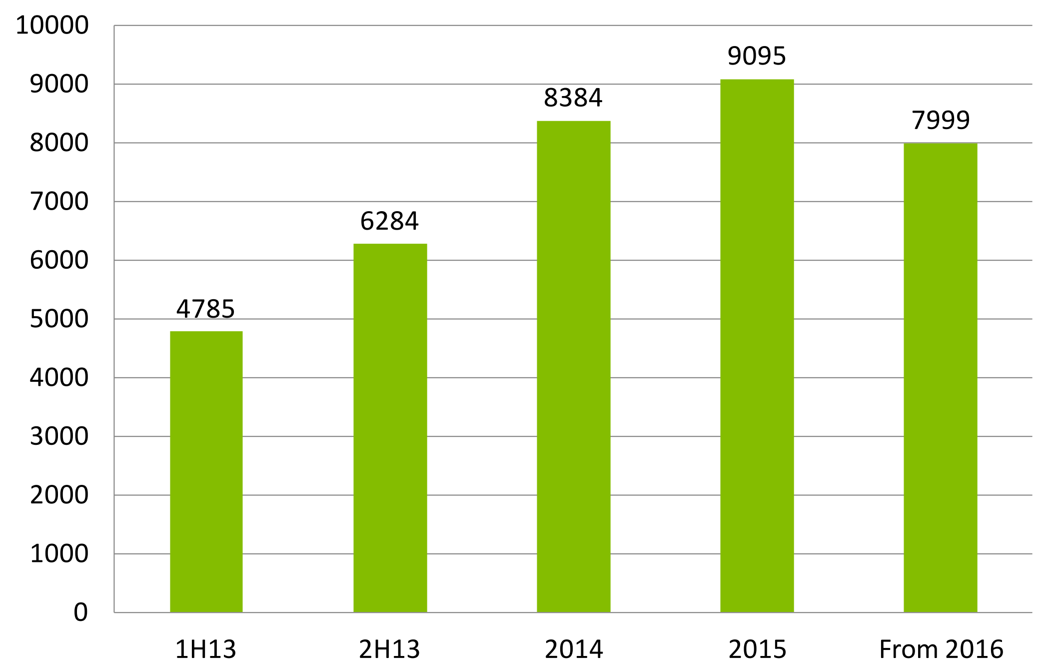
Total liquidity buffer (NOK mn and % of total assets)



Liquidity portfolio YE 2012 (NOK)



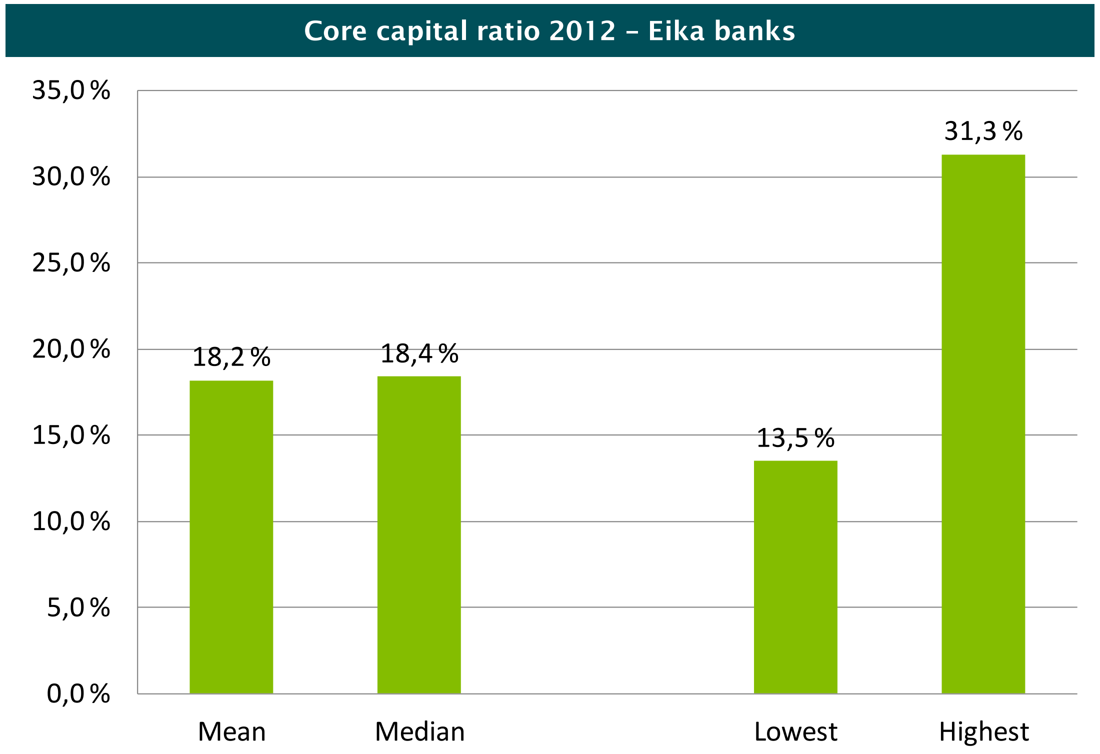
Maturity profile end 2012 in NOK mill. (Bonds, CD and Sub.ord)

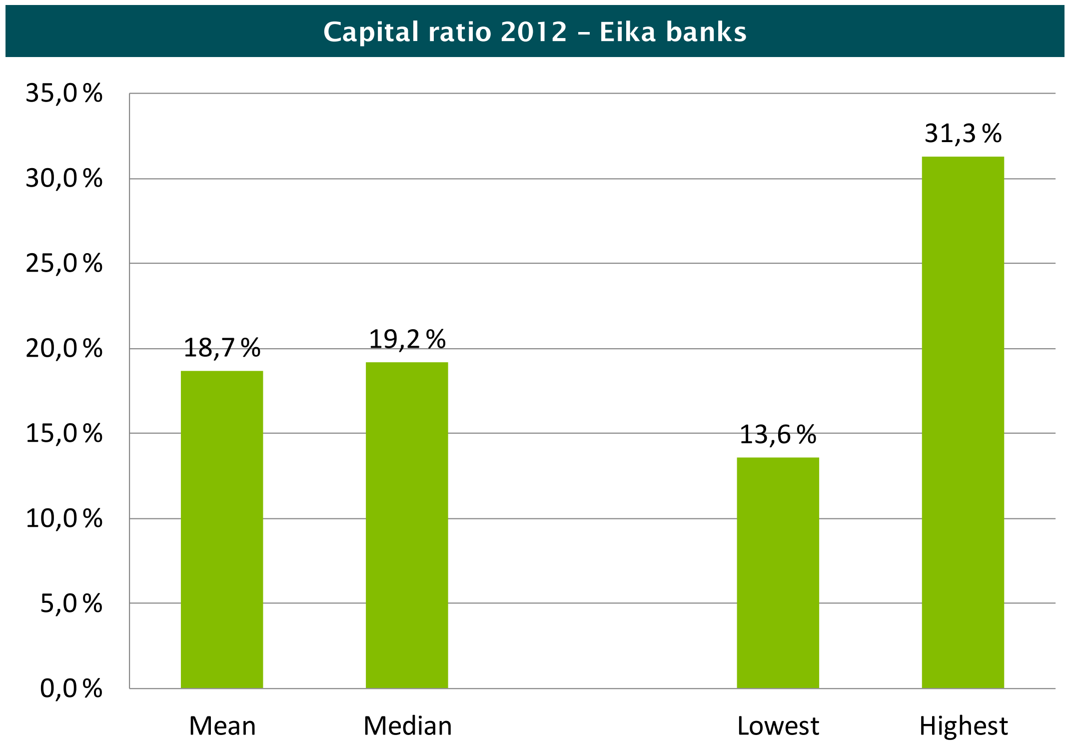


Liquidity buffer consists of cash, deposits in central bank and other credit institutions, bonds, certificates incl. money market funds and listed stocks
EURNOK: 7.4740

Strong capitalization

- Strengthened capital ratios
  - Core capital ratio 18.2% (17.3% 2011)
  - Capital ratio 18.7% (18.2% 2011)
  - Upper core capital ratio (ex hybrid): 15.8%
  - Equity ratio of 9.4% (equity/total assets)
- Eika banks are well prepared to meet the new and higher capital requirements following implementation of CRD IV/Basel III/PROP 96
- All banks are well capitalized (T1 ratio)
  - Lowest: 13.5% (13.0%)
  - Highest: 31.3% (30.9%)
- All Eika banks use the standard approach under Basel II
- If Eika banks have used the IRB method, the core and capital ratios is estimated at 23.0% and 23.6% year end 2012

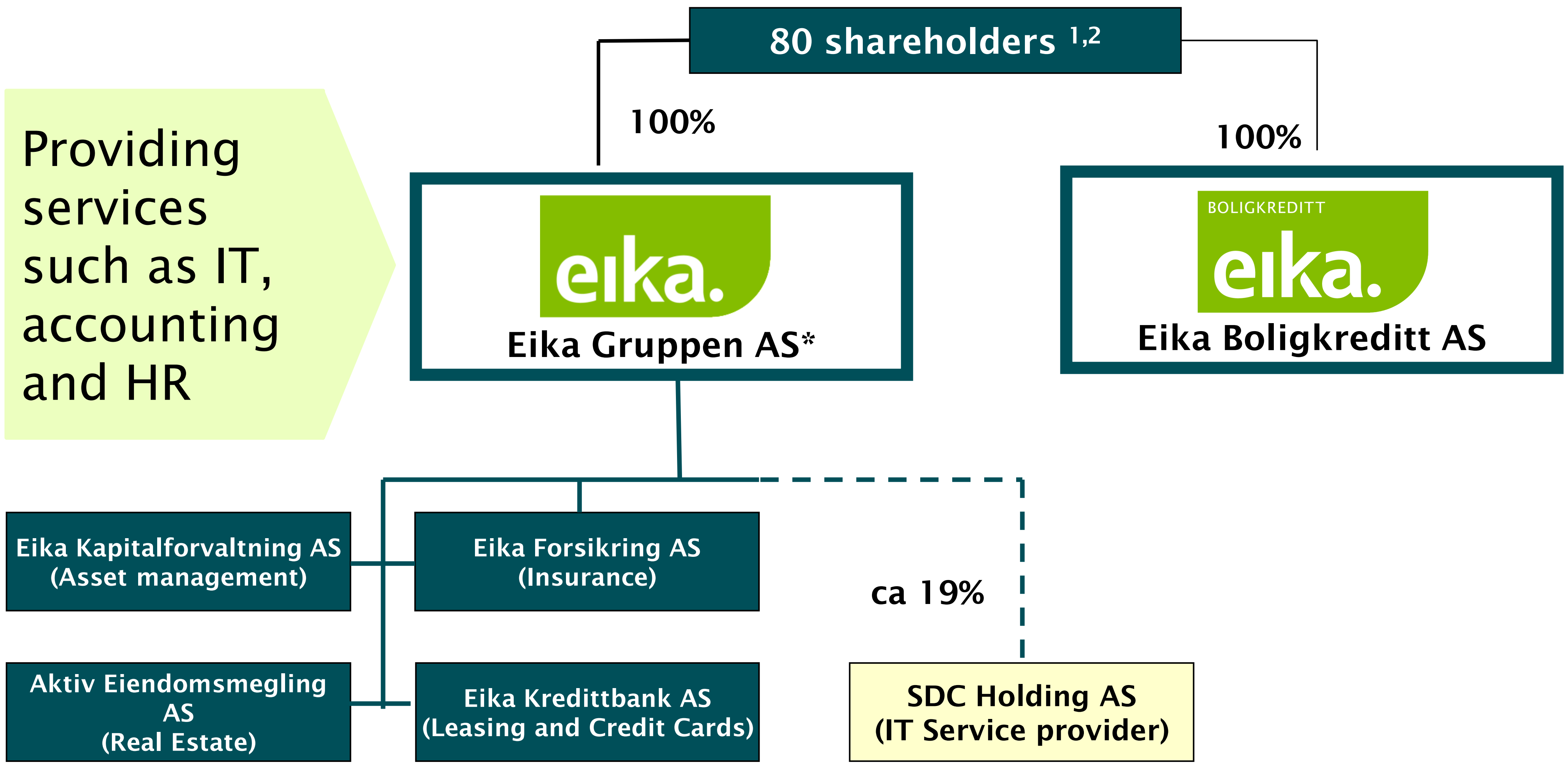




Source: Bank Analyst Eika

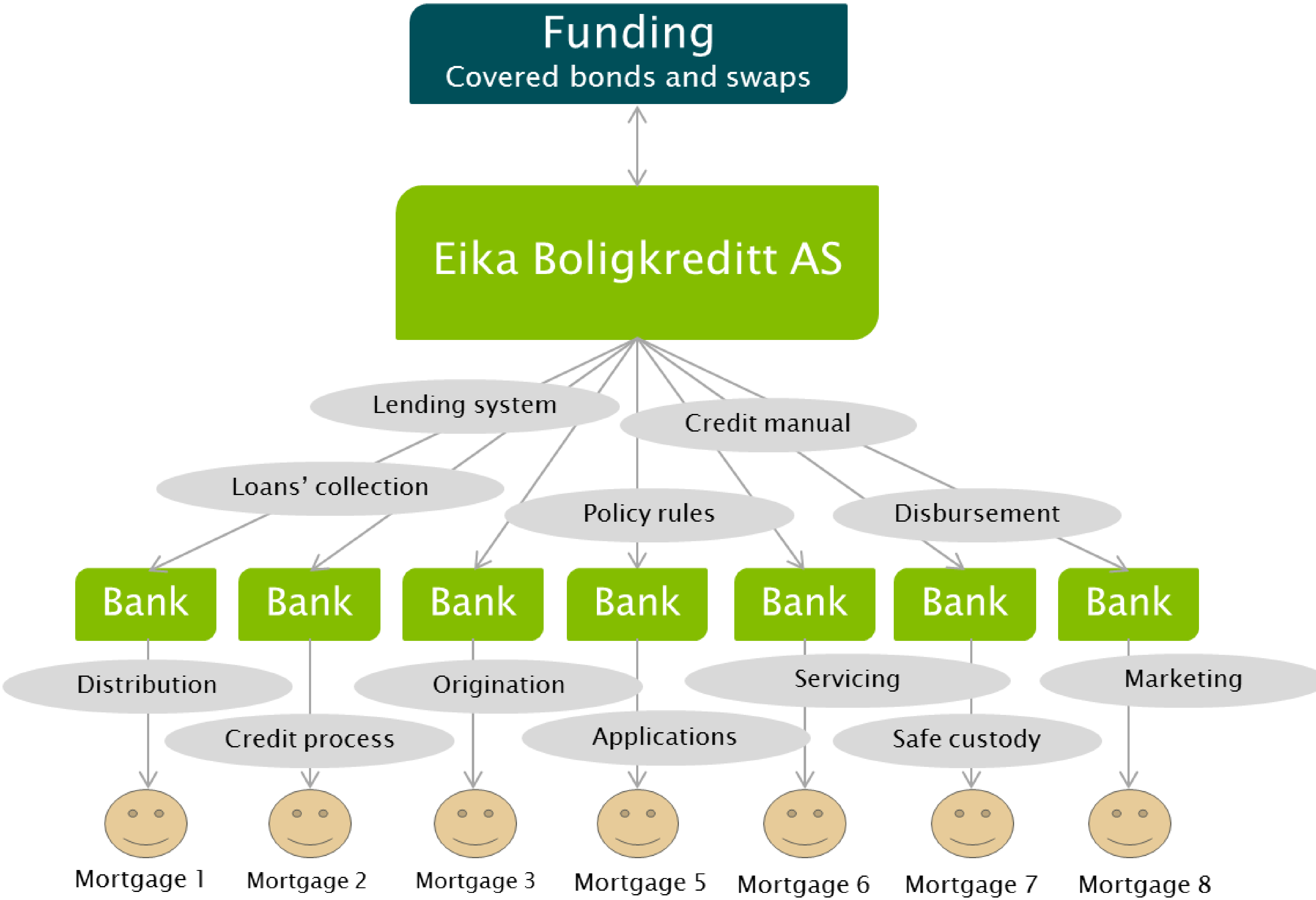
Agenda

Ownership structure



[1] 79 Norwegian banks and OBOS
[2] OBOS owns 10.7 % and 79 banks 89.3 % of outstanding shares in Eika Boligkreditt AS

Business concept



Eligibility criteria for the cover pool

Origination process	▪ Loan-by-loan origination
Customer categories	▪ Norwegian residents (Retail) ▪ Cooperative housing associations (common debt between multiple individuals)
Credit Criteria	▪ EIKBOL sets the credit policy for acceptable mortgages (credit manual) ▪ No arrears ▪ Mortgage size is normally limited to 3 times annual household income
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
Type of properties	▪ Stand alone residential mortgages ▪ Cooperative housing residential mortgages
Type of products	▪ Principal repayment loans (no flexi loans) ▪ Fixed and variable interest rate loans

Strong incentive structure

- With regards to the mortgages in the Eika Boligkreditt cover pool there is a 3 pillar guarantee mechanisms; this is to ensure that the originating banks are held responsible for potential losses on mortgages they distribute for Eika Boligkreditt

Moody's: *"The members of the Terra Group are incentivised by guarantee obligations to pass high quality loans to the issuer."*

(Source: Moody's Investors Services, Terra BoligKreditt Mortgage Covered Bonds, August 2007)

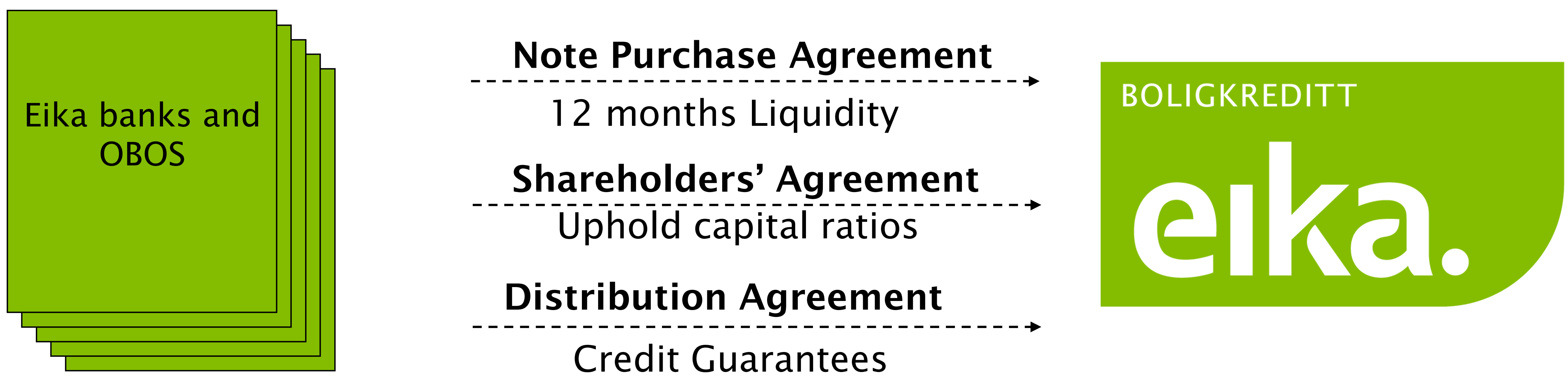
I Loss Guarantee	II Set-off rights	III Pro-rata Framework Guarantee
• First loss guarantee for the portion of the loan exceeding 50% LTV • Minimum guarantee of NOK 25.000 (EUR 3,138) per loan, irrespective of LTV • 100% of the loan is guaranteed by the bank until the collateral is registered	• Eika Boligkreditt has set-off rights against each bank's commission for a period of up to 3 years • To be used by Eika Boligkreditt if losses exceed loss guarantee amounts, or a bank fails to meet its guarantee obligation	• All banks participate in a 1% of the total mortgage portfolio pro-rata framework guarantee • To be used by Eika Boligkreditt if banks fail to meet their guarantee obligations, or losses exceed individual guarantees and set-offs
Currently EUR 476mn	**Currently EUR 84mn**	**Currently EUR 64mn**

EURNOK as of 31.12.2012: 7.3410

Eika Boligkreditt

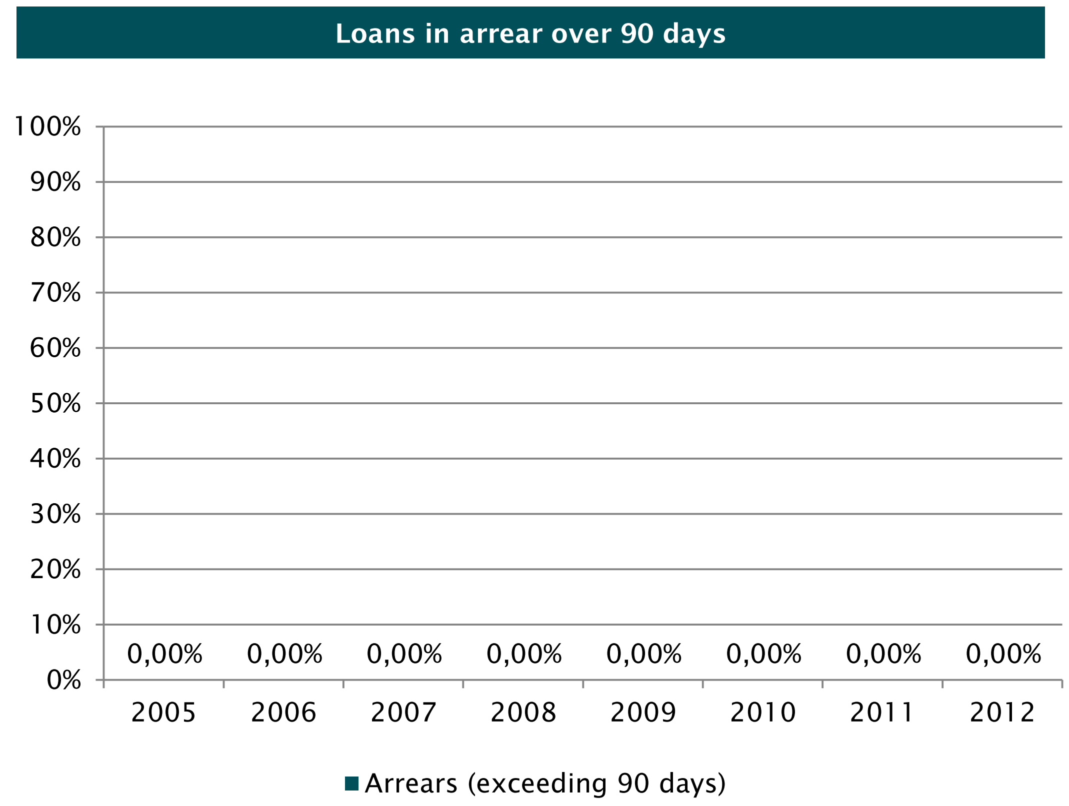
Structure of support

- **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 NPA replaces the former NOK 3bn facility described in earlier Offering Circulars to the EMTCN Program
- **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 the EIKBOL’s general meeting and of any capital instruments to be issued
- The agreements are structured to meet the Moody’s criteria to categorize as a Category 2 support agreement for Specialized Covered Bond Issuers



No arrear exceeding 90 days

- Eika Boligkreditt has ***never*** experienced mortgages being delinquent for more than 3 months
- The guarantees from the banks further reduces credit risk and helps to avoid cherry-picking of mortgages
- In case there is a delayed payment (> 35 days) the Bank which has transferred the mortgage need to solve the problem within 2 months by:
  - Paying the full guaranteed amount to EIKBOL
  - Giving the client extra credit
  - Transferring the loan back to the bank(305 loans since start-up of company in 2004)



Top notch collateral score by Moody's

- On 9th May 2013, Moody's released the 13th edition of their EMEA Covered Bonds monitoring overview. The primary objective of this report is to provide transparency to Moody's covered bond ratings
- In the report Eika Boligkreditt (formerly Terra Boligkreditt) is ranked the best out of over 200 covered bond issuers in terms of quality of collateral in the cover pool which is measured by the Collateral Score*
- Starting from Q2 2012, Moody's changed its methodology by applying a transaction minimum credit enhancement level, which resulted in EIKBOLs's new collateral score at the floor level of 5% instead of a EIKBOL individual Collateral Score currently reported to be 2.0% pre country floor.

EXHIBIT 16

Deals with Lowest (Best) Collateral Scores[10]

Name of Programme	Type of Programme	Country	Collateral Score
Eika Boligkreditt AS Mortgage Covered Bond Programme	Mortgage	Norway	2.0%
OP Mortgage Bank II	Mortgage	Finland	2.5%
HSBC Covered Bond Programme	Mortgage	United Kingdom	2.5%
OP Mortgage Bank Mortgage Covered Bonds	Mortgage	Finland	2.6%
Deutsche Postbank AG Mortgage Covered Bonds	Mortgage	Germany	2.8%
Landesbank Baden-Wuerttemberg - Public Sector Covered Bonds	Public Sector	Germany	3.0%
Nordea Eiendomskreditt AS Mortgage Covered Bonds	Mortgage	Norway	3.1%
ING-DiBa AG Mortgage Covered Bonds	Mortgage	Germany	3.1%
SpareBank 1 Boligkreditt AS Mortgage Covered Bonds	Mortgage	Norway	3.2%
Deutsche Bank AG - Covered Bond Programme	Mortgage	Germany	3.2%
Hypothekenbank Frankfurt AG Public Sector Covered Bonds	Public Sector	Germany	3.2%

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Eika Boligkreditt

Rating summary

- Covered bonds are rated **Aa2** by Moody's
- TPI: **High**
- Collateral Score on individual basis of 2% as of Q3 2012 (pre 5% country floor)

Stock Exchange Notice from EIKBOL

Update on changes to support mechanisms

Terra BoligKreditt AS (hereafter **TBK**) announced the intention to implement changes to its support structure on 2011-12-15[1], which was further described on 2012-05-04[2], and completed on 2012-05-10[3].

The description state that "*Covered bonds issued by TBK are today rated Aa2 by Moody's Investors Service. According to Moody's rating criteria further enhancement of support mechanisms could be supportive to the financial strength of TBK.*" [2].

Since starting this process, Moody's on 2012-03-09 placed five Norwegian savings banks on review for downgrade[4] and performed a downgrade of the largest Norwegian bank on 2012-05-24[5]. On 2012-10-10 Moody's published the special report "*Norwegian banks are sensitive to elevated house prices*" [6].

Moody's have reviewed the support agreement. TBK's Covered Bond rating remains **Aa2**, with the TPI at "**High**"

Source: Stock exchange notice from TBK, 18 October 2012

Timely Payment Indicators

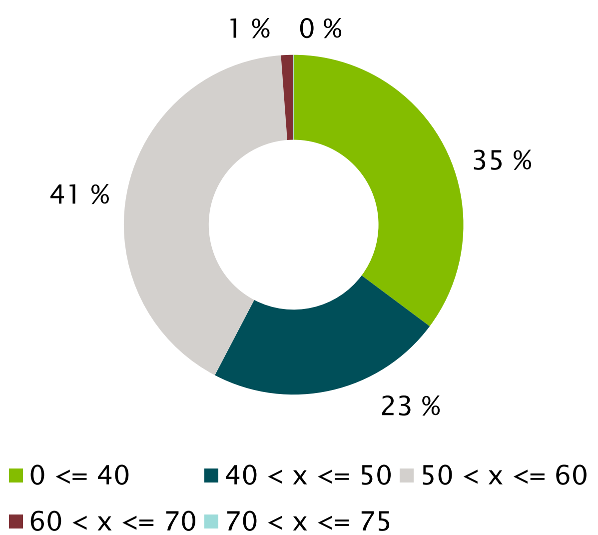
Issuer Ratings	Very Improbable	Improbable	Probable	Probable-High	High	Very High
A1	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
A2	Aa1	Aa1	Aaa	Aaa	Aaa	Aaa
A3	Aa2	Aa2	Aaa	Aaa	Aaa	Aaa
Baa1	Aa3	Aa3	Aa1	Aa1	Aaa	Aaa
Baa2	A1	A1	Aa2	Aa2	Aa1	Aaa
Baa3	A3	A2	A1	Aa3	Aa2	Aa1
Ba1	Baa3	Baa2	Baa1	A3	Aa3 - A2	A1
Ba2	Baa3	Baa2	Baa1	A3	A1-A3	A1
Ba3	Baa3	Baa2	Baa1	A3	A2-Baa1	A1
B1	Ba3	Ba2	Ba1	Baa3	A3-Baa2	Baa1
B2	Ba3	Ba2	Ba1	Baa3	Baa1-Baa3	Baa1
B3	Ba3	Ba2	Ba1	Baa3	Baa2-Ba1	Baa1

Eika Boligkreditt

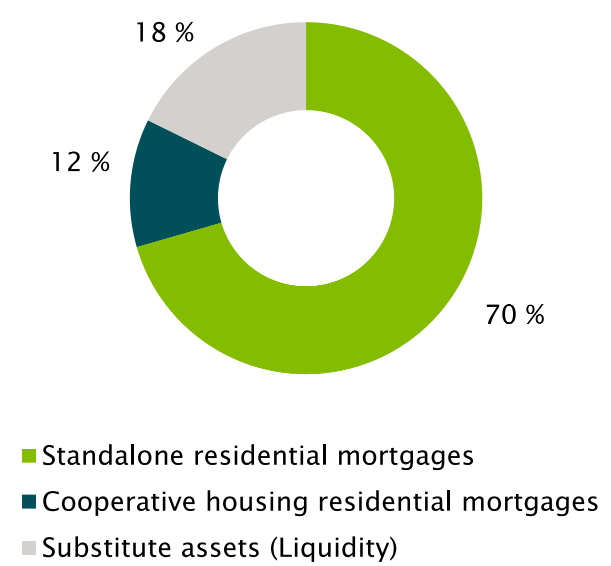
Summary of the cover pool

	Grand total	Standalone residential mortgages	Cooperative residential housing
Nominal value	6,699,320,287	5,742,011,637	957,308,650
In % of total mortgage Pool	100 %	85.71 %	14.29 %
Number of loans	37,251	36,599	652
Arithmethic average loan (nominal)	179,843	156,890	1,468,265
WA LTV (unindexed / indexed)	46.45% / 41.93%	51.29% / 46.56%	17.41% / 14.11%
WA seasoning (months)	20.3	20.1	25.4
Loans in arrears (over 90 days)	0	0	0

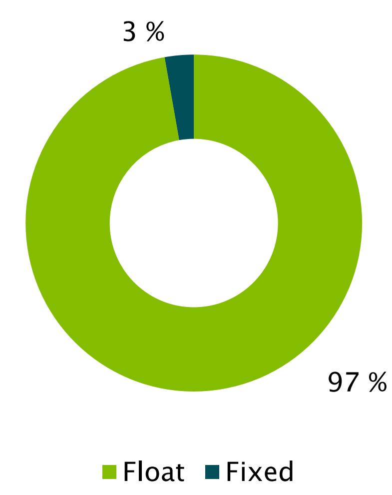
Indexed LTV distribution



Composition of Cover Pool



Variable vs fixed rate

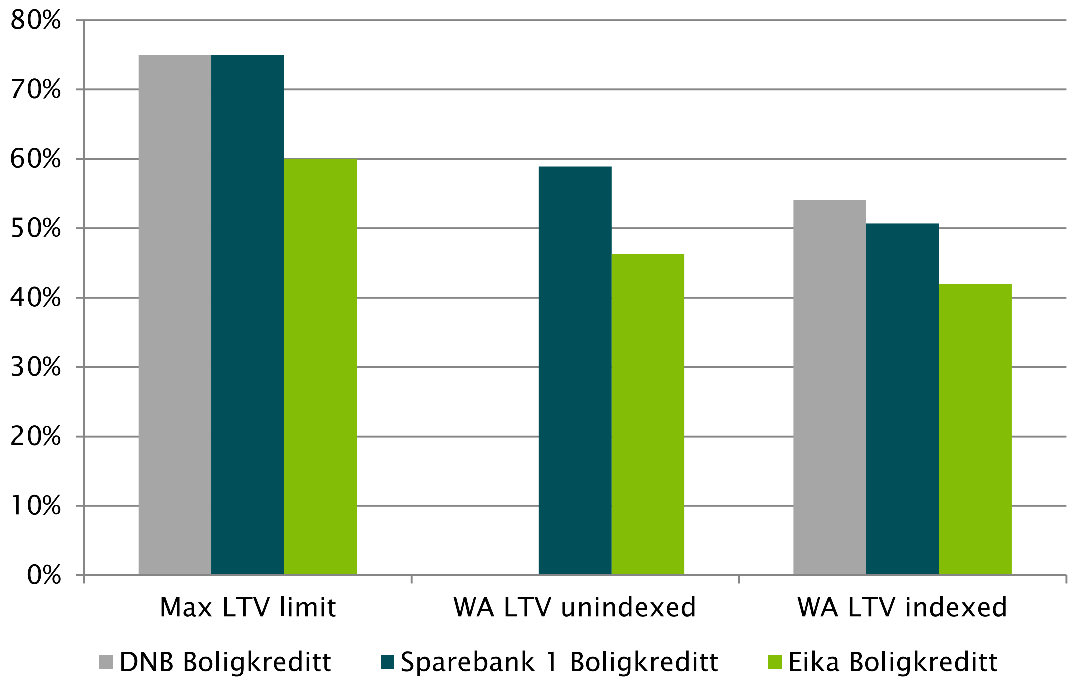


All data as of 30.06.2013. EURNOK 7.8845

Eika Boligkreditt

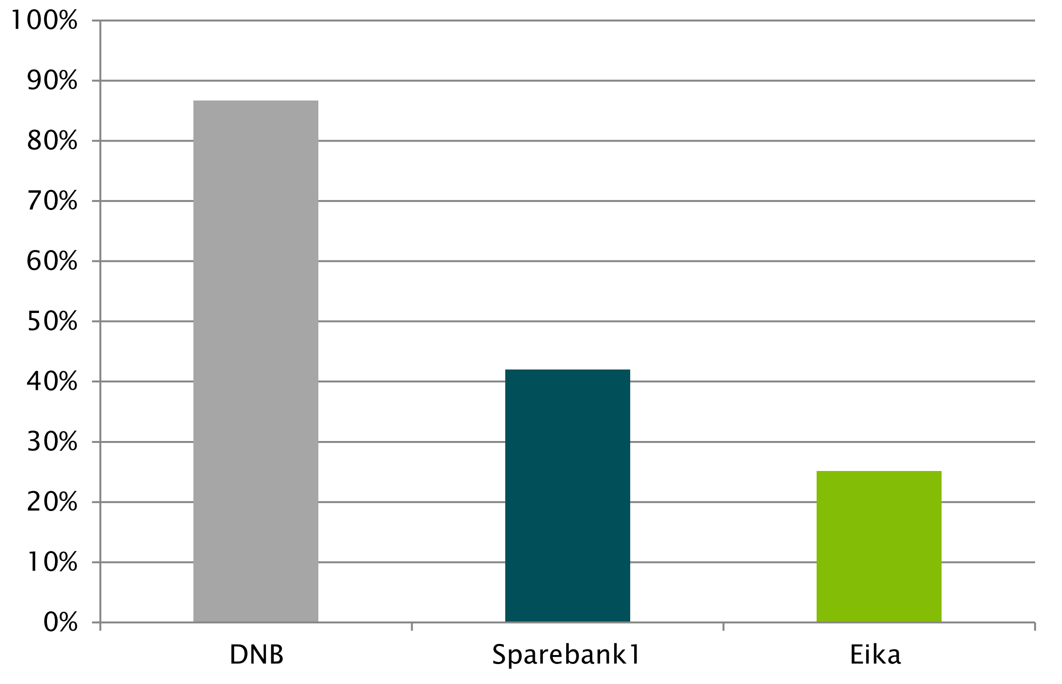
Summary of the cover pool

LTV Comparison with peers*



Source: Investor Presentations DNB May 2013 and SPB1 March 2013. as of 31.03.2013

Share of retail mortgage loans transferred to CB issuer*



Source: Bank Analyst, Eika Gruppen, as of 31.12.2012

Stress test: Decline in house prices*

Stress test house price reduction	Today's market	Decline of 15%	Decline of 25%	Decline of 35%
Portfolio total value	5,958,094	5,958,094	5,958,094	5,958,094
Part of mortgages exceeding 75% LTV	-	1,109	33,554	260,236
Share of total portfolio >75% LTV	-	0.02%	0.56%	4.37%

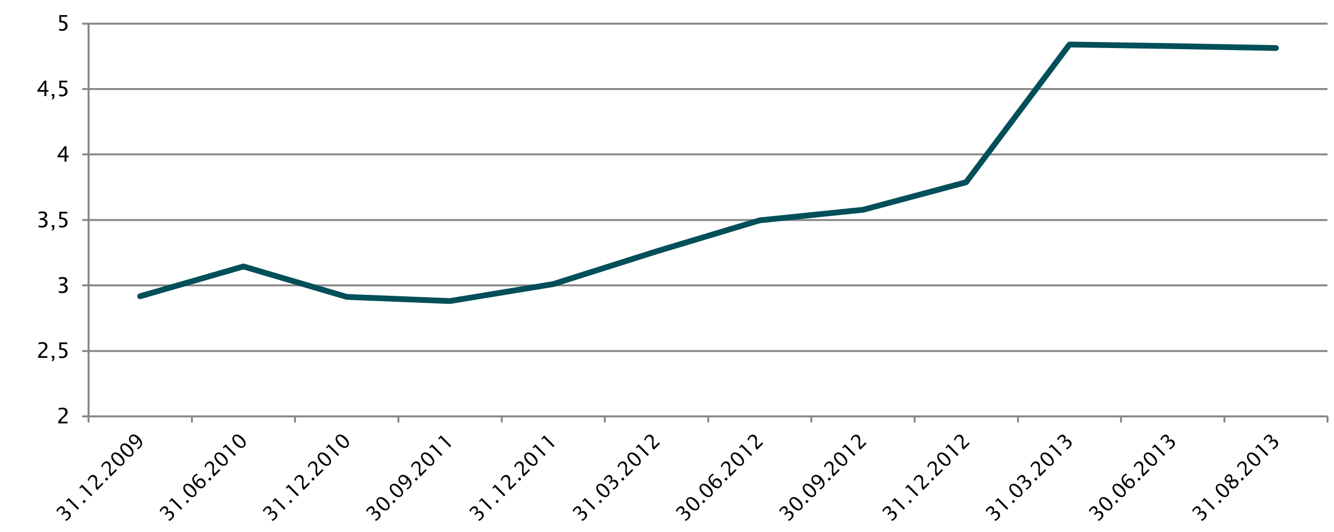
As of 31.12.2012 Numbers are in EUR thousand

Agenda

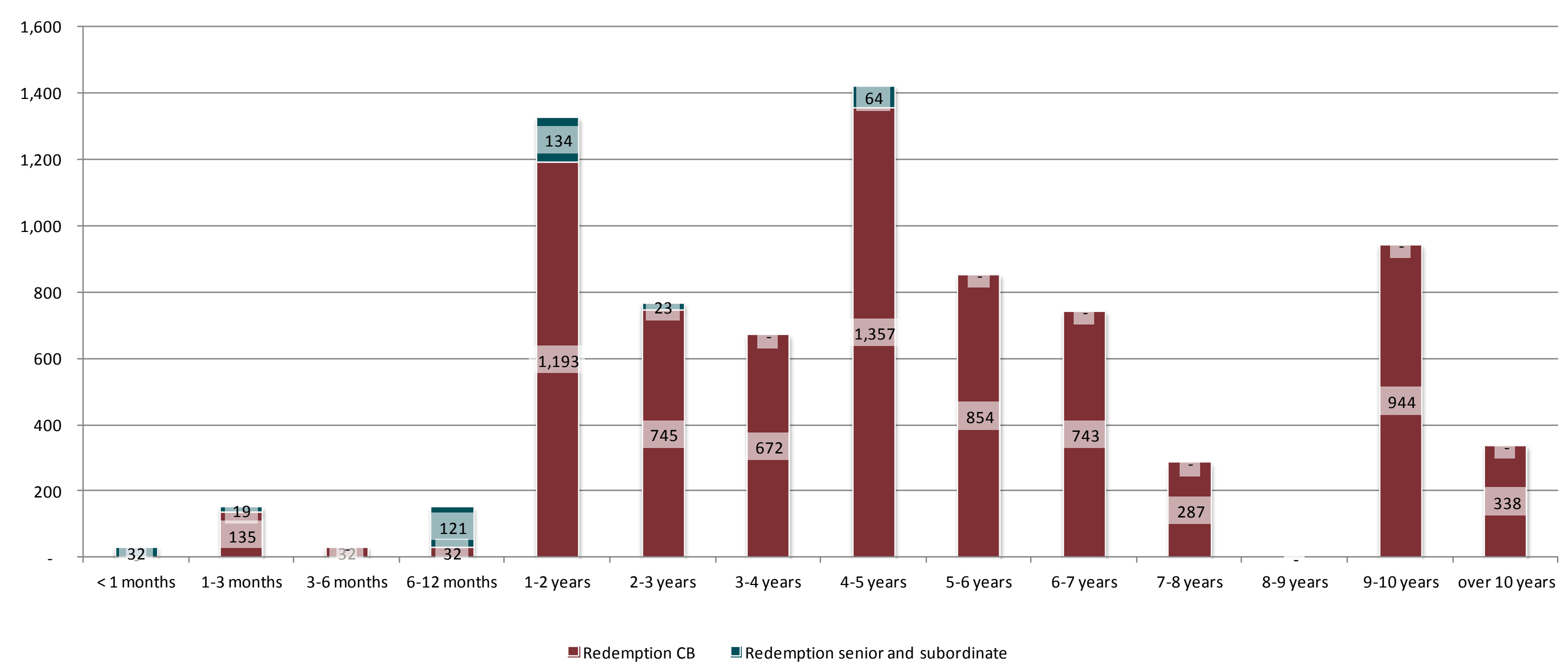
Strong risk management

- Both sides of the balance mostly swapped to 3 month NIBOR
- Minimum Over Collateralization level of 5% (committed in EMTCN Program)
- Redemption within any future 12-month rolling period should not exceed 20% of the gross funding at the time of redemption
  - The 20% level is related to the expected maturity on the assets, i.e. 5 years
- Internal target to have liquid assets covering at least 75% of redemptions coming within the next 12 months
- One of the stress tests is the refinancing Indicator I
  - a simulation taking into account, amongst other elements, expected growth and future transactions
  - ensuring availability of funding options within the 20% limit also forwards

Average time to maturity of the funding



Maturity profile



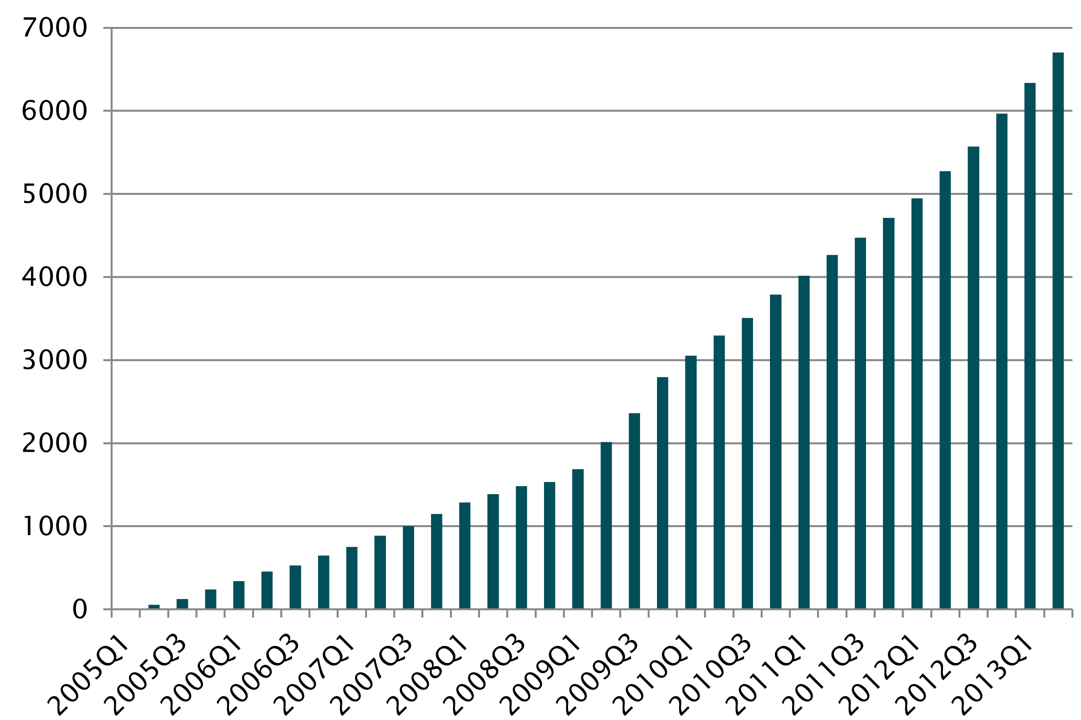
As of 31.08.2013. EURNOK 7.85

Funding and strategy

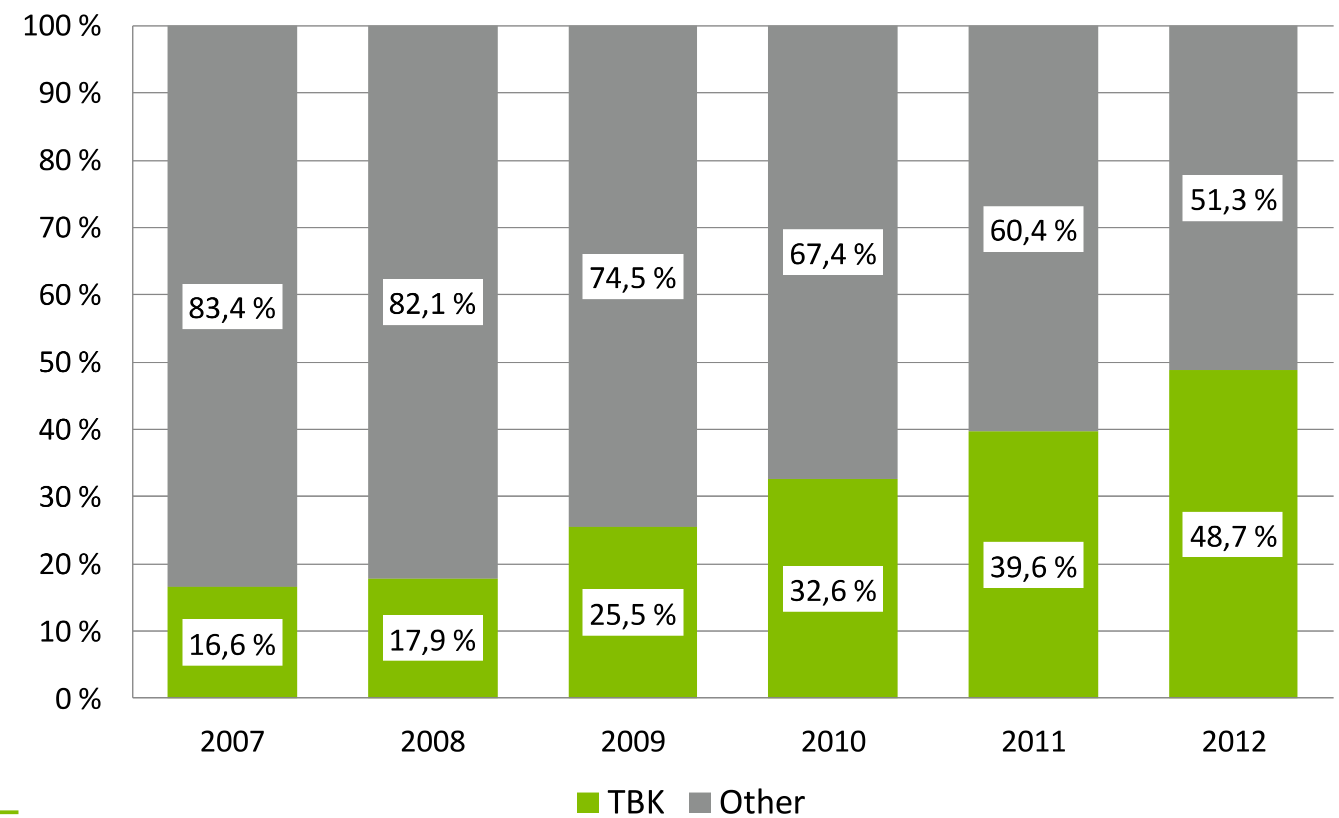
- With a stable organic growth, and redemptions starting to materialize in EUR, EIKBOL has evolved from the EUR 500mn no-grow strategy, to an issuer of Jumbo covered bonds with its inaugural EUR 1bn November 2017 transaction launched in late October 2012 followed by the EUR 1bn January 2023 transaction issued in January 2013.

- To reflect this shift EIKBOL has increased the European Medium Term Covered Note Program to a size of EUR 20bn
    - ➢ Active in both the NOK and EUR funding market
    - ➢ EIKBOL has the objective to be a frequent issuer in the Euro covered bond market, and to have an established, liquid yield curve

Stable Growth in the loan book



EIKBOL funding in % of Eika bank's external funding



EURNOK as of 30.06.2013: 7.8845

Source: Bank analyst Eika

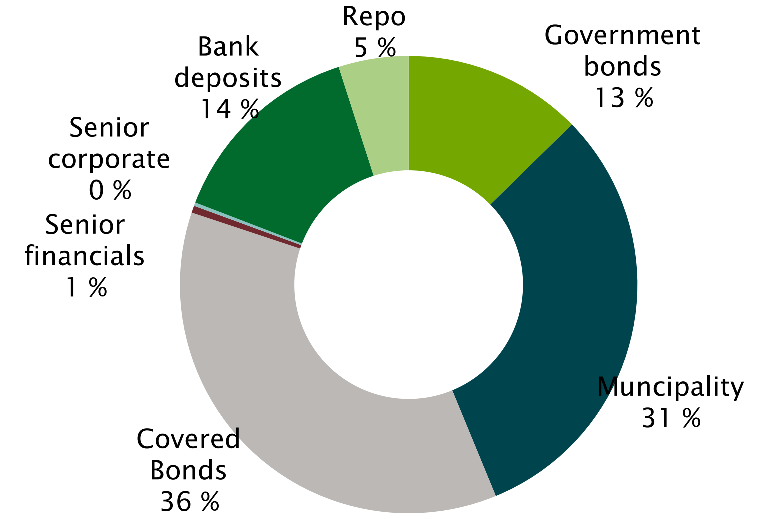
Liquidity portfolio

- **The substitute assets constitute EBK's liquidity buffer**
- **The Liquidity portfolio conforms to a conservative investment policy**
  - Only Norwegian, and NOK denominated exposure
  - Portfolio weighted average time to maturity of maximum 2 years
  - An individual investment can have a maturity of max 3 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 0.5 years, and individual securities less than 1 year

Sector and tenor

Sector	Market Value (euro)	In % of portfolio	TtM
Government bonds	163,718,090	13 %	0.22
Muncipality	402,818,777	31 %	0.30
Covered Bonds	470,149,409	36 %	1.87
Senior financials	6,425,827	0 %	0.95
Senior corporate	3,182,832	0 %	1.47
Bank deposits	183,790,390	14 %	0.00
Repo	64,070,299	5 %	0.05
Total portfolio	**1,294,155,625**	**100 %**	**0.81**

Liquidity portfolio by sector

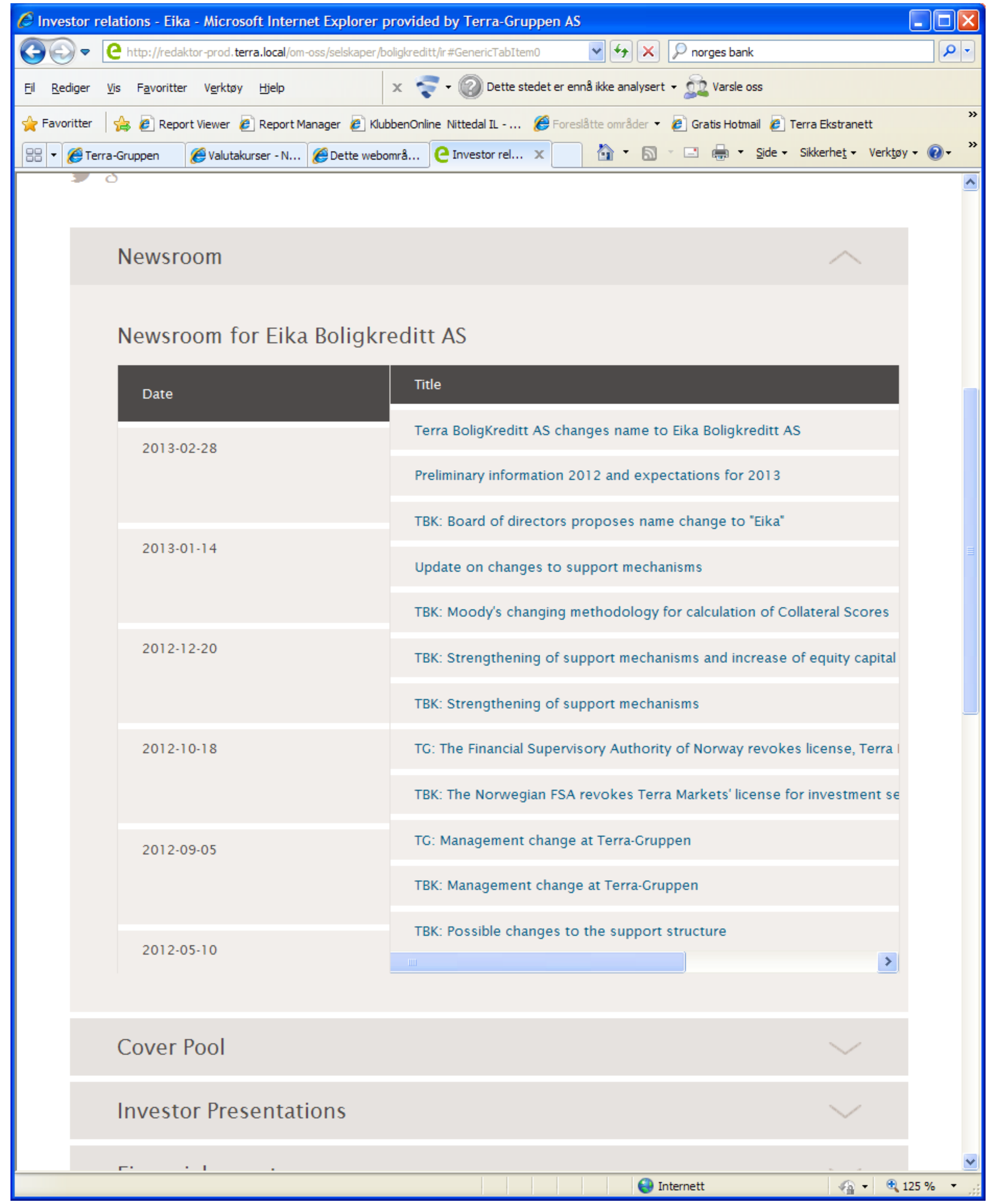


EURNOK as of 30.06.2013: 7.8845

Funding and strategy

- To establish and maintain EIKBOL as a solid, well-known and frequent borrower
  - ➢ Diversified funding both in terms of geography and investor type
  - ➢ Between ½ - ¾ of the funding expected to be international

- Provide the market with high quality and transparent information
  - ➢ Timely and high quality annual/quarterly reports and financial statements
  - ➢ Frequent road shows and investor presentations
  - ➢ Quarterly data on the cover pool on a (in accordance with standard developed by NCBC on request of CBIC) available on **http://eikabk.no**



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Agenda

Appendix

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

P&L in NOK mil.	2 007	2 008	2 009	2 010	2 011	2 012
Net interest income	3 241	3 655	3 387	3 512	3 631	3 777
Net commission income	562	576	580	662	734	863
Other income	53	53	54	43	44	43
Total income	3 856	4 284	4 021	4 217	4 409	4 683
Personnel and adm. expenses	1 857	1 994	2 029	2 061	2 134	2 243
Depreciation	196	187	165	123	98	95
Other costs	404	404	442	469	495	515
Total costs	2 456	2 585	2 636	2 653	2 726	2 852
Core earnings before loan losses	1 400	1 699	1 385	1 564	1 683	1 831
Write-downs on loans	39	580	442	404	458	329
Core earnings	1 361	1 119	943	1 160	1 225	1 502
Dividends/associated companies	148	152	81	177	189	89
Net return on financial investments	-59	-741	564	218	-78	217
One-offs and loss/gain on long-term assets	11	-93	117	376	-69	147
Pre tax profit	1 460	437	1 704	1 931	1 267	1 955
Taxes	397	247	443	501	412	542
Net profit	**1 063**	**190**	**1 261**	**1 430**	**855**	**1 413**

Source: Bank Analyst Eika

All numbers in NOK. EURNOK as of 31.12.2012: 7.38

Appendix

Eika banks - Balance and key figures

Balance	2 007	2 008	2 009	2 010	2 011	2 012
Gross loans	137 909	147 551	151 218	157 375	159 645	166 255
Deposits	98 473	106 921	111 983	120 419	128 567	137 142
Equity	13 997	14 200	15 496	16 748	17 525	18 833
Total assets	157 594	175 654	184 321	190 813	196 623	200 895
Growth in loans	14,3 %	7,0 %	2,5 %	4,1 %	1,4 %	4,1 %
Growth in deposits	11,6 %	8,6 %	4,7 %	7,5 %	6,8 %	6,7 %
Deposit ratio	71,4 %	72,5 %	74,1 %	76,5 %	80,5 %	82,5 %
(Market funding - Liquid assets)/Total assets	16,7 %	16,0 %	13,7 %	11,6 %	7,8 %	6,3 %
Equity ratio	8,9 %	8,1 %	8,4 %	8,8 %	8,9 %	9,4 %
Core capital ratio	15,0 %	15,1 %	16,4 %	17,0 %	17,3 %	18,2 %
Capital ratio	16,0 %	16,3 %	17,6 %	18,2 %	18,2 %	18,7 %
Key figures						
Net interest/total assets	2,21 %	2,19 %	1,88 %	1,87 %	1,87 %	1,90 %
Net commission incom/total assets	0,38 %	0,35 %	0,32 %	0,35 %	0,38 %	0,43 %
Loss provision ratio	0,03 %	0,41 %	0,30 %	0,26 %	0,29 %	0,20 %
NPL and problem loans	1,24 %	1,96 %	2,02 %	1,83 %	1,89 %	1,79 %
(NPL + Problem loans)/(Equity + LLR)	11,5 %	18,6 %	18,0 %	15,9 %	15,9 %	14,6 %
Cost/income ratio (adj.)	63,7 %	60,3 %	65,6 %	62,9 %	61,8 %	60,9 %
Net profit in % of total assets	0,72 %	0,11 %	0,70 %	0,76 %	0,44 %	0,71 %
Net profit on core earnings in % of RWA	1,51 %	1,17 %	0,96 %	1,12 %	1,14 %	1,37 %
Return on equity	7,9 %	1,4 %	8,5 %	8,9 %	5,0 %	7,8 %

Source: Bank Analyst Eika

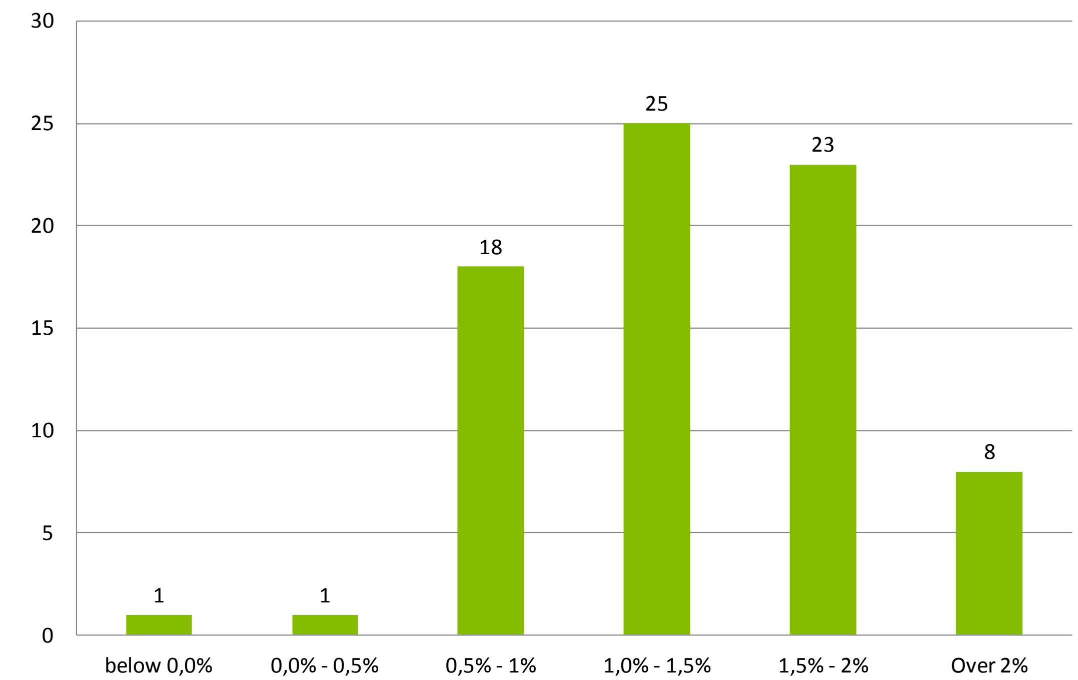
All numbers in NOK. EURNOK as of 31.12.2012: 7.38

Appendix

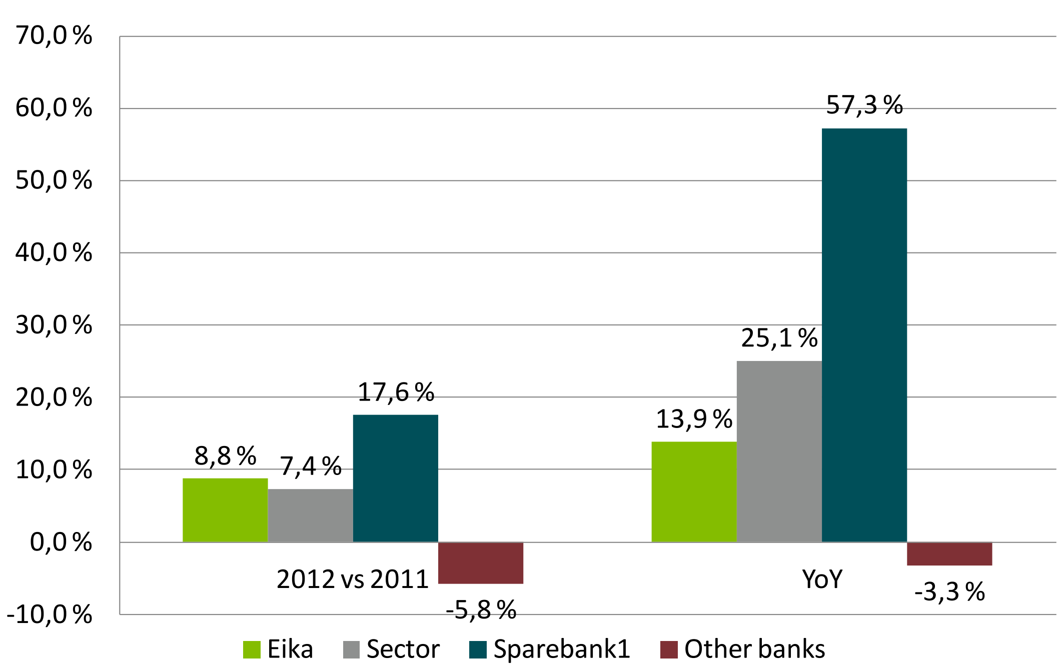
Improved core earnings

- NOK 1.502 mill. vs NOK 1,225 mill. in 2011
  - In % of RWA 1.35% vs. 1.13% in 2011
- Core earnings after loan losses increased with 79.7% YoY (4Q12 vs. 4Q11) and with 22,6 % from 2011 to 2012
- One banks with negative core earnings, due to loan losses
- Average yearly growth rate in core earning of 6.2% before loan losses and 8.1% after last 12 years

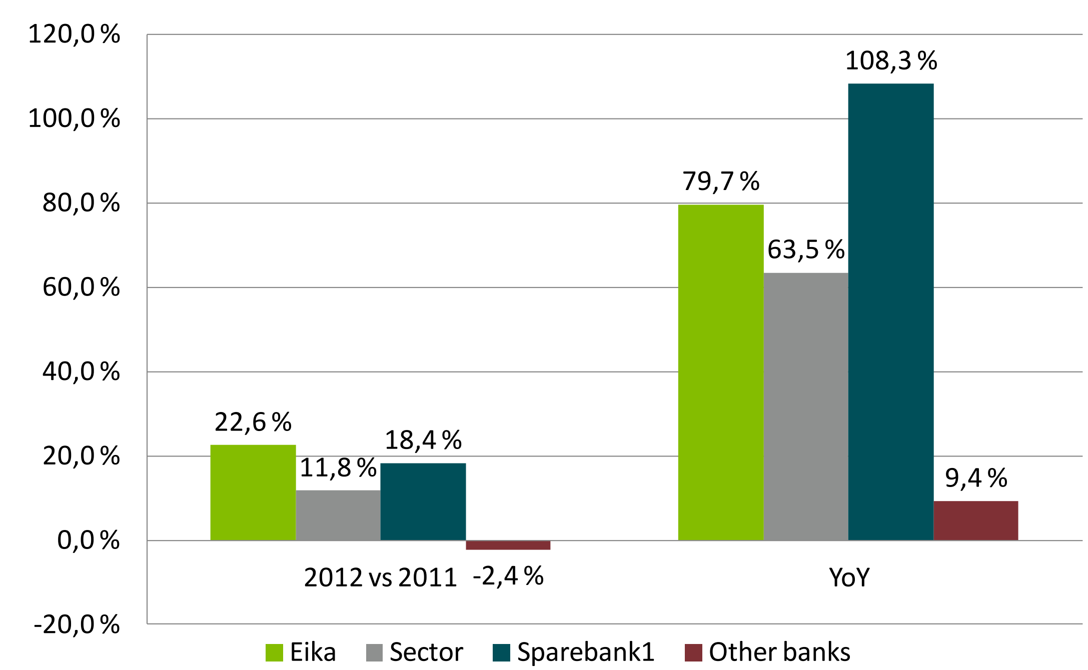
Core earnings after loan losses in % of RWA



Change in core earnings before loan losses – Eika vs. other banks



Changes in core earnings after loan losses – Eika vs. other banks



Source: Bank analyst Eika

Appendix

Eika banks have transferred a relatively low share of retail loans to CB company

Numbers in NOK mill.	Gross lending	Retail lending	Transferred to CB company	Transfer-rate retail	Retail share
DNB (1)	1296800	599030	519362	86,7 %	49,9 %
Nordea	455990	219885	113806	51,8 %	48,2 %
BN Bank	33876	8216	6240	43,2 %	24,3 %
Eika banks (2)*	166255	121901	40884	25,1 %	73,3 %
Other banks*	267945	155587	105443	40,4 %	58,1 %
Sparebank1*	357714	196302	141862	42,0 %	54,9 %
SR-BANK*	103582	51431	48155	48,4 %	49,7 %
Sparebank1 SMN*	72464	31412	29348	48,3 %	43,3 %
Sparebanken Vest*	68567	40517	39166	49,2 %	59,1 %
Sparebank1 Nord-Norge*	51139	29390	21363	42,1 %	57,5 %

* Retail share on own loan book (after transfer to CB company)

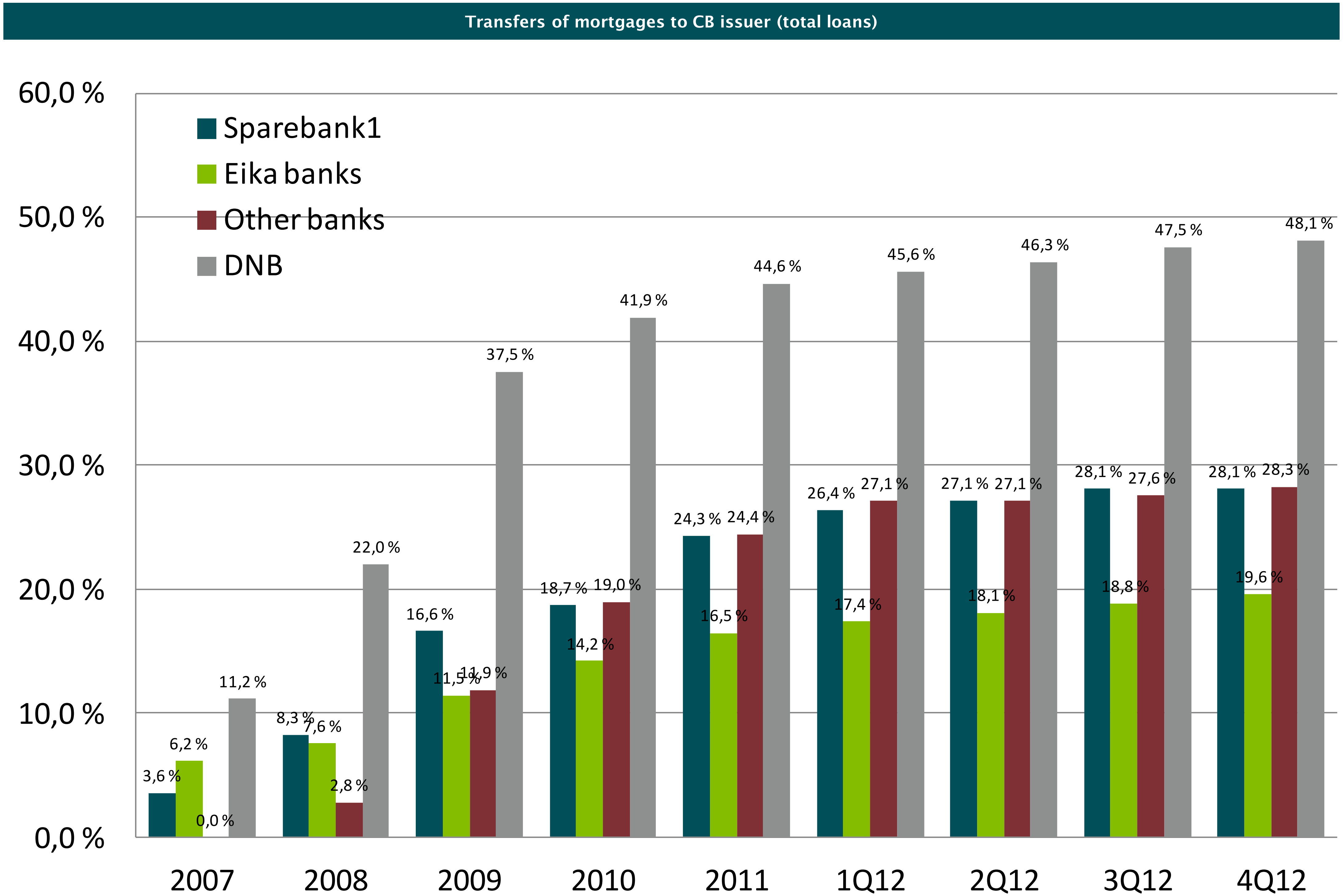
1 DNB adjusted and estimated number

2 Eika adjusted for OBOS

As of 31.12.2012

Appendix

Transfers of mortgages to CB issuer



Appendix

Lending distribution - high retail share compared to peers

Significantly higher retail share compared with Sparebank1, other saving banks and DNB.

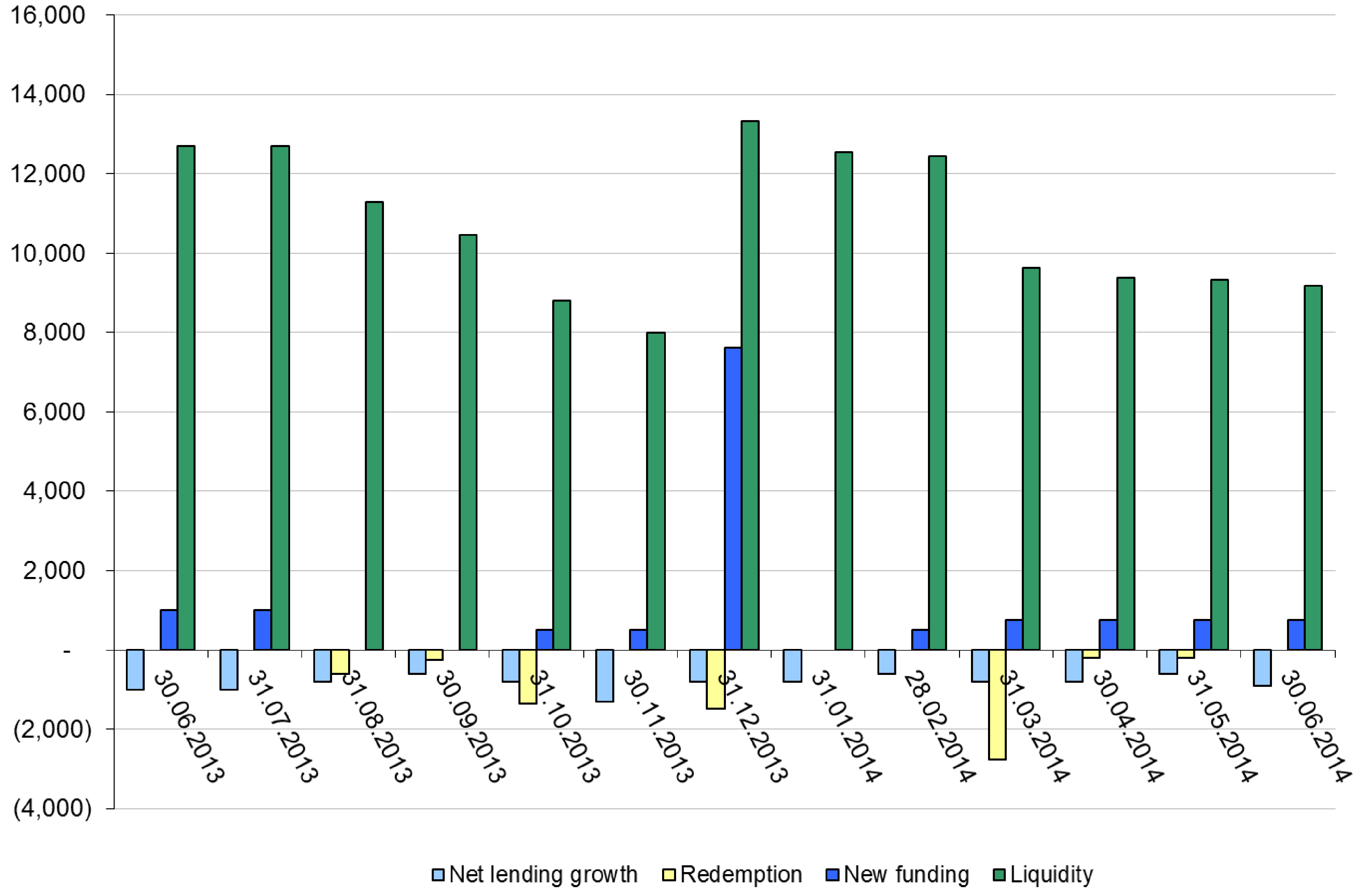
Exposure to agriculture has more in common with retail loans since the house on the farm often makes up the main collateral of the loan

No exposure to shipping and relatively low exposure to commercial real estate

Sector	Eika	Other banks	Sparebank 1	DNB	Nordea
Agriculture/forestry	5,0 %	2,7 %	5,3 %	0,7 %	0,0 %
Fishing/fish farming	0,0 %	2,1 %	0,8 %	1,4 %	0,0 %
Industry	1,4 %	2,4 %	2,6 %	3,5 %	7,1 %
Building and construction	3,8 %	4,0 %	3,9 %	3,3 %	2,7 %
Trade and hotels	2,3 %	2,3 %	2,6 %	3,3 %	3,5 %
Shipping	0,0 %	1,7 %	1,8 %	9,8 %	9,1 %
Real estate business	9,9 %	18,9 %	18,5 %	14,3 %	17,0 %
Service industry	1,6 %	4,1 %	4,6 %	6,0 %	2,3 %
Transport/comm.	1,0 %	1,2 %	3,1 %	2,4 %	1,5 %
Other	1,6 %	2,1 %	1,1 %	4,9 %	8,3 %
Public sector	0,1 %	0,2 %	0,8 %	0,5 %	0,1 %
Retail customers	73,3 %	58,2 %	54,9 %	49,9 %	48,2 %
Total	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %

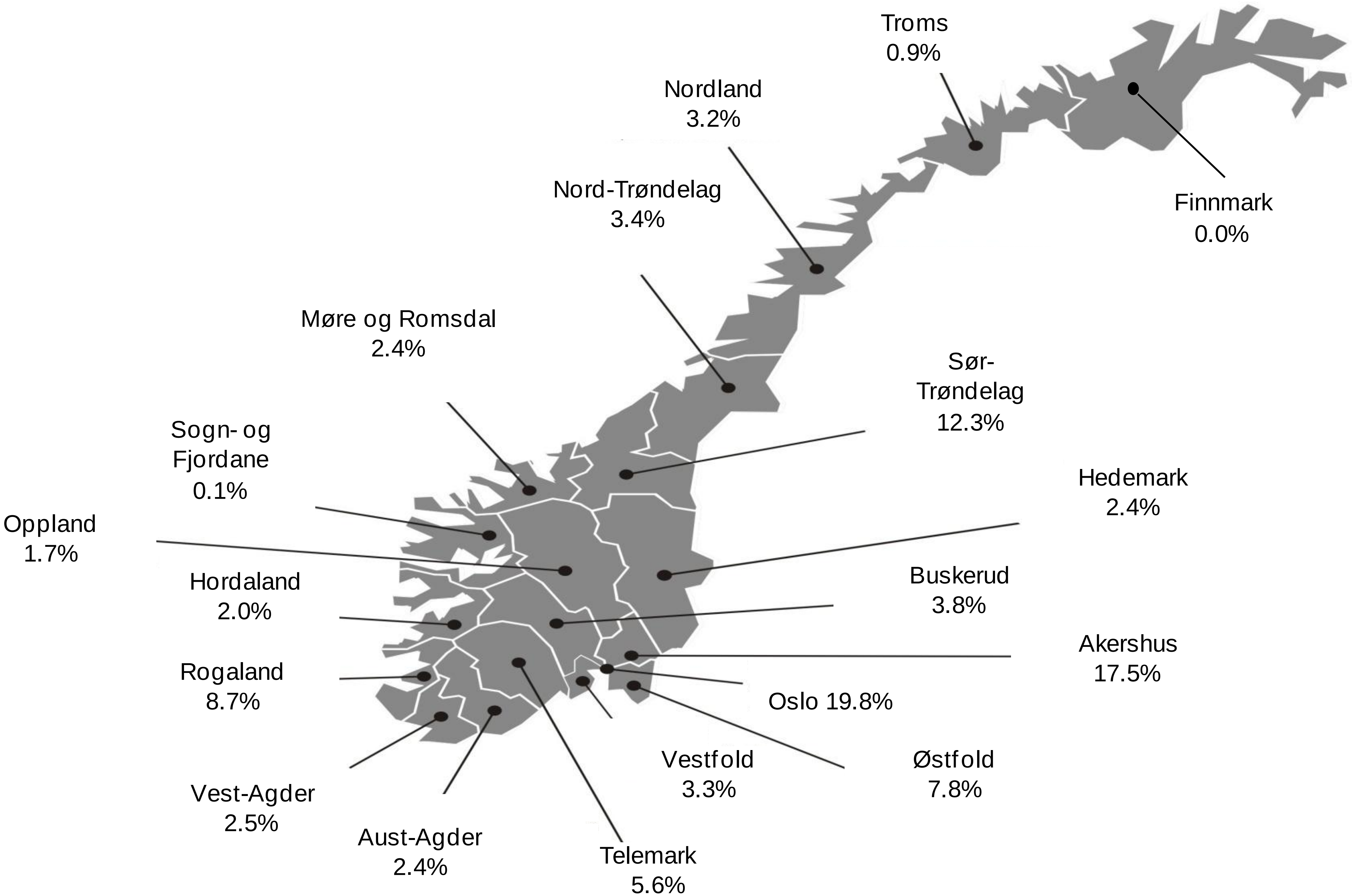
Appendix

12 month liquidity profile EIKBOL



Appendix

Strong geographical diversification



Map of distribution as of 31.12.2012

Comparison of legal frameworks

	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
Potential Collateral	Residential mortgages, commercial mortgages, public sector debt	Residential Mortgages, commercial mortgages (max 10%), public sector debt	Residential and commercial mortgage loans and substitute collateral. 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	No	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)	Yes	Up to 20%	Max. 20%
Geographical scope for public assets	OECD	OECD	Not applicable	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	Prudent Market value	Market value	Mortgage lending value	Market value	Mortgage lending value
Valuation check	Regular surveillance through accountant	Regular monitoring of property values	No explicit regulation	Regular examination	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	No	No	8% on a risk-weighted basis is required by law – also at capital centre level.	Yes (2% on a NPV basis)	2% NPV
Fulfills UCITS 22(4)/CRD	Yes	Yes	Yes	Yes	Yes

Source: Natixis Covered Bond Research

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