

Eika Boligkreditt

Roadshow presentation

February/March 2014



eika.

Agenda

The operating environment	2
Eika banks	10
Eika Boligkreditt and Collateral Pool	18
Funding strategy and activity	29
Appendix	35
Disclaimer	48

The operating environment

The Norwegian economy – Key indicators

- Constitutional monarchy; Non EU member (EEA member); Population of 5 million
- Aaa / AAA / AAA rated country (all with stable outlook)
- 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
 - Domestic demand supported by low unemployment

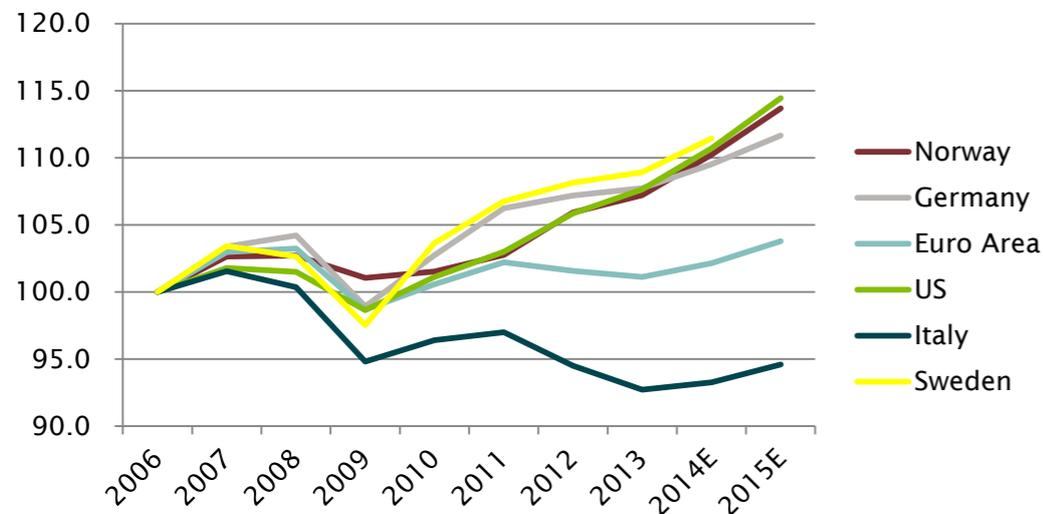
	2007	2008	2009	2010	2011	2012	2013E	2014E	2015E
GDP growth (Mainland)	5.3 %	1.5 %	-1.6 %	1.7 %	2.5 %	3.4 %	1.8 %	2.1 %	2.5 %
Consumer price inflation	0.8 %	3.8 %	2.1 %	2.5 %	1.2 %	0.8 %	2.1 %	2.0 %	2.0 %
Unemployment	2.5 %	2.6 %	3.2 %	3.6 %	3.3 %	3.2 %	3.5 %	3.6 %	3.7 %
Private Consumption	5.4 %	1.8 %	0.0 %	3.8 %	2.5 %	3.0 %	2.3 %	2.3 %	3.6 %
Household savings rate	0.9 %	3.8 %	7.1 %	5.8 %	7.3 %	8.5 %	8.7 %	9.2 %	9.1 %
Houseprices	12.6 %	-1.1 %	1.9 %	8.3 %	8.0 %	6.7 %	3.9 %	-2.2 %	2.7 %
Interest rates (money market)	5.0 %	6.2 %	2.5 %	2.5 %	2.9 %	2.2 %	1.8 %	1.7 %	1.8 %
Government budget surplus / GDP	17.3 %	18.8 %	10.5 %	11.1 %	13.4 %	13.9 %	11.3 %	11.0 %	10.6 %
Government pension fund / GDP	78 %	79 %	95 %	131 %	130 %	131 %	153 %	162 %	170 %

Source: Statistics Norway , OECD and Ministry of Finance

The operating environment

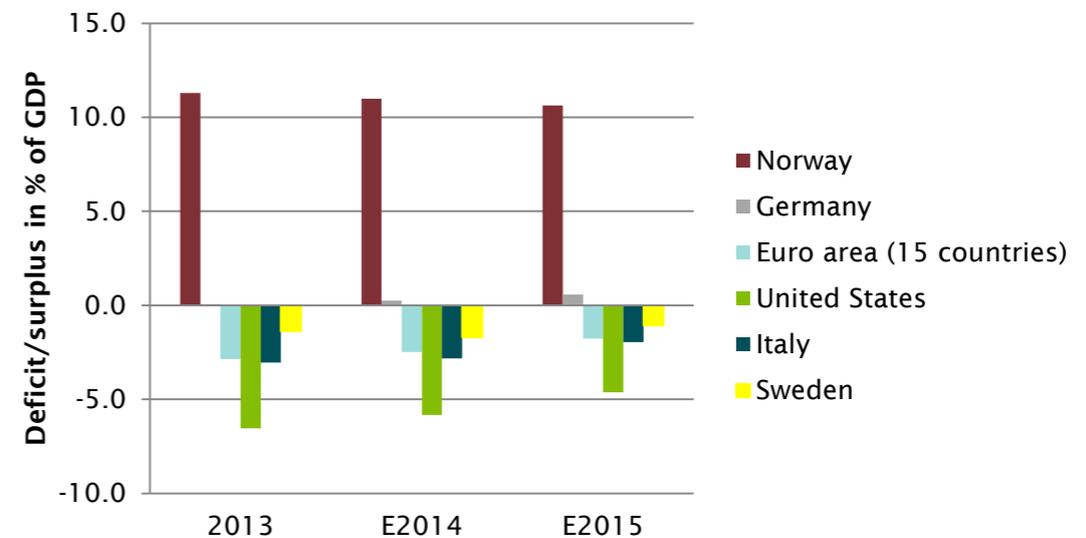
The Norwegian economy – Solid economic situation

Real GDP growth (indexed to 100)



Source: OECD Economic Outlook No. 94 (database), November 2013

Government budget deficit/surplus



Source: OECD Economic Outlook No. 94 (database), November 2013

- Norway has an extremely strong balance sheet
- Relatively high net central government financial assets (166% of GDP in 2011)
- Significant budget surplus (11.3% of GDP in 2013) and the Government Pension Fund well in excess of GDP
- Sound economic growth at an annual average of 2.7% for mainland GDP for the last 10 years
- Strong current account surplus averaging around 14% of GDP since 2002

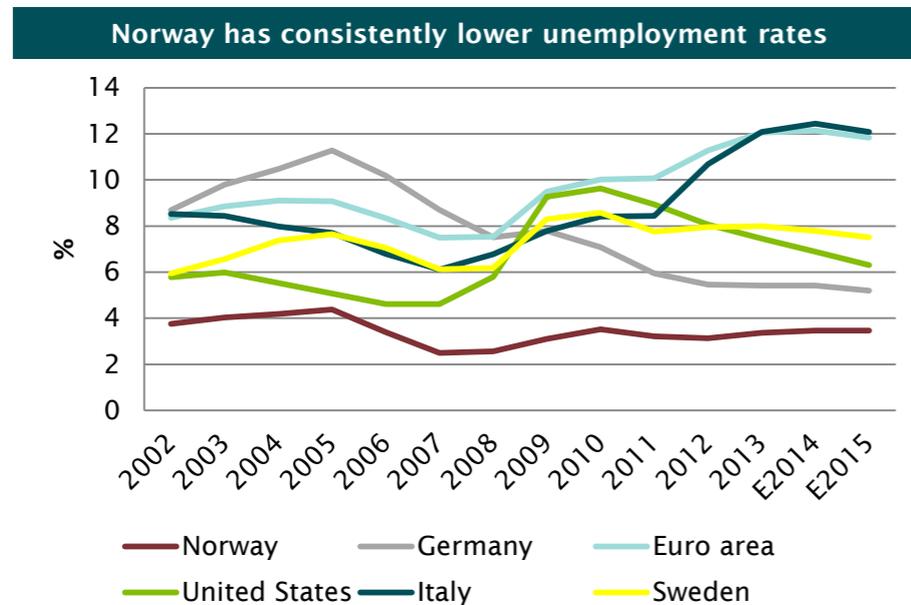
Government Pension Fund Global



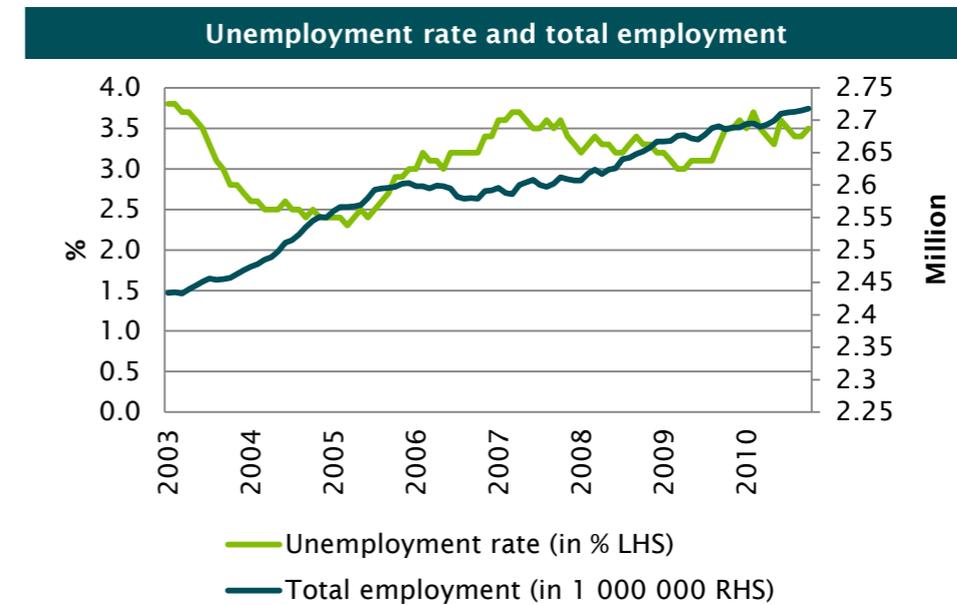
Source : Ministry of Finance, Statistics Norway

The operating environment

The Norwegian economy – Low unemployment



Source: OECD Economic Outlook No. 94 (database), November 2013



Source: Statistics Norway, updated November 2013.

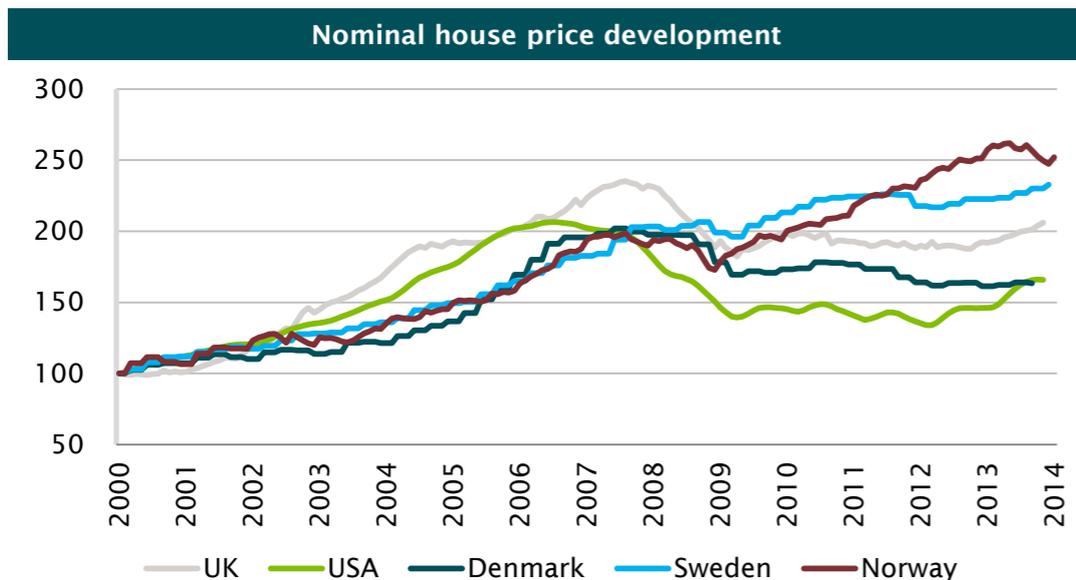
- A buoyant economy ensures a high rate of employment
- Average unemployment rate of 3.4% in the past 10 years
- A strong welfare system providing significant income protection: average unemployment benefit is 62% of salary for a minimum of 104 weeks

The housing market characteristics in Norway

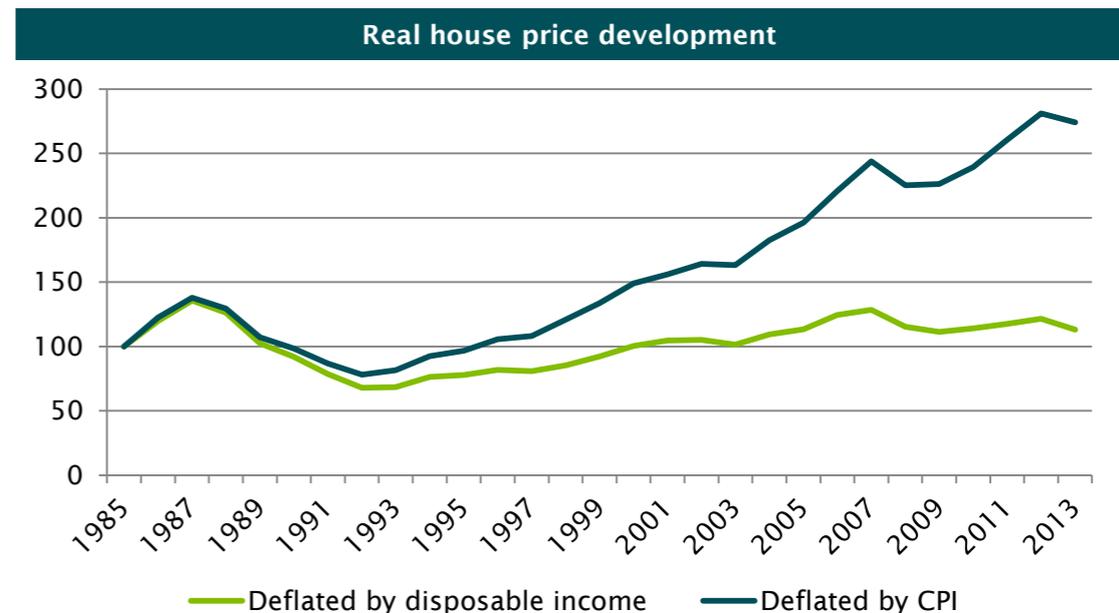
Home ownership	<ul style="list-style-type: none">▪ Among the highest in the world - around 80% are owner-occupied households▪ Total size of the mortgage market ~ NOK 2,000bn (EUR 250bn)
FSA Lending guidelines	<ul style="list-style-type: none">▪ Maximum LTV normally 85% (since Q4 2011, 90% before)▪ In the interest-only loans maximum LTV normally 70%▪ Debt service ability is stress tested for a 5%-point increase in interest rates
Tax incentives	<ul style="list-style-type: none">▪ All interest expenses are tax deductible in Norway at capital gains tax rate (27%)▪ Preferential treatment of properties when calculating the wealth tax (1.0%)▪ Capital gain on a dwelling tax-free after one year of occupancy by the owner
Personal liability	<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
Mortgage lending	<ul style="list-style-type: none">▪ 97% of residential mortgage loans granted by banks/mortgage companies▪ Typical legal maturity 25-30 years, on average 22-23 years▪ 89.5 % of residential mortgages have variable interest rate (Q3 2013)▪ Lenders allowed to adjust interest rates with a six week notice▪ No “sub-prime” market in Norway▪ Very limited buy-to-let market

The operating environment

The housing market – Price development



Source: S&P Case-Shiller Home Price Indices Composite 20, Realkreditrådet, Halifax House price Index, Statistics Sweden, Eiendomsverdi, updated Sept 2013/jan 2014

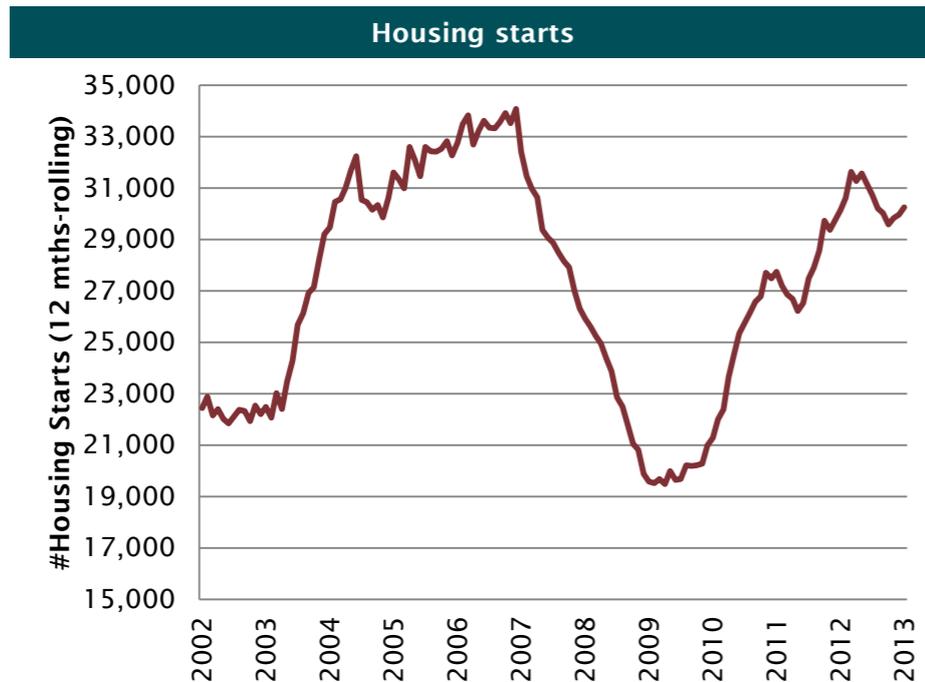


Source: Norges Bank, Statistics Norway, Eiendomsverdi, updated December 2013

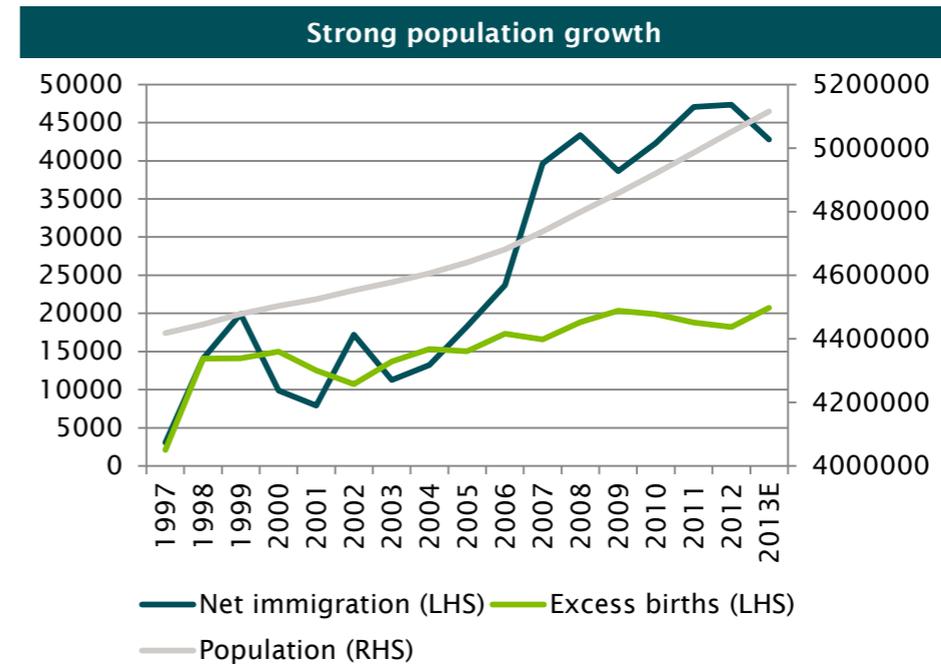
- Nominal house prices have increased by an average of 6.5% per annum since 1985. **However**, when deflated by income growth (6.0% per annum since 1985) the increase in house prices has been very moderate
- The housing market has been spurred by strong economic activity, environment of low interest rates, wage increases, population growth and supply constraints
- Over the recent months the housing market has shown signs of stabilisation and prices have been levelling off. This is reflecting measures taken by the authorities including higher risk weights on mortgages and increased capital requirements for banks

The operating environment

The housing market – Drivers of the housing market



Source: Statistics Norway, updated December 2013



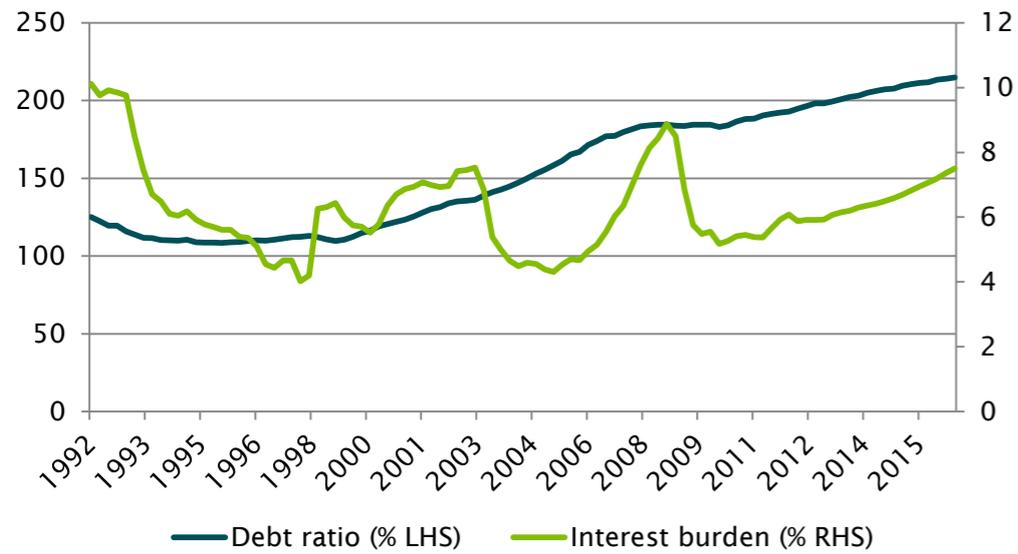
Source: Statistics Norway, updated Q3 2013. Estimate 2013 is based on the assumption Q4 = Q3 for net immigration and excess birth rate

- Shortage of new housing supply 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 from the record low levels of 2009 and 2010 and has recently evolved towards the higher end of the range. This should mitigate the momentum on house prices going forward
- The population growth of 0.9 % p.a. since 1997 has been driven both by excess birth rate (40%) and net immigration (60%)

The operating environment

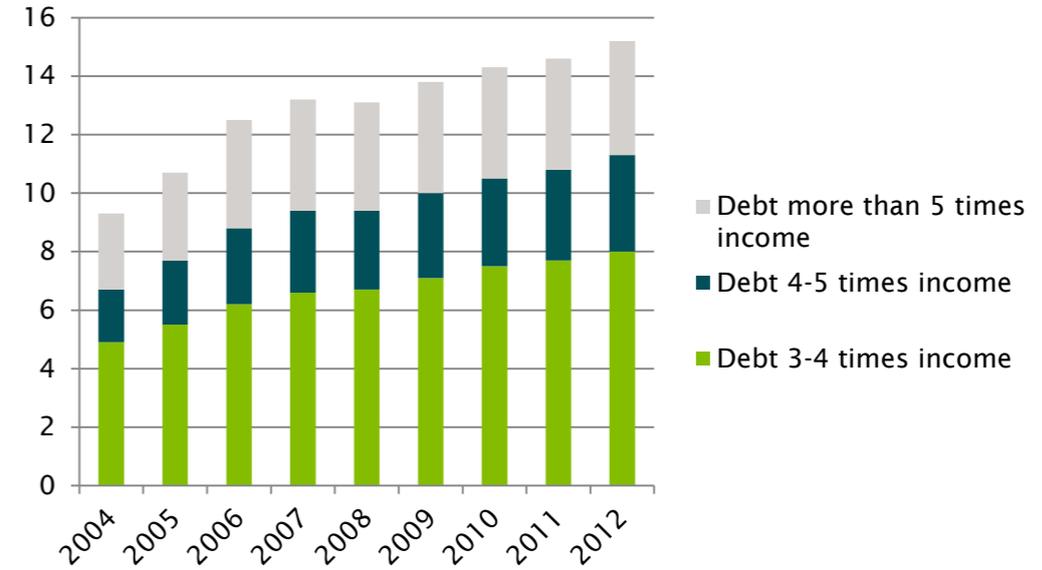
Households financial position

Norwegian household interest-to-income and debt-to-income ratio (in %)



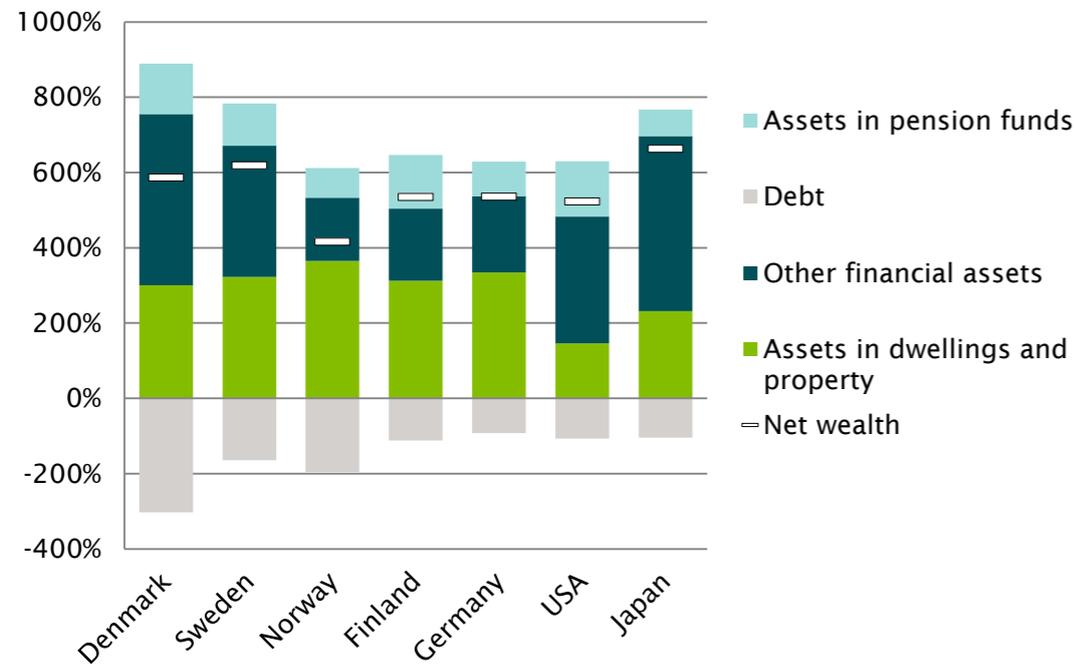
Source: Statistics Norway and Norges Bank, Expectations after March 2013

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



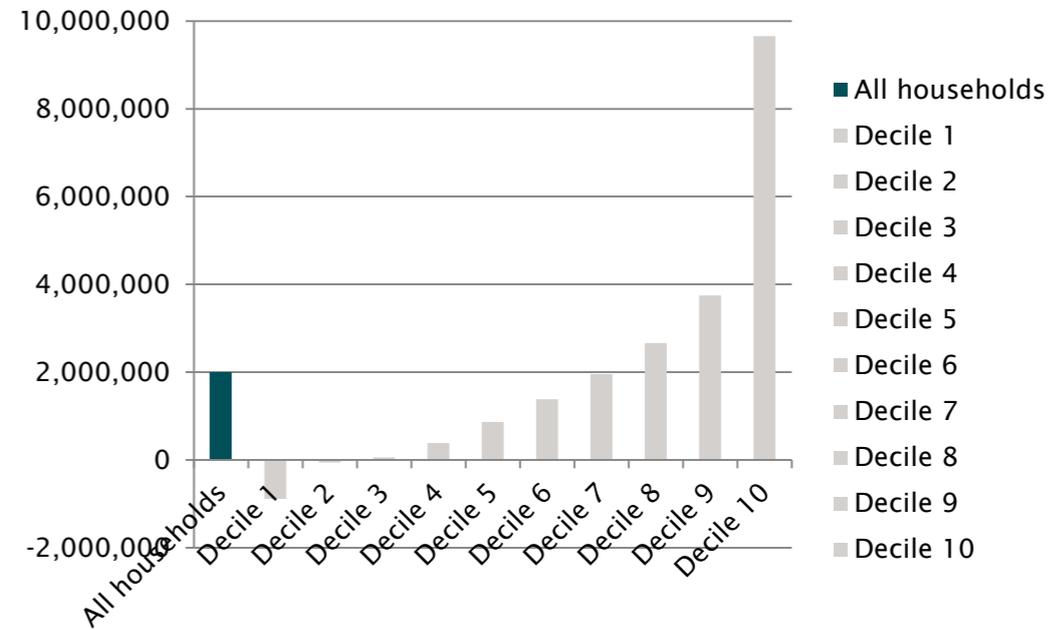
Source: Statistics Norway, December 2012

Household gross wealth and debt (in % of disposal income 2012)



Source: Danmarks Nationalbank, Eurostat, OECD and Nordea, December 2012

Norwegian household net wealth (in NOK)



Source: Statistics Norway, December 2012

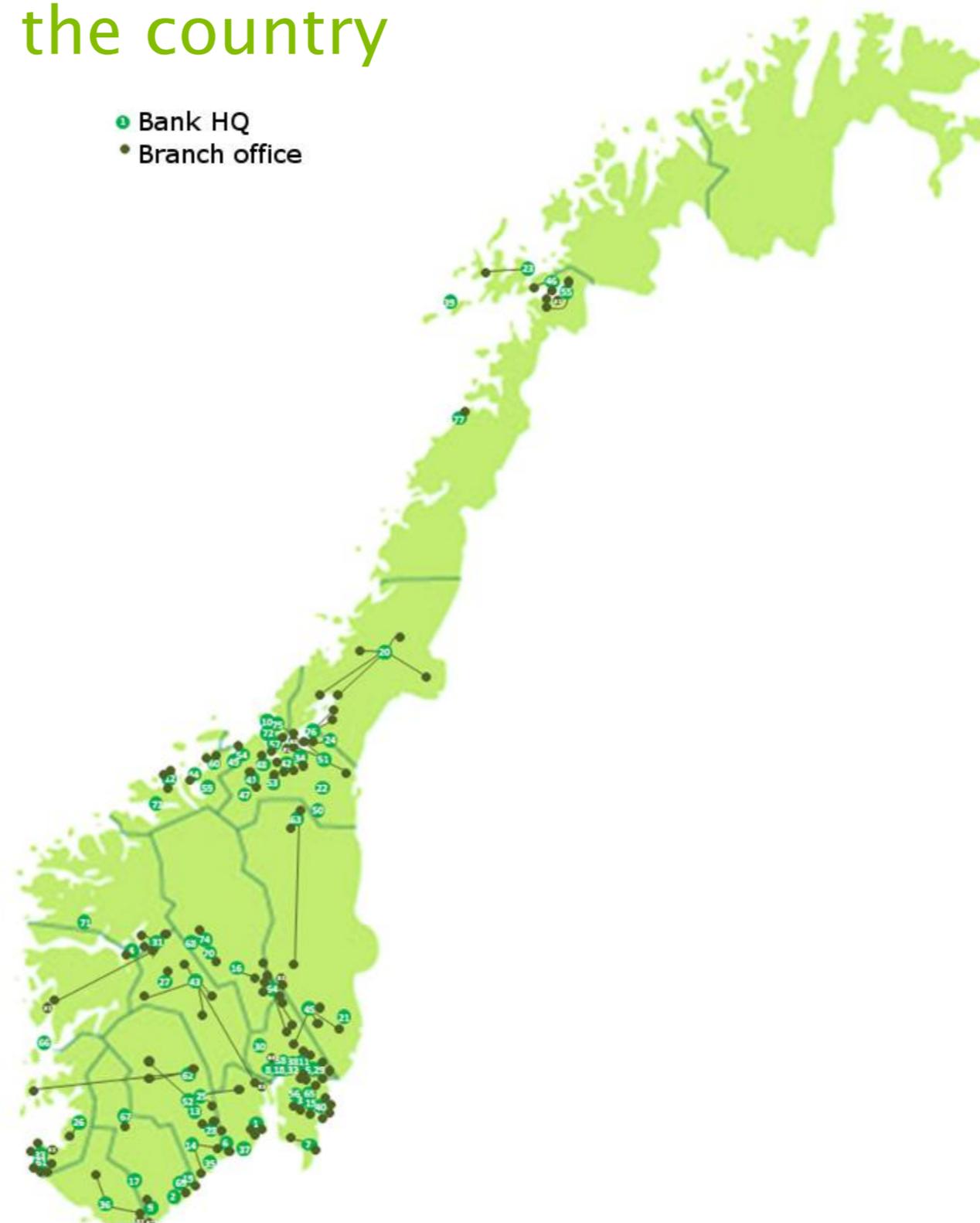
Agenda

The operating environment	4
Eika banks	10
Eika Boligkreditt	18
Funding strategy and activity	29
Appendix	35
Disclaimer	48

Eika banks

Diversified operations across the country

- The Eika banks consist of a group of 75 Norwegian local banks and OBOS*
- The Eika banks' operations are fully focused on serving domestic customers. 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
- Scope of the banking operations:
 - The third largest banking group in Norway
 - 193 branch offices
 - 2,000 employees
- Aggregated balance sheet of Eika Banks is NOK 209bn (€ 26.5bn) and average capital ratio of 18.7 %
- Market share in lending to retail customers
 - Between 40% and 80% in local markets (except the largest cities)
 - 10.4 % overall in Norway



Bank numbers as of 30.06.2013. EURNOK 7.8845

*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

Change of name of the bank alliance

As first announced on 20 December 2012, the Terra bank alliance decided to change the name to “Eika” effective 21 March 2013.

The reasoning behind the name change to “Eika” is mainly related to (1) the savings banks need for identification of their local bank brand to a larger bank alliance brand and thereby signal to their clients that they have the strength to be viable for the future, and (2) the Terra brand did not have the right perception in Norway to fill this rationale as the Terra brand was more associated with “Wall Street” than “Main Street”.

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

As a consequence of the name change, the ticker on Bloomberg has been changed from TERBOL to **EIKBOL** and the ticker code for instruments listed on the Oslo Stock Exchange have been changed from TBK to **EIKB**.

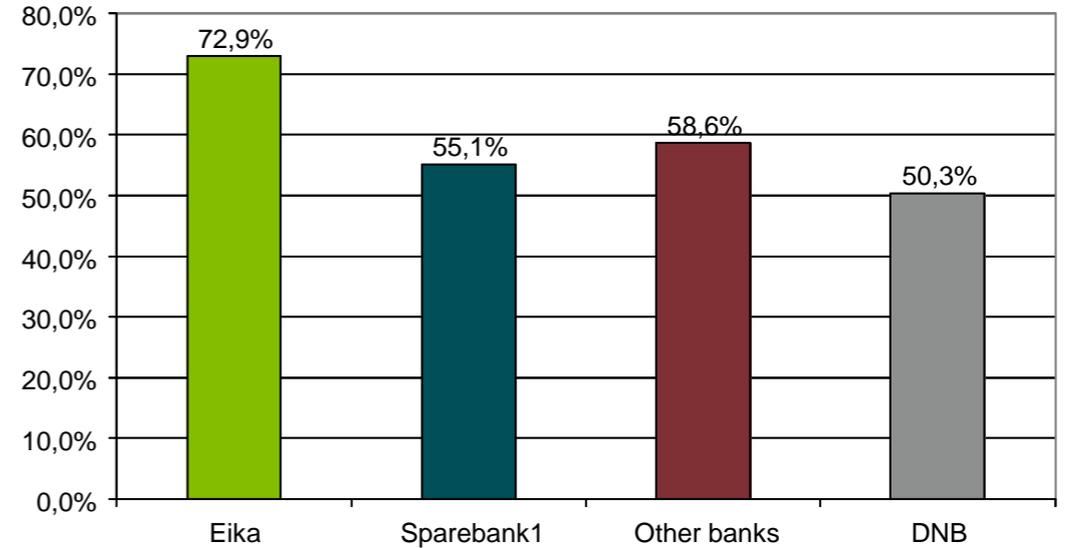
Except for the name change there have been no further legal or organizational changes. The registration ID in the Norwegian business registry remains unchanged.

Eika banks

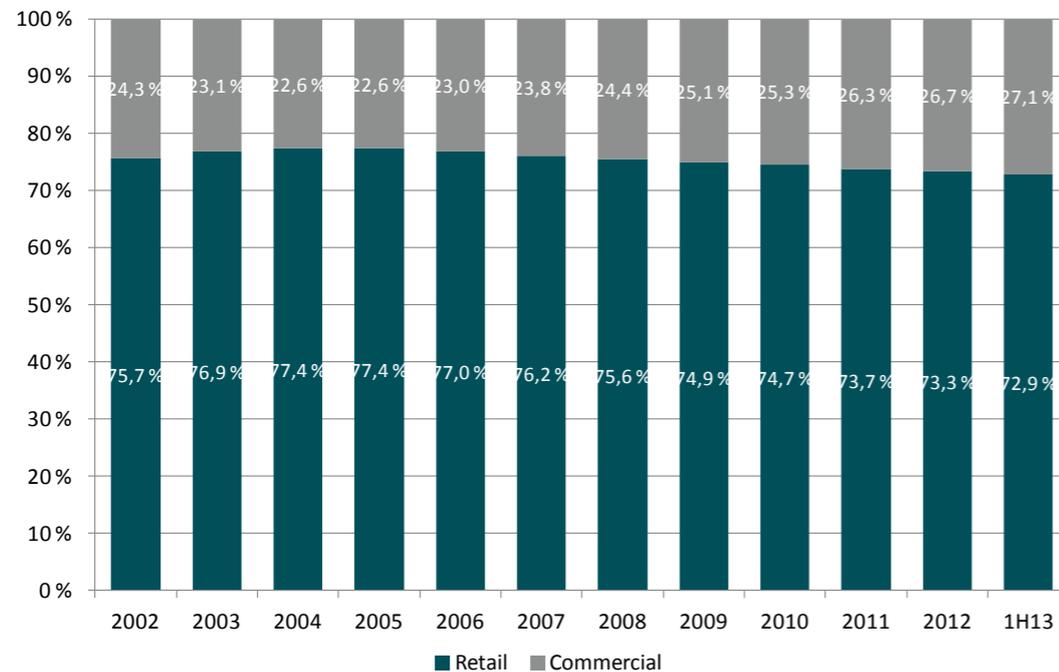
Focus on retail customers

- High and stable retail share
- Retail lending accounts for 72.9% of Eika banks' total lending end 2Q13 (own balance sheet). Including transfers to Eika Boligkreditt the consolidated retail share is 78.9%
- Eika banks have a higher share of retail lending compared to the other Norwegian peers
- Retail lending consist mainly of collateralised loans to housing/mortgage (approx. 94% of total)
- Low average LTV (53.5%) in mortgage portfolio
- Eika banks have low exposure to the corporate sector with no lending to shipping and relatively low exposure to commercial real estate

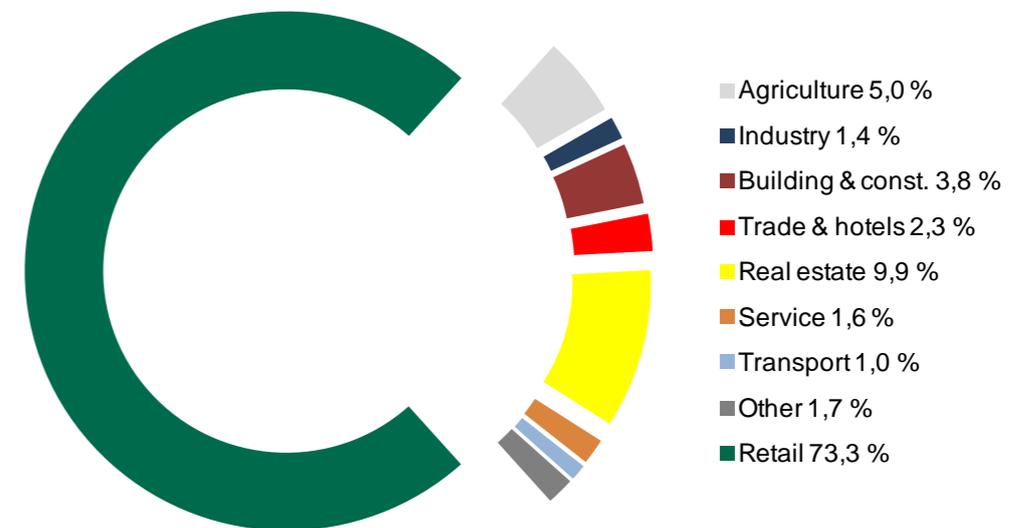
Retail share excl. transfers to CB company - Eika banks vs. peers



Breakdown of the Eika banks lending (own book)



Sector breakdown of the loan book YE 2012



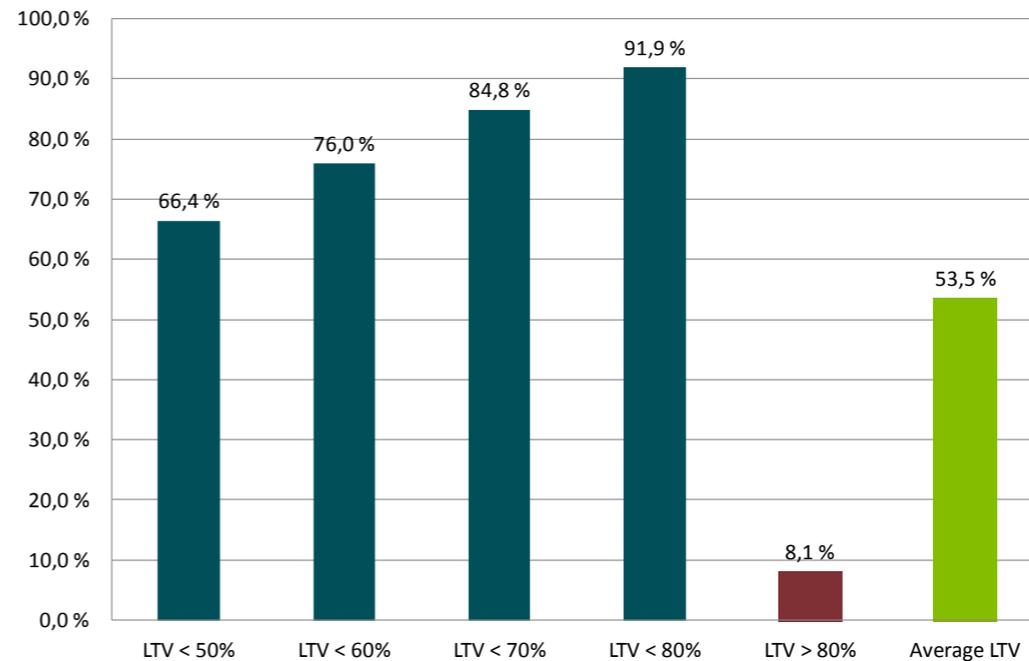
Source: Bank analyst Eika

Eika banks

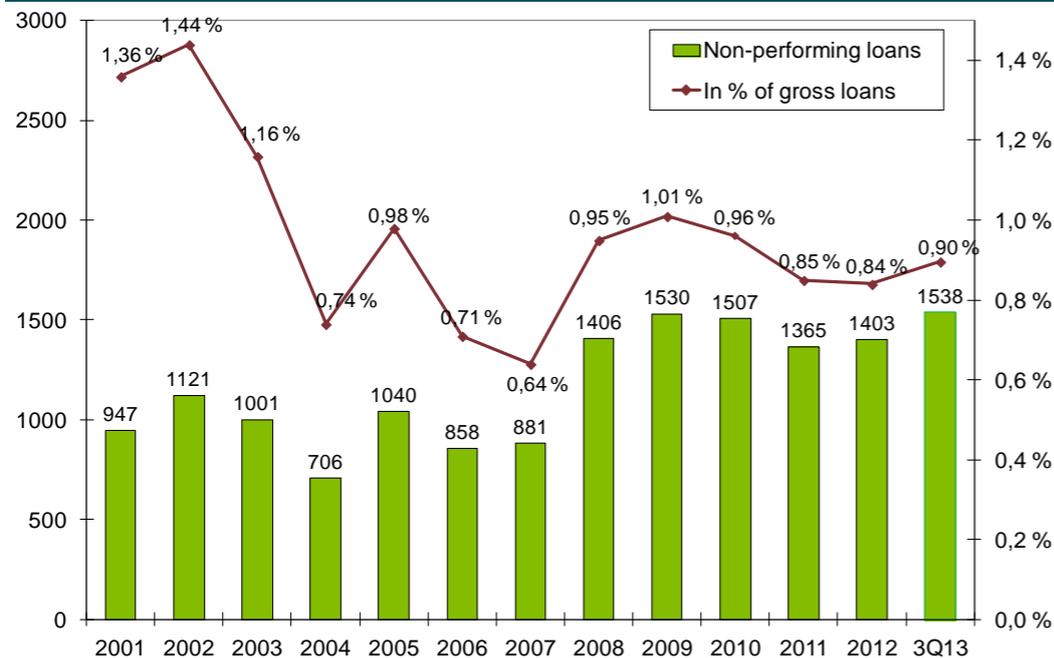
High asset quality

- Conservative risk profile within the banks
- Low average LTV (53.5%) in mortgage portfolio and few loans with LTV in excess of 80% (only 8.1%). 76% of mortgage portfolio within 60% LTV
- Share retail lending ranging from 62% to 97% (excl. transfers to Eika Boligkreditt)
- Few non-performing and problem loans
 - Non-performing loans constitute 0.90% of gross loans in 3Q13, versus 0.95% in 2Q13
 - Problem loans constitute 0.96% of gross loans in 3Q13, versus 0.88% in 2Q13
 - Provisioning ratio of 46.6% (48.1%)

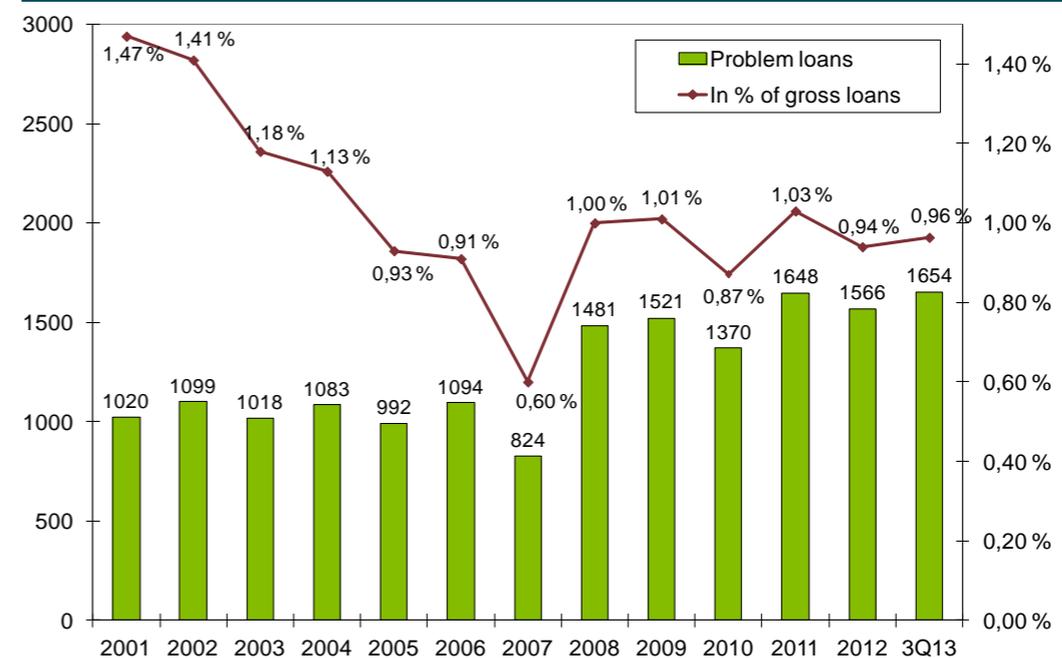
Low LTV in mortgage portfolio (Bank book)



Non performing loans (in NOK million LHS & % of total # of loans RHS)



Problem loans (in NOK million LHS & % of total # of loans RHS)



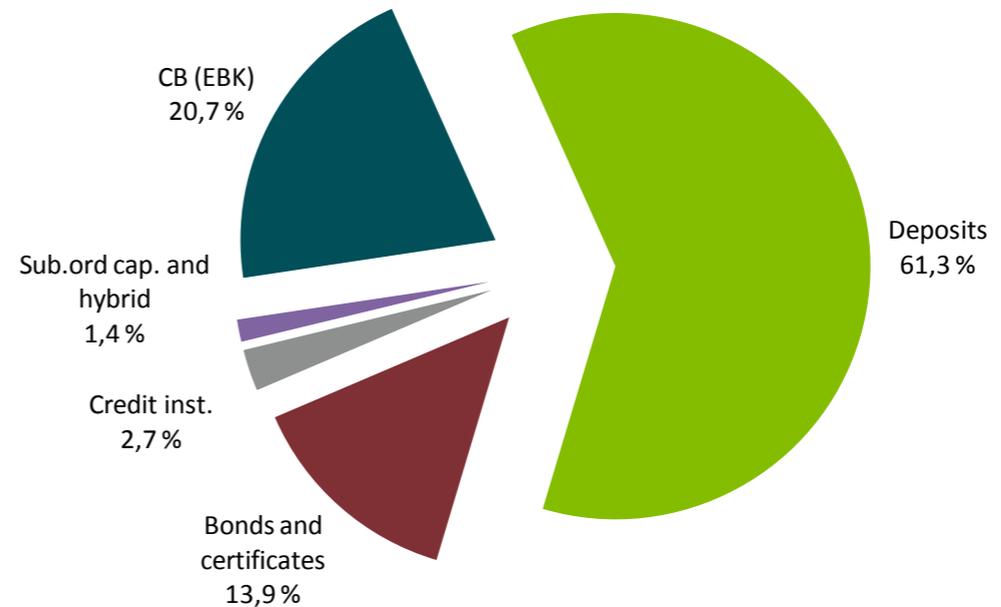
Definitions:
 Provisioning ratio: $\text{Write down ratio} = (\text{individual provisions} + \text{group provisions}) / \text{Problem loans}$
 Non-performing loans (NPL): Loans in delinquency for more than 3 months.
 Problem loans: Loans that risk impairment (note that most banks use this rather conservatively)

Source: Bank analyst Eika

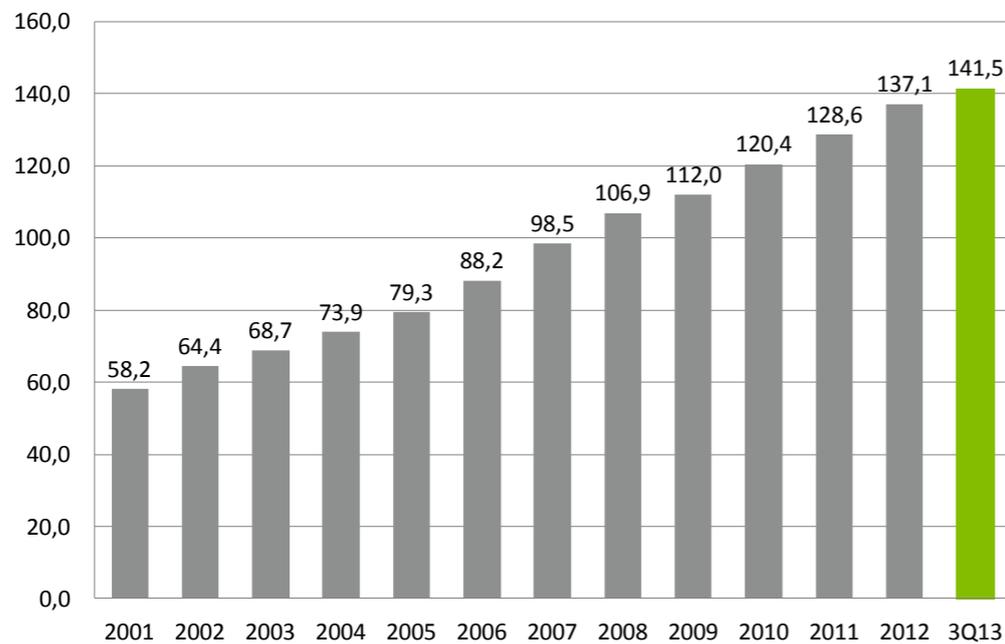
High and growing deposit base

- Total funding of Eika banks amounts to NOK 230.9bn end 3Q13 of which 61.3% consists of deposits
- Steady growth in the deposit base and high deposit ratio of 82.4 %. Average yearly growth rate in deposits has been 8.6 % over the past 12 years
- Well diversified deposit base - approx. 85% of all deposits is within the NOK 2mn bank guarantee fund limit
- Deposit base is essentially household retail deposits

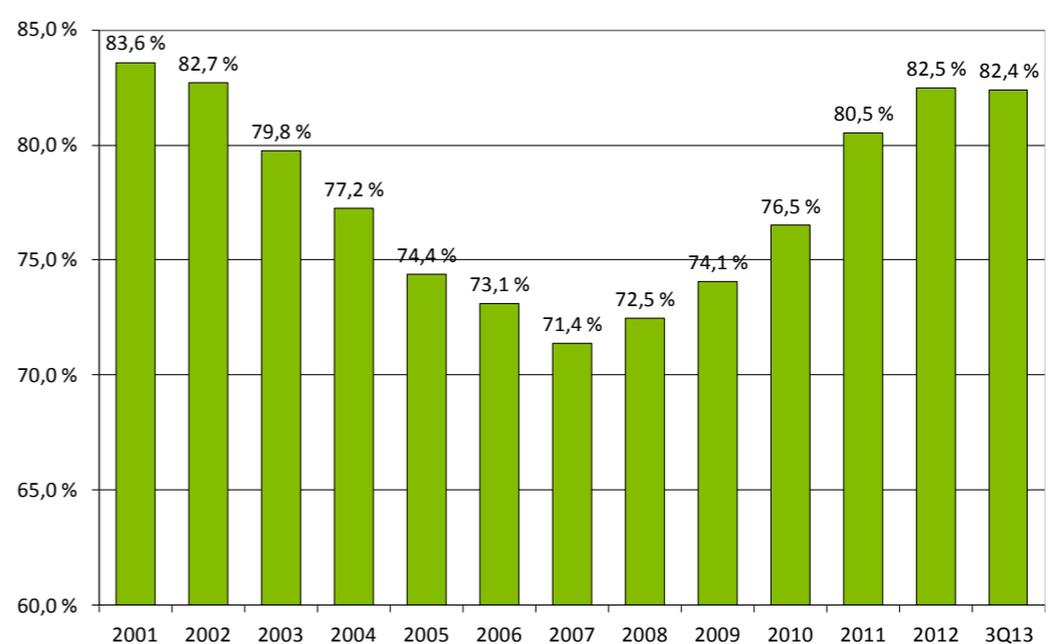
Total funding sources - NOK 230.9bn end 3Q13



Aggregated deposits (in NOK bn)



Deposit ratio (Deposits / lending)

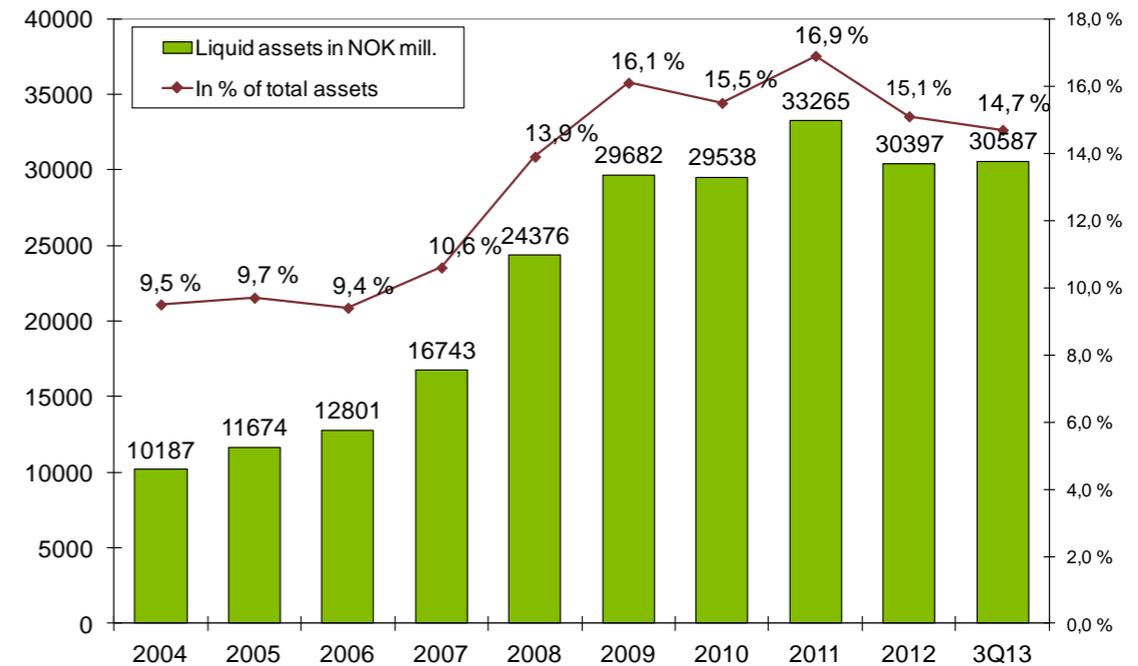


Source: Bank analyst Eika

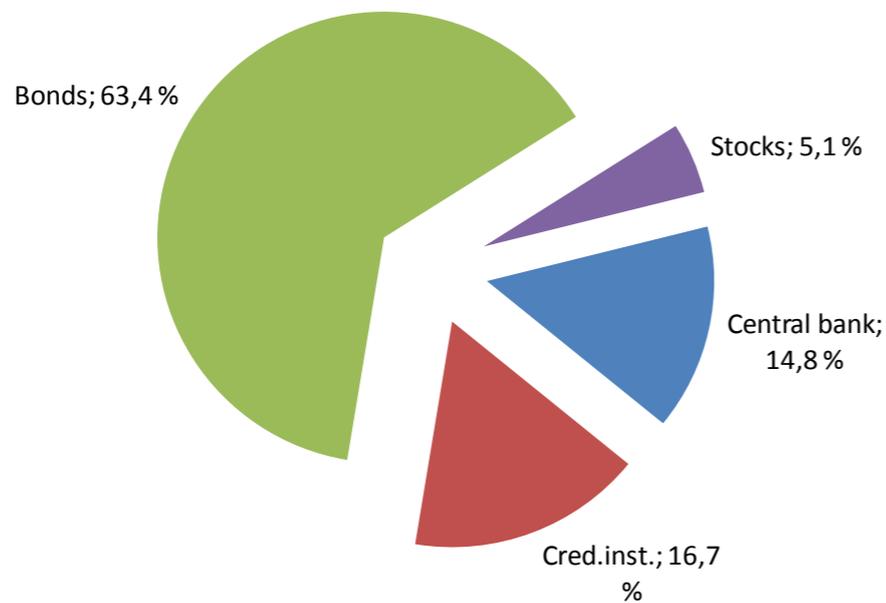
Strong liquidity and funding position

- Large liquidity buffer amounting to NOK 30.6bn (EUR 3.8bn) and comprising 14.7% of total assets end 3Q13
- Relatively low dependency on market funding. Net market funding (less liquid assets) was only 5.3% of total assets end 3Q13
- Extended maturity profile with increasing proportion of long term funding
- Bond portfolio consists mainly of covered bonds, senior bank issues and money market funds
- No PIIGS exposure and low stock market exposure

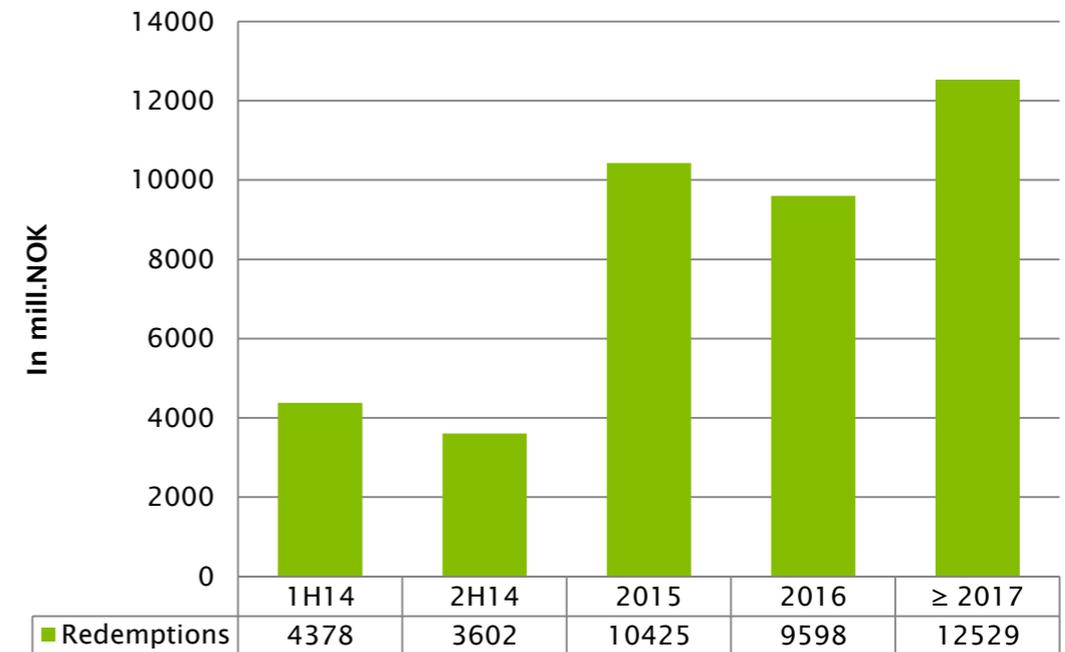
Total liquidity buffer (NOK mn and % of total assets)



Liquidity portfolio end 3Q13 (NOK)



Maturity profile (Bonds, CD and Subordinated debt)



Liquidity buffer consists of cash, deposits in central bank and other credit institutions, bonds, certificates incl. money market funds and listed stocks
EURNOK: 8.1140

Eika banks

Strong capitalization

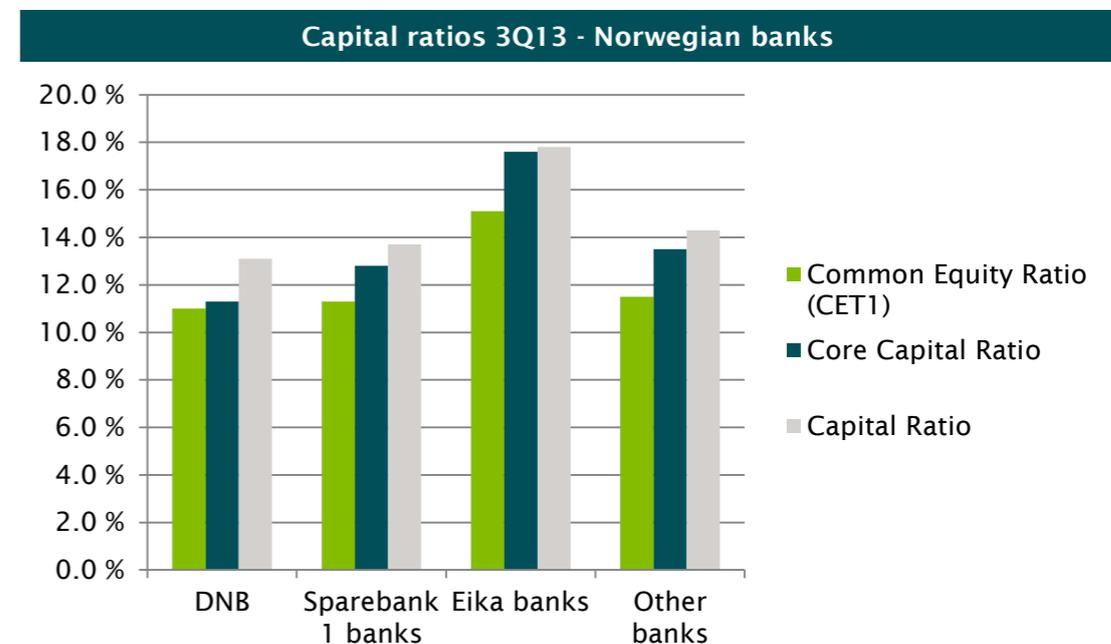
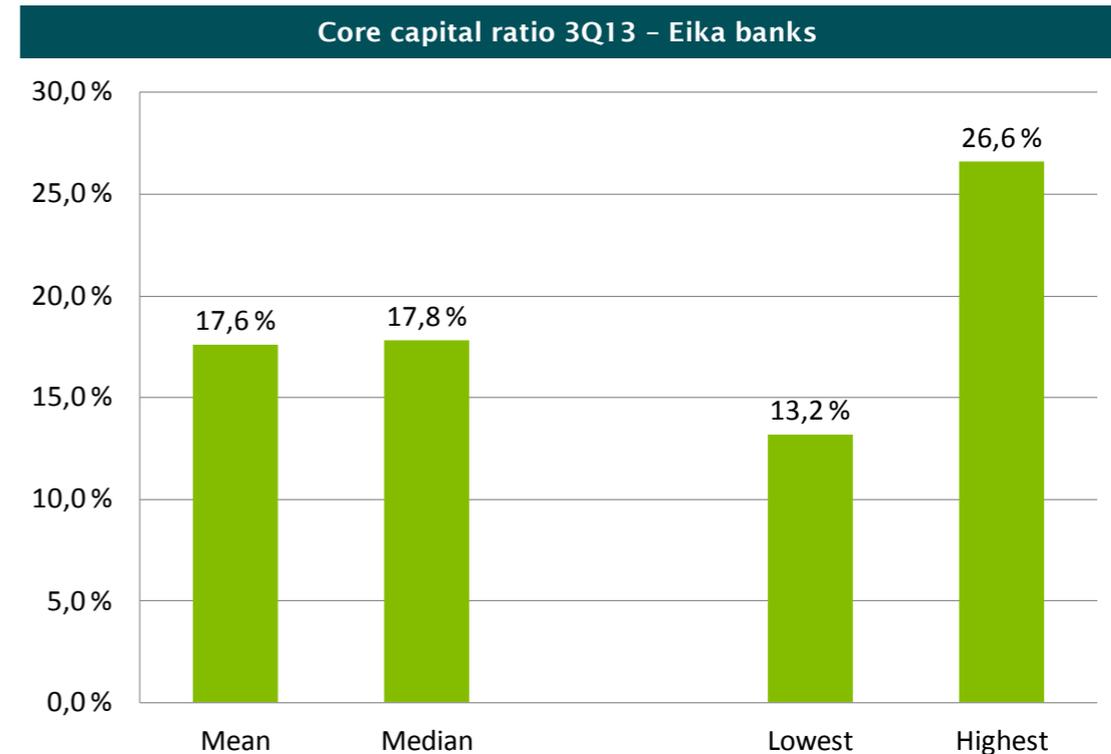
- Strengthened capital ratios
 - Common equity ratio (CET1): 15.1% at 3Q13 (14.8% 3Q12)
 - Core capital ratio 17.6% (17.0% 3Q12)
 - Capital ratio 17.8% (17.4% 3Q12)
 - Profit YTD is not included in the interim capital ratios
 - YTD profit will increase capital ratios by 1.0%
 - Equity ratio of 9.6% (equity/total assets) (9.3% 3Q12)

- Therefore Eika banks are well prepared to meet the new and higher capital requirements following implementation of CRD IV/PROP 96 in Norway stipulating the following minimum levels
 - Common equity ratio (CET1) incl. all buffers: 12.5%
 - Core capital ratio incl. all buffers: 14.0%
 - Capital ratio incl. all buffers: 16.0%

- All Eika banks are well capitalized (T1 ratio)
 - Lowest: 13.2% (13.0%)
 - Highest: 26.6% (30.5%)

- 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 used the IRB method, the core and capital ratios are estimated to be at 24.2% and 24.5% end 3Q13



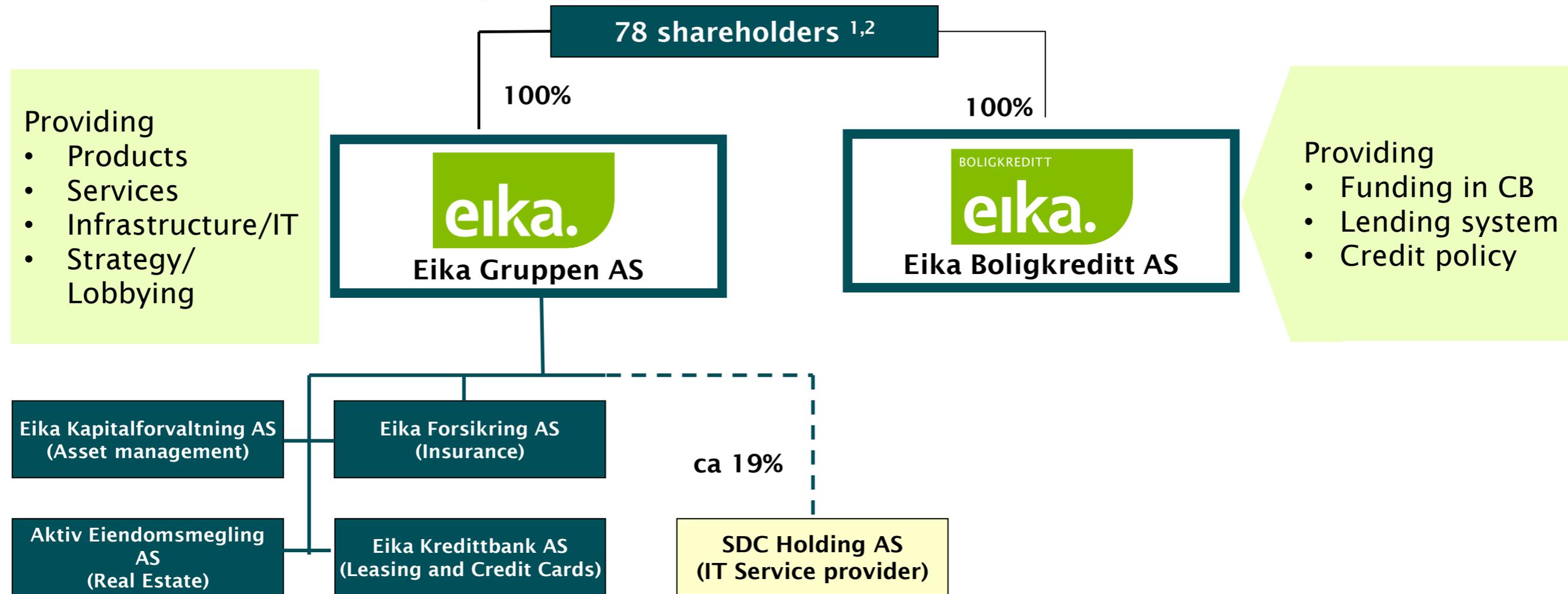
Source: Bank Analyst Eika

Agenda

The operating environment	4
Eika banks	10
Eika Boligkreditt	18
Funding strategy and activity	29
Appendix	35
Disclaimer	48

Eika Boligkreditt

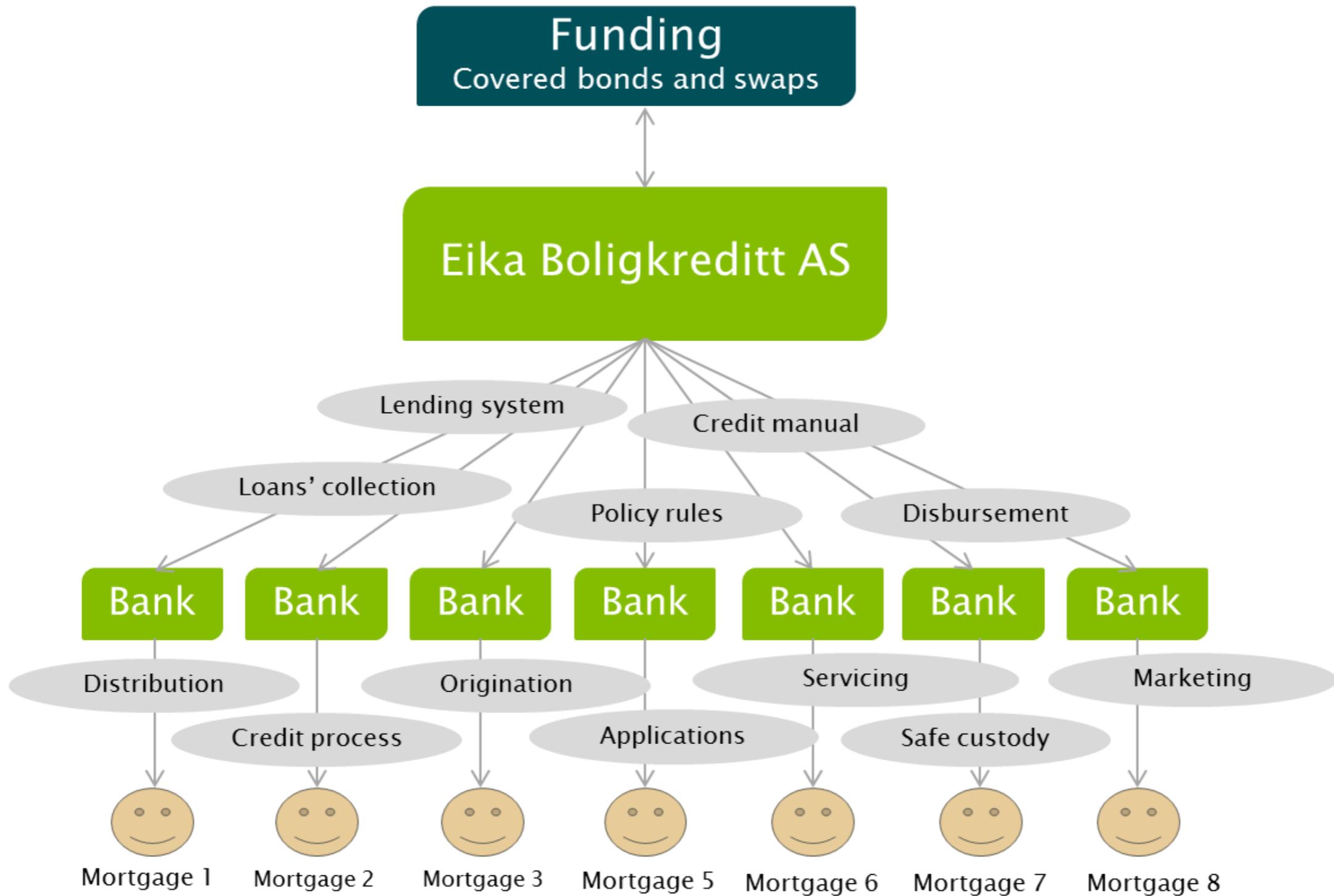
Ownership structure



¹ 77 Norwegian banks and OBOS. The shareholder holdings in Eika Gruppen and Eika Boligkreditt may differ. Not all shareholders in Eika Boligkreditt are banks in the Eika Alliance, due to changes in member banks due to mergers, new members etc.

² OBOS owns 12.4% and 77 banks 87.6% of outstanding shares in Eika Boligkreditt AS

Business concept



Eligibility criteria for the cover pool

Origination process	<ul style="list-style-type: none">▪ Loan-by-loan origination
Customer categories	<ul style="list-style-type: none">▪ Norwegian residents (Retail)▪ Cooperative housing associations (common debt between multiple individuals)
Credit Criteria	<ul style="list-style-type: none">▪ Eika Boligkreditt sets the credit policy for acceptable mortgages (credit manual)▪ No arrears▪ Mortgage size is normally limited to 3 times annual household income
Collateral	<ul style="list-style-type: none">▪ 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	<ul style="list-style-type: none">▪ Stand alone residential mortgages▪ Cooperative housing residential mortgages
Type of products	<ul style="list-style-type: none">▪ 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 mechanism(s); this is to ensure that the originating banks are held responsible for potential losses on mortgages they distribute for Eika Boligkreditt

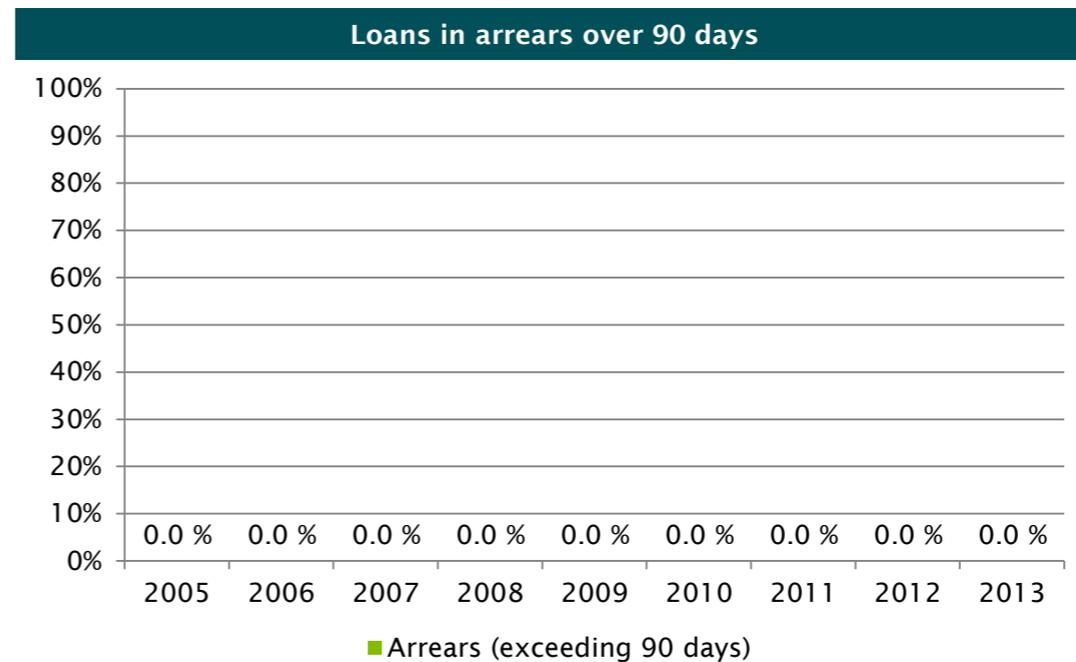
Moody's: "The members of the Terra Group (now Eika Group) are incentivised by guarantee obligations to pass high quality loans to the issuer."

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

I Loss Guarantee	II Set-off rights	III Pro-rata Framework Guarantee
<ul style="list-style-type: none">First loss guarantee for the portion of the loan exceeding 50% LTVMinimum guarantee of NOK 25,000 (EUR 3,138) per loan, irrespective of LTV100% of the loan is guaranteed by the bank until the collateral is registered	<ul style="list-style-type: none">Eika Boligkreditt has set-off rights against each bank's commission for a period of up to 3 yearsTo be used by Eika Boligkreditt if losses exceed loss guarantee amounts, or a bank fails to meet its guarantee obligation	<ul style="list-style-type: none">All banks participate in a 1% of the total mortgage portfolio pro-rata framework guaranteeTo be used by Eika Boligkreditt if banks fail to meet their guarantee obligations, or losses exceed individual guarantees and set-offs
Currently EUR 491mn	Currently EUR 173mn	Currently EUR 67mn

No arrears exceeding 90 days

- Eika Boligkreditt has *never* experienced mortgages being delinquent for more than 3 months
- The guarantees from the banks further reduce credit risk and help to avoid cherry-picking of mortgages
- In case there is a delayed payment (> 35 days) the Bank which has transferred the mortgage is required 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 (439 loans transferred back since the start-up of company in 2004)



Top notch collateral score by Moody's

- On 31 January 2014, Moody's released the 15th 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 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 at a country level, which resulted in Eika Boligkreditt 's new collateral score at the floor level of 5% instead of a Eika Boligkreditt 's individual Collateral Score currently reported to be 2.0% pre country floor.

EXHIBIT 17

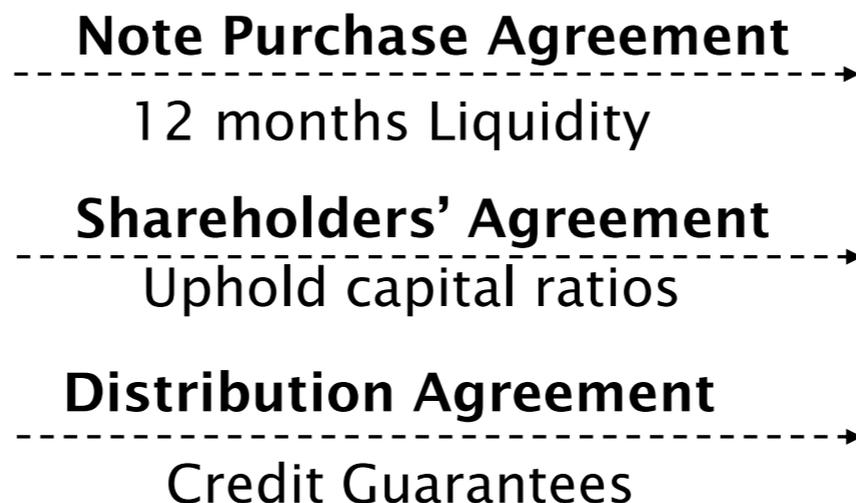
Deals with Lowest (Best) Collateral Scores¹⁰

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	2.3%
HSBC Covered Bond Programme	Mortgage	United Kingdom	2.4%
OP Mortgage Bank Mortgage Covered Bonds	Mortgage	Finland	2.6%
SpareBank 1 Boligkreditt AS Mortgage Covered Bonds	Mortgage	Norway	2.7%
Deutsche Postbank AG Mortgage Covered Bonds	Mortgage	Germany	2.8%
Landesbank Baden-Wuerttemberg - Public Sector Covered Bonds	Public Sector	Germany	2.9%
Storebrand Boligkreditt Mortgage Covered Bonds	Mortgage	Norway	3.0%
ING-DiBa - Mortgage Pfandbriefe - Covered Bond Programme	Mortgage	Germany	3.0%
Aktia Real Estate Mortgage Bank PLC - Euro Medium Term Covered Note Programme	Mortgage	Finland	3.1%

* Measures the overall quality of collateral in the Cover Pool. The lower the Score, the better the credit quality of the Cover Pool. The average Collateral Score for Norwegian Covered Bonds programs was 7.3%

Structure of support

- **The Note Purchase Agreement (NPA)** is structured to ensure that Eika Boligkreditt has liquidity, at all times, sufficient to pay the Final Redemption Amount of any series of Notes in a rolling twelve month period
- Contingency facility with DNB enables covered bonds to be issued \leq NOK 1 billion
- **The Shareholders' Agreement** is structured to ensure that Eika Boligkreditt 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 Eika Boligkreditt's general meeting and of any capital instruments to be issued
- The agreements are structured to meet the Moody's criteria to be categorized as a Category 2 support agreement for Specialized Covered Bond Issuers



Rating summary

- Eika Boligkreditt covered bonds:
 - Rated **Aa2** by Moody's
 - TPI: **High**
 - **Collateral Score on individual basis of 2%** as of Q3 2013 (pre 5% country floor)

- Moody's has recently stated that Norwegian banks' strengthened underwriting criteria is improving credit quality in the mortgage books.* This is based on the report by the Norwegian FSA in November 2013 showing reduction in high LTV loans as well as proportion of interest-only loans

- In addition, Moody's maintains its stable outlook for the Norwegian Banking System** given broadly benign macroeconomic conditions that is expected to support banks' performance. Also increasing local regulatory demands for capital and increased lending margins are viewed as positive elements

Timely Payment Indicators

	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

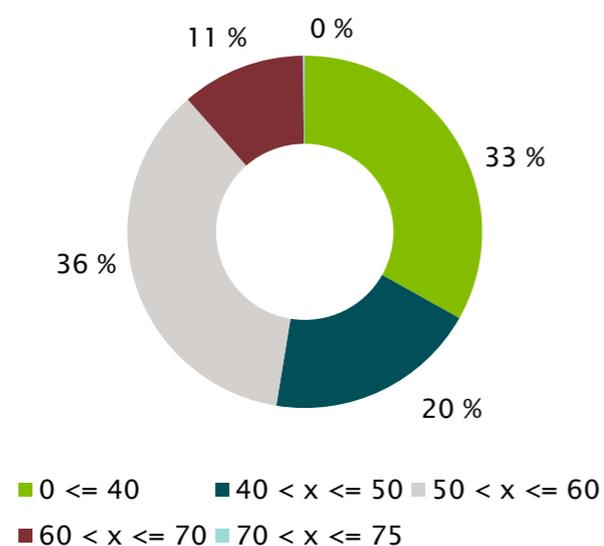
* Norwegian Covered Bonds: Banks' Strengthened Underwriting Criteria Improve Mortgage Loan Credit Quality, Moody's Investors Service, 11 December 2013

** Banking System Outlook: Norway, Moody's Investors Service, 12 December 2013

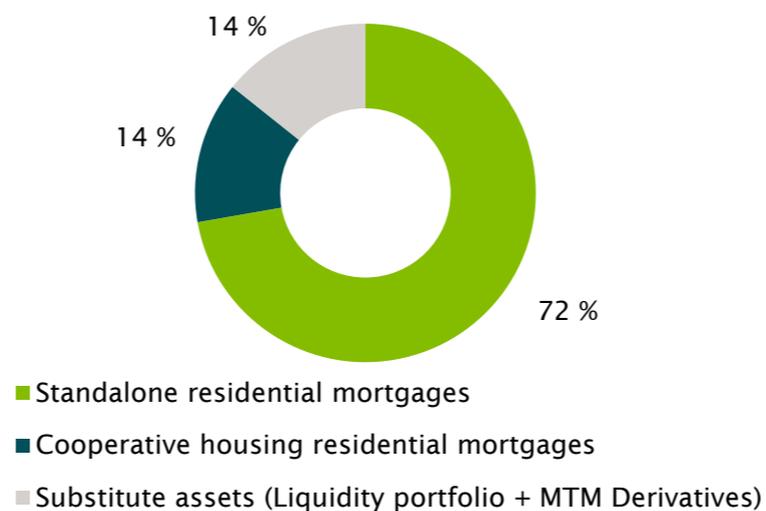
Summary of the cover pool

Numbers in EUR	Grand total	Stand alone residential mortgages	Cooperative residential housing
Nominal value	6,878,850,513	5,792,828,917	1,086,021,596
In % of total mortgage Pool	100%	84.21%	15.79%
Number of loans	39,457	38,708	749
Arithmetic average loan (nominal)	174,338	149,655	1,449,962
WA LTV (unindexed / indexed)	46.08% / 43.51%	51.26% / 48.63%	18.47% / 16.23%
WA seasoning (months)	21.8	21.5	23.9
Loans in arrears (over 90 days)	0	0	0
Estimated Over collateralization *	109,99%	n/a	n/a

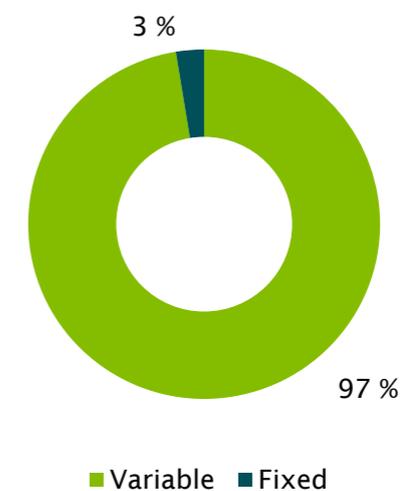
Indexed LTV distribution



Composition of Cover Pool



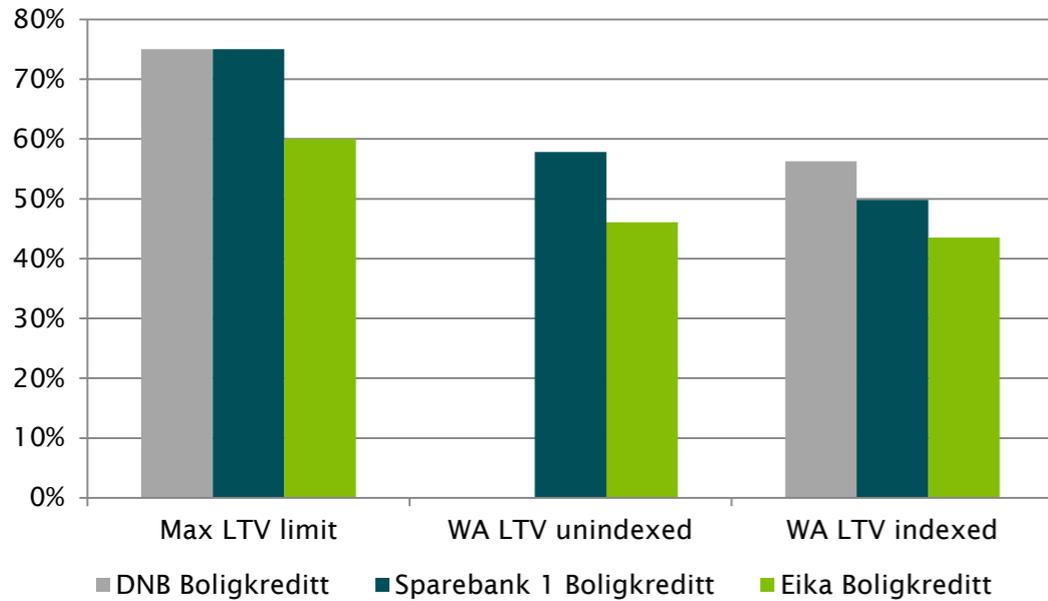
Variable vs fixed rate



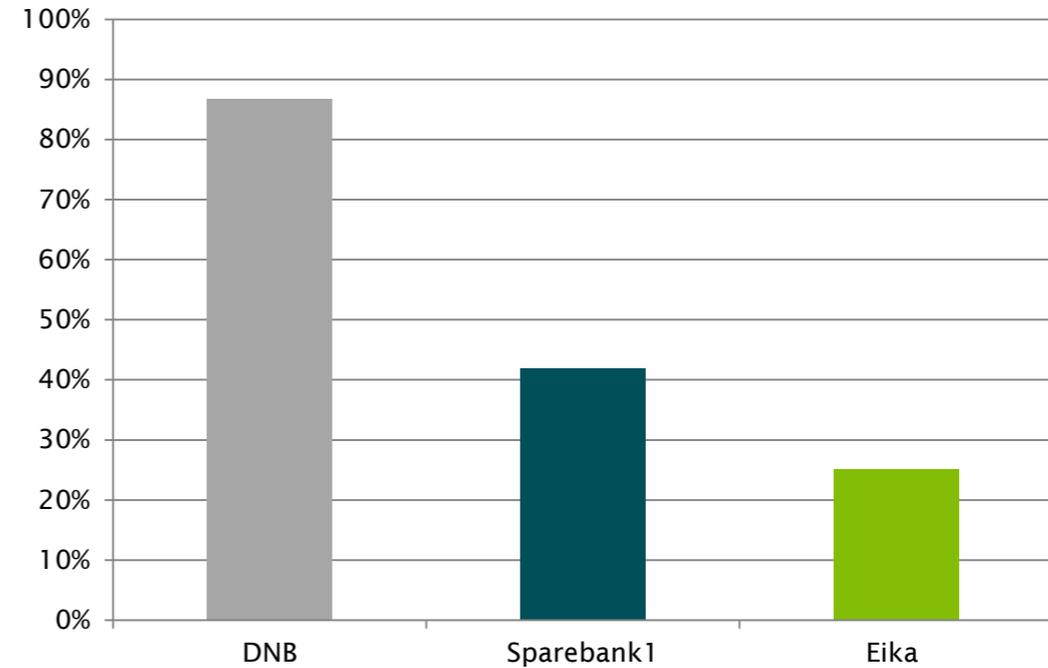
All data as of 31.12.2013. EURNOK 8.3825
 * OC is estimated based on fair value

Cover pool comparison and stress test

LTV comparison with peers



Share of retail mortgage loans transferred to CB issuer



Source: Cover pool information as of 31.12.13 DNB, investor presentation SPB1 September 2013 (as of 30.06.13)

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%
Mortgage Portfolio	€ 6,879 mill.	€ 6,879 mill.	€ 6,879 mill.	€ 6,879 mill.
Part of mortgages exceeding 75% LTV	-	€ 2 mill.	€ 96 mill.	€ 437 mill.
Share of mortgage portfolio >75% LTV	-	0.03 %	1.40 %	6.36 %
Estimated Over collateralization*	109,99%	109,96 %	108,67 %	103,99 %

As of 31.12.2013. EURNOK 8.3825
* OC is estimated based on fair value

Agenda

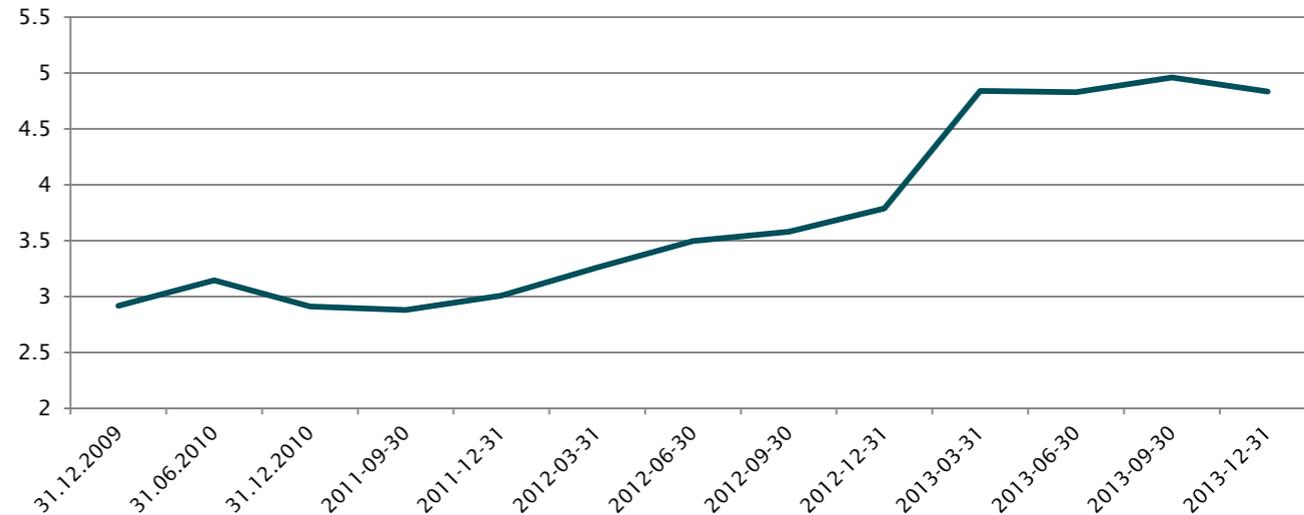
The operating environment	4
Eika banks	10
Eika Boligkreditt	17
Funding strategy and activity	29
Appendix	35
Disclaimer	48

Funding strategy and activity

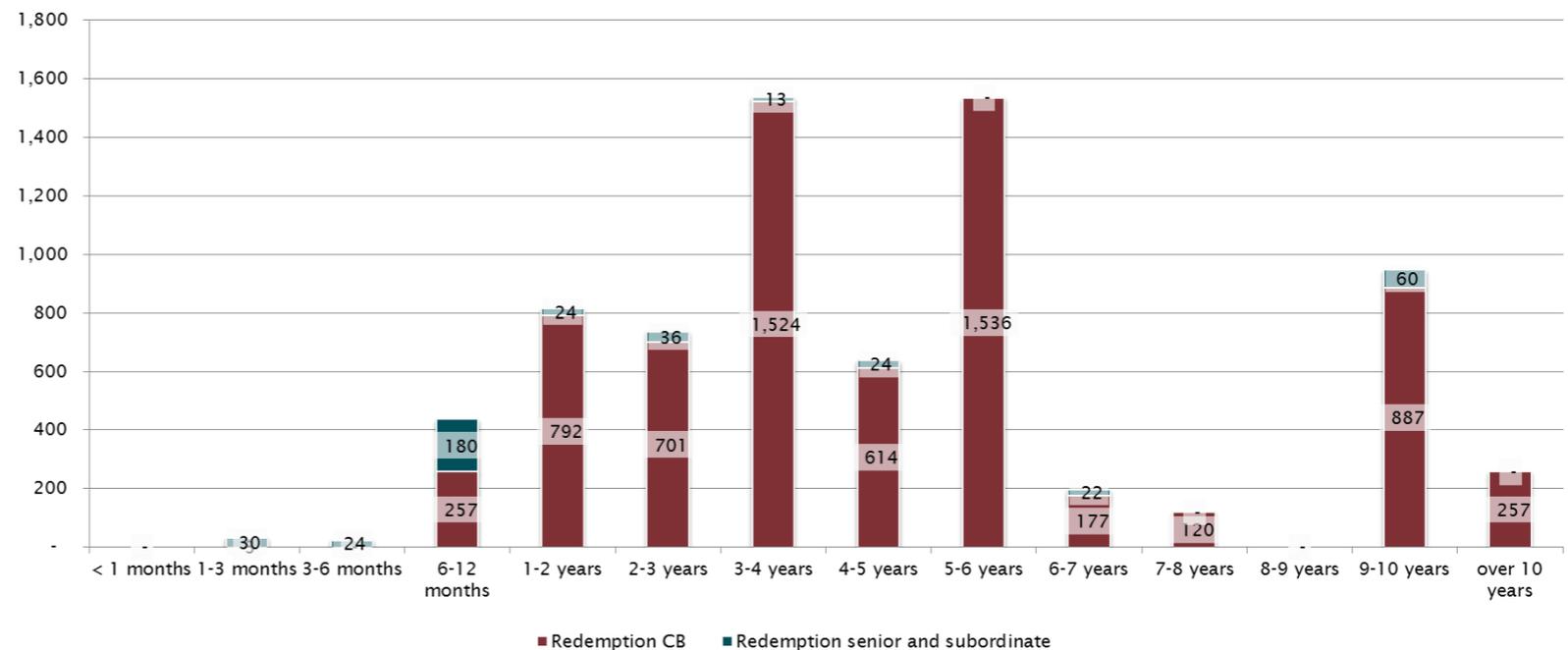
Strong risk management

- Both sides of the balance sheet mostly swapped to 3 month NIBOR
- Minimum Over Collateralization level of 5% (committed in EMTCN Program)
- Redemptions within any future 12-month rolling period should not exceed 20% of the gross funding at the time of redemption (internal policy)
 - The 20% level is related to the expected maturity on the assets, i.e. 5 years
- Internal target is to have liquid assets covering at least 75% of redemptions 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

Average time to maturity of funding (in years)



Maturity profile of funding



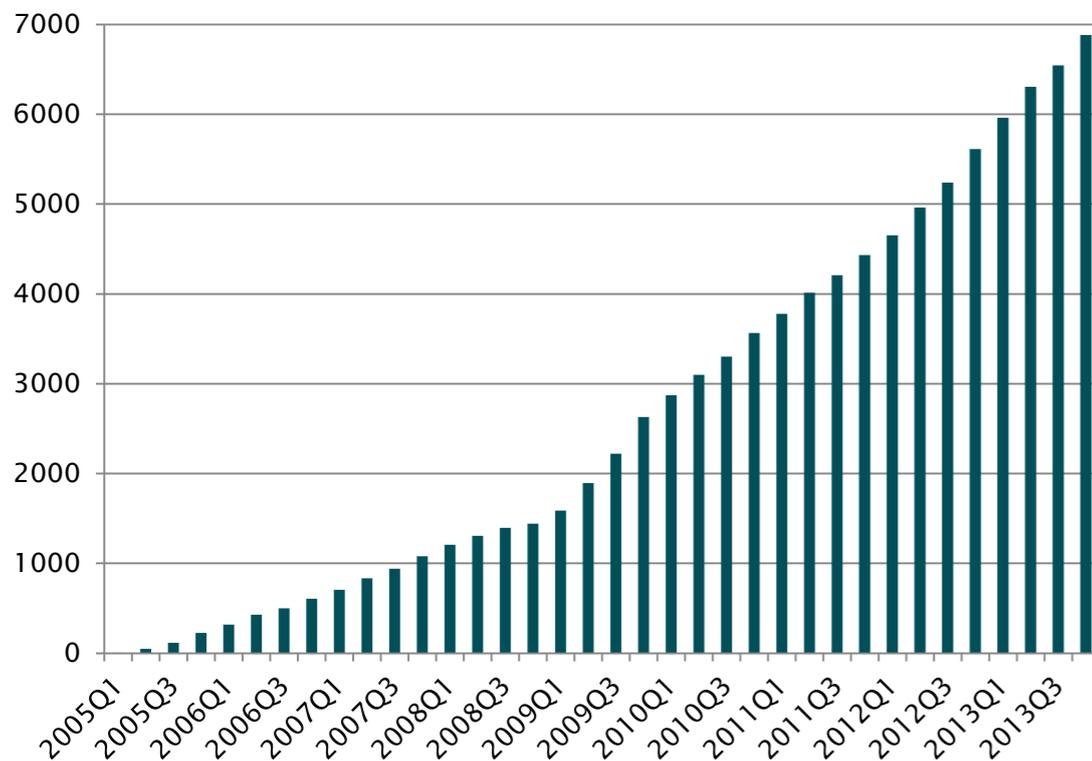
Funding strategy and activity

Funding and strategy

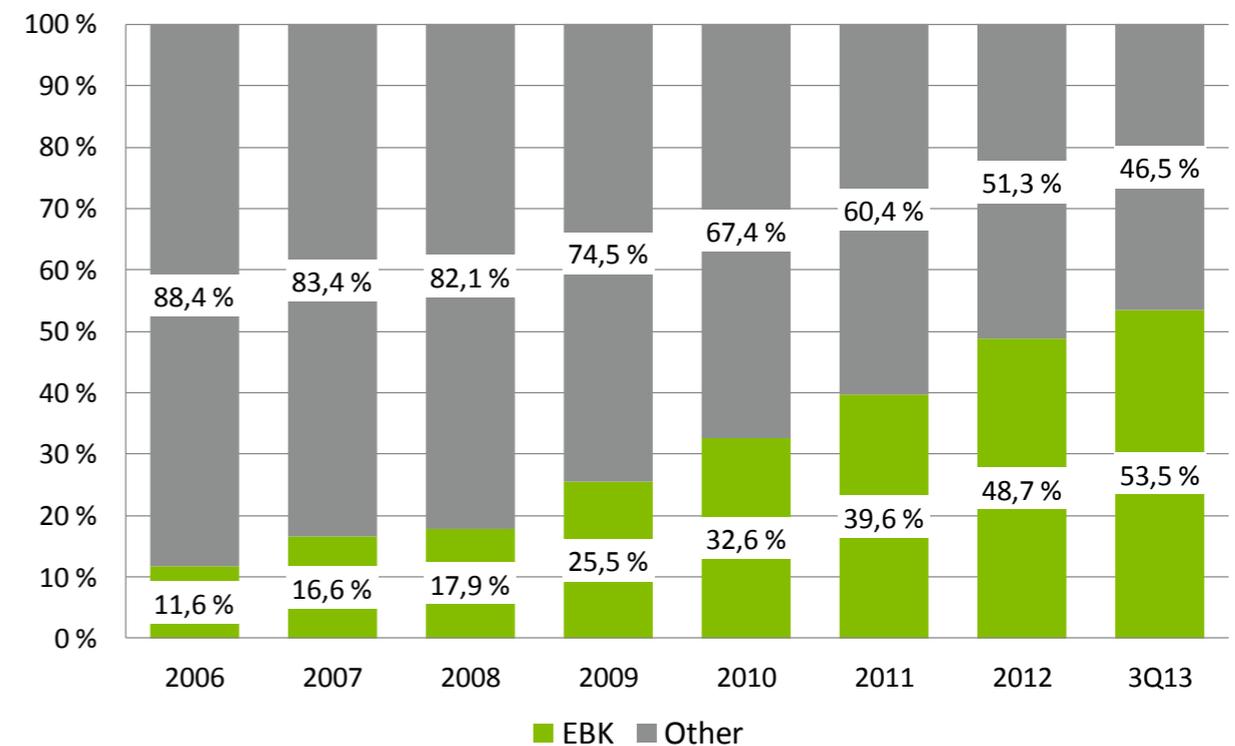
- With a stable organic growth, and redemptions starting to materialize in our Euro issues, Eika Boligkredditt has evolved from the €500mn no-grow strategy, to an issuer of Jumbo covered bonds with its inaugural €1bn November 2017 transaction launched in late October 2012 followed by the €1bn January 2023 transaction issued in January 2013.
- Eika Boligkredditt has the flexibility to tailor issue size to changing investor preferences going forward and can alternate between €500mn and €1bn format over time

- To reflect this evolvment Eika Boligkredditt has increased the size of its European Medium Term Covered Note Program to €20bn
 - Eika Boligkredditt is an active issuer in both the NOK and Euro market
 - Eika Boligkredditt has the objective to be a frequent benchmark issuer in the Euro covered bond market, and to maintain a liquid yield curve

Stable growth in the loan book



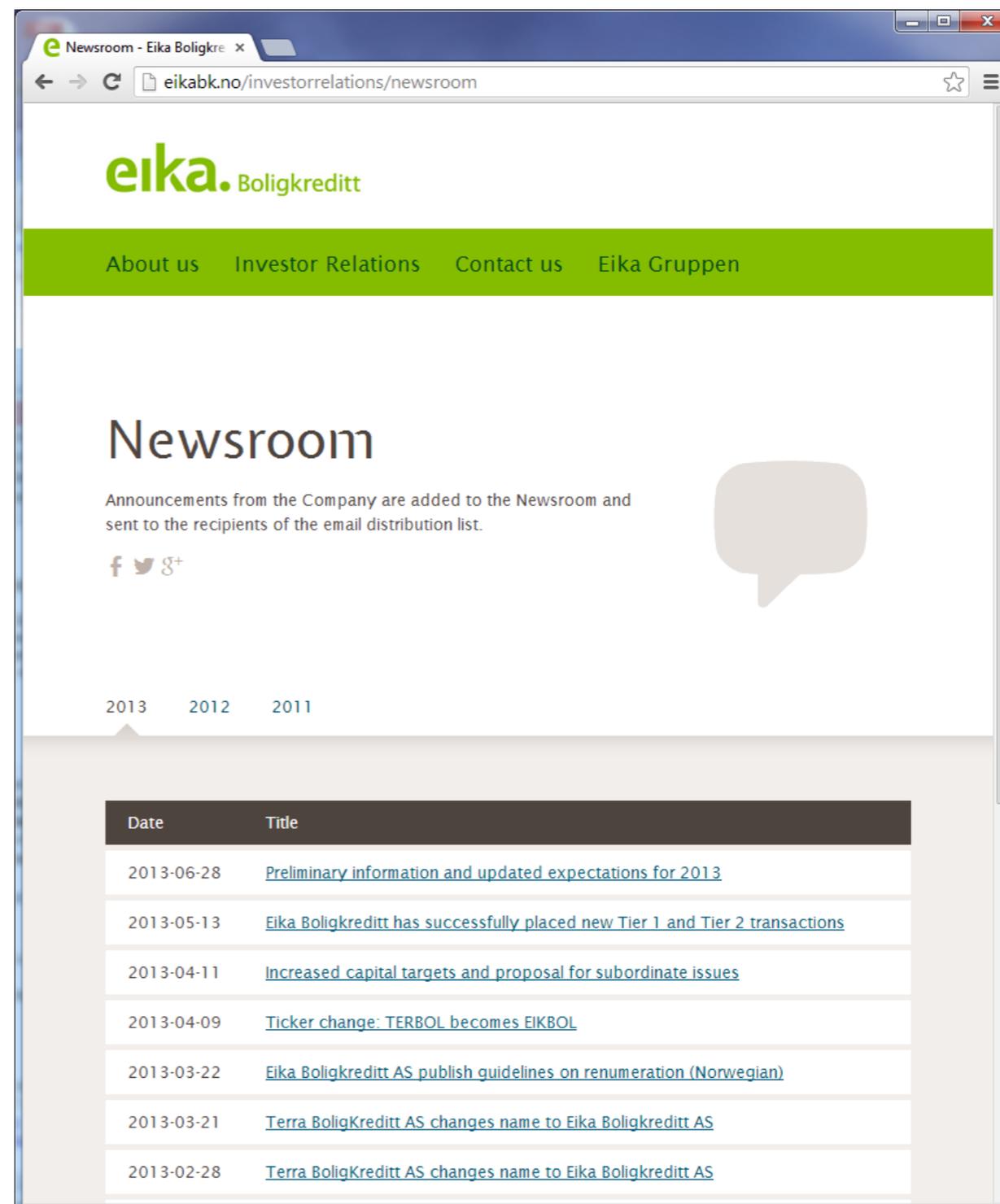
Eika Boligkredditt funding in % of Eika bank's external funding



Funding strategy and activity

Funding and strategy

- Maintain Eika Boligkreditt as a solid, well-known and frequent issuer
 - Diversify funding both in terms of geography and investor type
 - Between ½ - ¾ of the funding is expected to be international
- To 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 (in accordance with standard developed by NCBC on request of CBIC) available on <http://eikabk.no>



Newsroom - Eika Boligkre x

eikabk.no/investorrelations/newsroom

eika. Boligkreditt

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Newsroom

Announcements from the Company are added to the Newsroom and sent to the recipients of the email distribution list.

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2013 2012 2011

Date	Title
2013-06-28	Preliminary information and updated expectations for 2013
2013-05-13	Eika Boligkreditt has successfully placed new Tier 1 and Tier 2 transactions
2013-04-11	Increased capital targets and proposal for subordinate issues
2013-04-09	Ticker change: TERBOL becomes EIKBOL
2013-03-22	Eika Boligkreditt AS publish guidelines on remuneration (Norwegian)
2013-03-21	Terra BoligKreditt AS changes name to Eika Boligkreditt AS
2013-02-28	Terra BoligKreditt AS changes name to Eika Boligkreditt AS

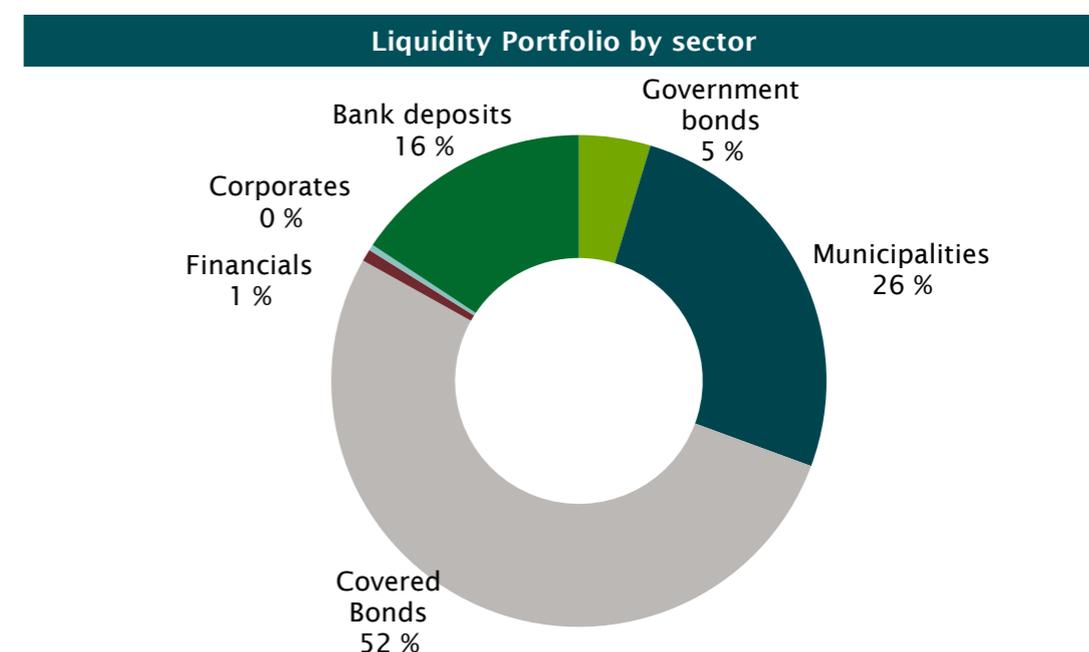
Funding strategy and activity

Liquidity portfolio

- **The substitute assets constitute EIKBOL's liquidity buffer**
 - Minimum liquidity > than 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**
 - 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 3.5 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 0.5 years, and individual securities less than 1 year

Sectors and tenors				
Sector	Market Value (EUR)	In % of portfolio	TtM	Duration
Government bonds	35,566,955	5 %	0.46	0.44
Municipalities	197,517,893	26 %	0.35	0.20
Covered Bonds	399,741,023	53 %	1.82	0.13
Financials	6,009,361	1 %	0.44	0.17
Corporates	2,994,923	0 %	0.95	0.19
Bank deposits	119,264,541	16 %	0.00	0.00
Total portfolio	761,094,696	100 %	1.08	0.17



All data as of 31.12.2013. EURNOK 8.3825

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Agenda

The operating environment	4
Eika banks	10
Eika Boligkreditt	18
Funding strategy and activity	29
Appendix	35
Disclaimer	48

Appendix

P&L Eika Boligkreditt - Strong income growth

Amounts in NOK 1,000	2010	2011	2012	2013	1Q13	2Q13	3Q13	4Q13
Total interest income	1,029	1,403	1,806	2,205	508	541	573	583
Total interest expenses	866	1,229	1,458	1,568	375	397	405	391
Net interest income	163	173	348	637	132	145	168	191
Dividend from shares classified as available for sale	1	3	3	5	-	5	-	-
Total gains and losses on financial instruments at fair value	14	6	16	(111)	1	(3)	6	(115)
Commission costs	97	111	212	449	91	103	120	133
Total salaries and administrative expenses	26	26	31	37	9	10	9	9
Depreciation	1	1	2	2	0	0	0	0
Other operating expenses	8	11	11	14	4	3	3	4
Losses on loans and guarantees	-	-	-	-	-	-	-	-
PROFIT BEFORE TAXES	45	33	112	29	28	30	41	(70)
Taxes	12	8	31	8	8	7	11	(17)
PROFIT FOR THE PERIOD	32	25	82	21	20	23	30	(52)

Stock Exchange notice 10/2-2014 17:41:

Eika Boligkreditt AS (EIKBOL) showed a pre-tax loss of NOK 69.6 million for the fourth quarter, compared with a pre-tax profit of NOK 27.2 million in the same period of 2012. The pre-tax loss for the fourth quarter includes negative changes in the value of financial instruments of NOK 114.6 million, as against a positive NOK 2.3 million for the same period of 2012. The negative change in the value of financial instruments relates almost entirely to NOK 118.5 million in negative change to basis swaps. Basis swaps are derivative contracts entered into in connection with long-term borrowing in foreign currency, whereby the foreign currency is converted to Norwegian kroner. These are hedging instruments, and the effect is zero over the term of the instrument.

The full report is attached as well as available on: <http://eikabk.no>

Appendix

Eika Boligkreditt - Balance sheet and key figures

Amounts in NOK 1,000	2010	2011	2012	1Q13	2Q13	3Q13	4Q13
Balance sheet development							
Lending to customers	29,904	37,194	47,086	49,970	52,856	54,858	57,692
Debt from issuing securities	32,719	41,212	52,583	57,189	61,334	61,826	69,469
Subordinated loans	438	318	319	180	678	678	678
Equity	909	1,070	1,801	1,922	2,032	2,062	2,459
Equity in % of total assets	2.63	2.47	3.21	3.17	3.10	3.09	3.54
Average total assets	31,401	38,646	48,285	58,427	60,785	62,249	63,765
Total assets	34,612	43,255	56,165	60,689	65,502	66,641	69,469
Rate of return / profitability							
Combined average spread for lending and deposits, annualised (%)	0.52	0.45	0.72	0.91	0.91	0.95	1.00
Fee and commission income in relation to average total assets, annualised (%)	0.31	0.29	0.44	0.63	0.64	0.67	0.70
Other operating expenses in relation to average total assets, annualised (%)	0.03	0.03	0.02	0.03	0.02	0.02	0.02
Staff and general administration expenses in relation to average total assets, annualised (%)	0.08	0.07	0.06	0.06	0.06	0.06	0.06
Cost/income ratio (%)	21.87	22.30	12.37	11.09	9.67	8.89	8.26
Return on total capital, annualised (%)	0.10	0.06	0.17	0.14	0.14	0.16	0.03
Return on equity, annualised (%)	4.24	2.41	5.74	4.63	4.70	5.20	1.01
Total assets per full-time position	2,704	2,923	3,555	3,841	3,899	3,545	3,695
Financial strength							
Core tier 1 capital	903,698	1,053,096	1,710,194	1,810,237	1,979,865	1,979,423	2,398,885
Total Equity and subordinated loan capital	1,341,714	1,371,416	2,028,795	1,989,895	2,657,598	2,657,288	3,076,882
Computation data capital adequacy ratio	10,828,875	13,724,400	17,149,938	18,415,000	19,917,150	20,361,438	21,444,688
Core tier 1 capital ratio in %	8.30	7.70	10.00	9.83	9.94	9.72	12.35
Capital adequacy ratio in % (Tier 2 capital)	12.39	10.03	11.83	10.81	13.34	13.05	14.35
Delinquencies in % of gross loans	-	-	-	-	-	-	-
Loss in % of gross loans	-	-	-	-	-	-	-
Staff							
Number of full-time positions at end of period	12.80	14.80	15.80	15.80	16.80	18.80	18.80

Source: Bank Analyst Eika

eika.

Appendix

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

<i>P&L in NOK mil.</i>	2 010	2 011	2 012	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13
Net interest income	3 512	3 631	3 777	904	943	968	963	886	959	1 043
Net commission income	662	734	863	179	207	228	249	245	276	305
Other income	43	44	41	10	10	9	13	9	9	15
Total income	4 217	4 409	4 682	1 092	1 160	1 204	1 225	1 140	1 244	1 363
Personnel and adm. expenses	2 061	2 134	2 243	560	517	555	611	585	533	580
Depreciation	123	98	95	23	25	24	22	24	25	26
Other costs	469	495	515	130	128	117	140	136	145	130
Total costs	2 653	2 726	2 852	713	670	695	774	746	703	736
Core earnings before loan losses	1 564	1 683	1 830	379	490	509	451	395	541	627
Write-downs on loans	404	458	329	55	63	87	124	75	111	87
Core earnings	1 160	1 225	1 501	324	427	422	327	320	430	540
Dividends/associated companies	177	189	89	32	26	9	21	24	206	11
Net return on financial investments	218	-78	217	113	-4	90	18	65	36	68
One-offs and loss/gain on long-term assets	376	-69	149	9	130	7	3	-24	-25	-47
Pre tax profit	1 931	1 267	1 955	478	579	529	369	386	647	572
Taxes	501	412	542	123	129	143	147	113	157	173
Net profit	1 430	855	1 413	355	450	385	222	273	491	399

Source: Bank Analyst Eika

Appendix

Eika banks - Balance sheet and key figures

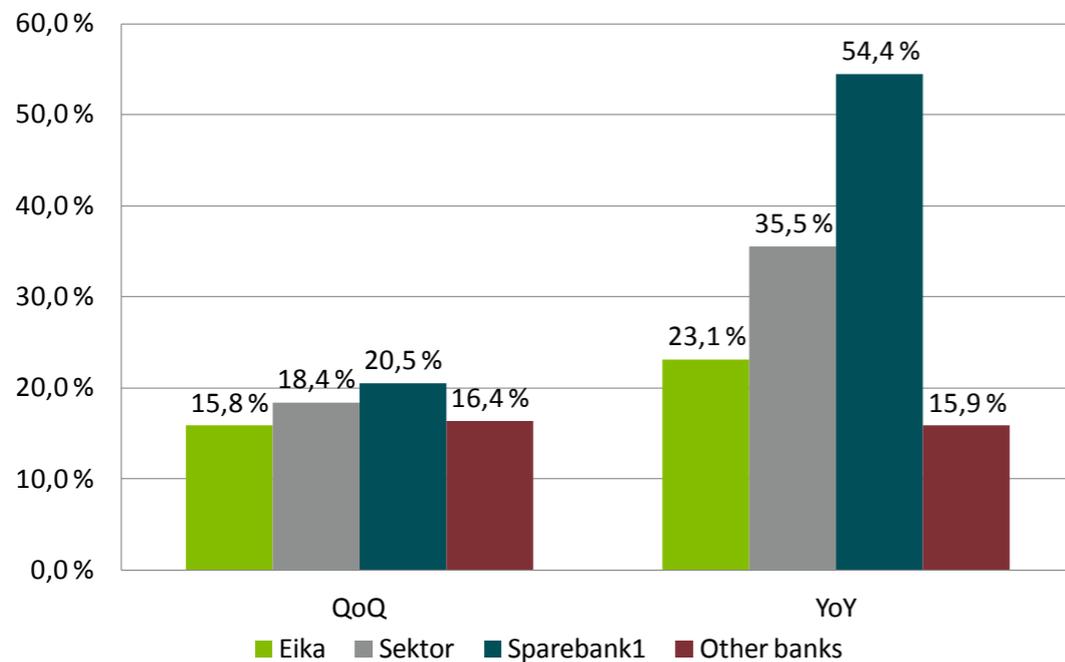
<i>Balance</i>	2 010	2 011	2 012	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13
Gross loans	157 375	159 645	166 255	160 448	163 216	164 994	166 255	166 168	169 302	171 645
Gross loans incl. EBK	182 382	193 092	208 764	195 665	200 808	204 803	208 764	211 333	217 328	221 529
Deposits	120 419	128 567	137 142	129 625	135 992	134 418	137 142	138 340	143 243	141 454
Equity	16 748	17 525	18 833	17 852	18 299	18 647	18 833	19 008	19 544	19 958
Total assets	190 813	196 623	200 895	192 770	200 155	200 849	200 895	202 384	208 646	208 137
Growth in loans	4,1 %	1,4 %	4,1 %	0,5 %	1,7 %	1,1 %	0,8 %	-0,1 %	1,9 %	1,4 %
Growth in deposits	7,5 %	6,8 %	6,7 %	0,8 %	4,9 %	-1,2 %	2,0 %	0,9 %	3,5 %	-1,2 %
Deposit ratio	76,5 %	80,5 %	82,5 %	80,8 %	83,3 %	81,5 %	82,5 %	83,3 %	84,6 %	82,4 %
(Market funding - Liquid assets)/Total assets	11,6 %	7,8 %	6,3 %		4,7 %		6,3 %		3,4 %	5,3 %
Equity ratio	8,8 %	8,9 %	9,4 %	9,3 %	9,1 %	9,3 %	9,4 %	9,4 %	9,4 %	9,6 %
Core capital ratio	17,0 %	17,3 %	18,2 %	17,4 %	17,0 %	17,0 %	18,2 %	17,8 %	17,5 %	17,6 %
Capital ratio	18,2 %	18,2 %	18,7 %	18,2 %	17,6 %	17,4 %	18,7 %	18,0 %	17,8 %	17,8 %
Key figures										
Net interest/total assets	1,87 %	1,87 %	1,90 %	1,86 %	1,92 %	1,93 %	1,92 %	1,76 %	1,87 %	2,00 %
Net commission incom/total assets	0,35 %	0,38 %	0,43 %	0,37 %	0,42 %	0,45 %	0,50 %	0,49 %	0,54 %	0,59 %
Loss provision ratio	0,26 %	0,29 %	0,20 %	0,14 %	0,16 %	0,21 %	0,30 %	0,18 %	0,27 %	0,20 %
NPL and problem loans	1,83 %	1,89 %	1,79 %	1,94 %	1,94 %	2,04 %	1,79 %	1,94 %	1,83 %	1,86 %
(NPL + Problem loans)/(Equity + LLR)	15,9 %	15,9 %	14,6 %	16,1 %	16,1 %	16,7 %	14,6 %	15,7 %	14,7 %	14,9 %
Cost/income ratio (adj.)	62,9 %	61,8 %	60,9 %	65,3 %	57,7 %	57,7 %	63,2 %	65,4 %	56,5 %	54,0 %
Net profit in % of total assets	0,76 %	0,44 %	0,71 %	0,73 %	0,92 %	0,77 %	0,44 %	0,54 %	0,95 %	0,77 %
Net profit on core earnings in % of RWA	1,12 %	1,14 %	1,36 %	1,19 %	1,54 %	1,51 %	1,17 %	1,13 %	1,49 %	1,87 %
Return on equity	8,9 %	5,0 %	7,8 %	8,0 %	10,0 %	8,3 %	4,7 %	5,8 %	10,2 %	8,1 %

Appendix

Eika banks - Improved core earnings

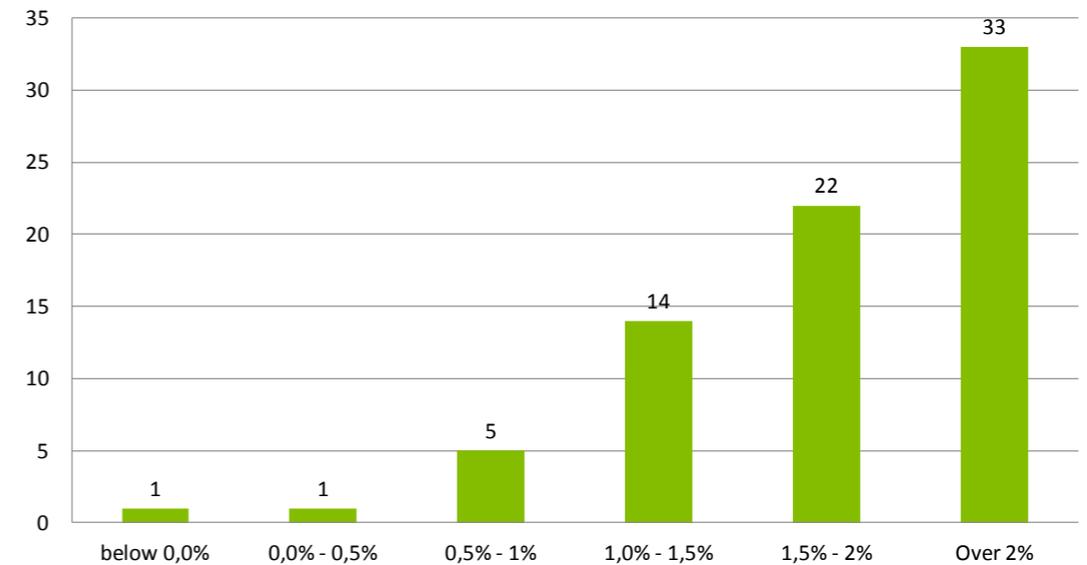
- NOK 540 mill. vs NOK 422 mill. in 3Q12
 - In % of RWA 1.87% vs. 1.51% in 2Q12
- Core earnings after loan losses increased with 27.9% YoY (3Q13 vs. 3Q12) and with 25.6 % from 2Q13 to 3Q13
- One Eika bank with negative core earnings due to loan losses
- Average yearly growth rate in core earning of 6.2% before loan losses and 8.1% over the last 12 years

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

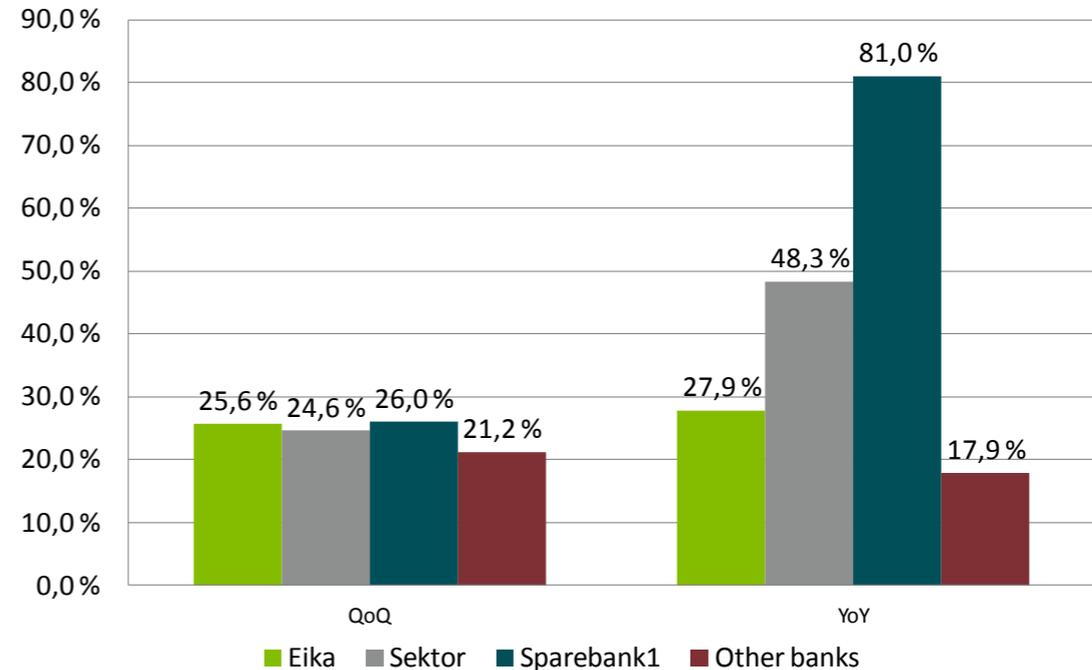


Core earnings after loan losses in % of RWA

Core earnings after loan losses in % of RWA (distribution - number of banks)



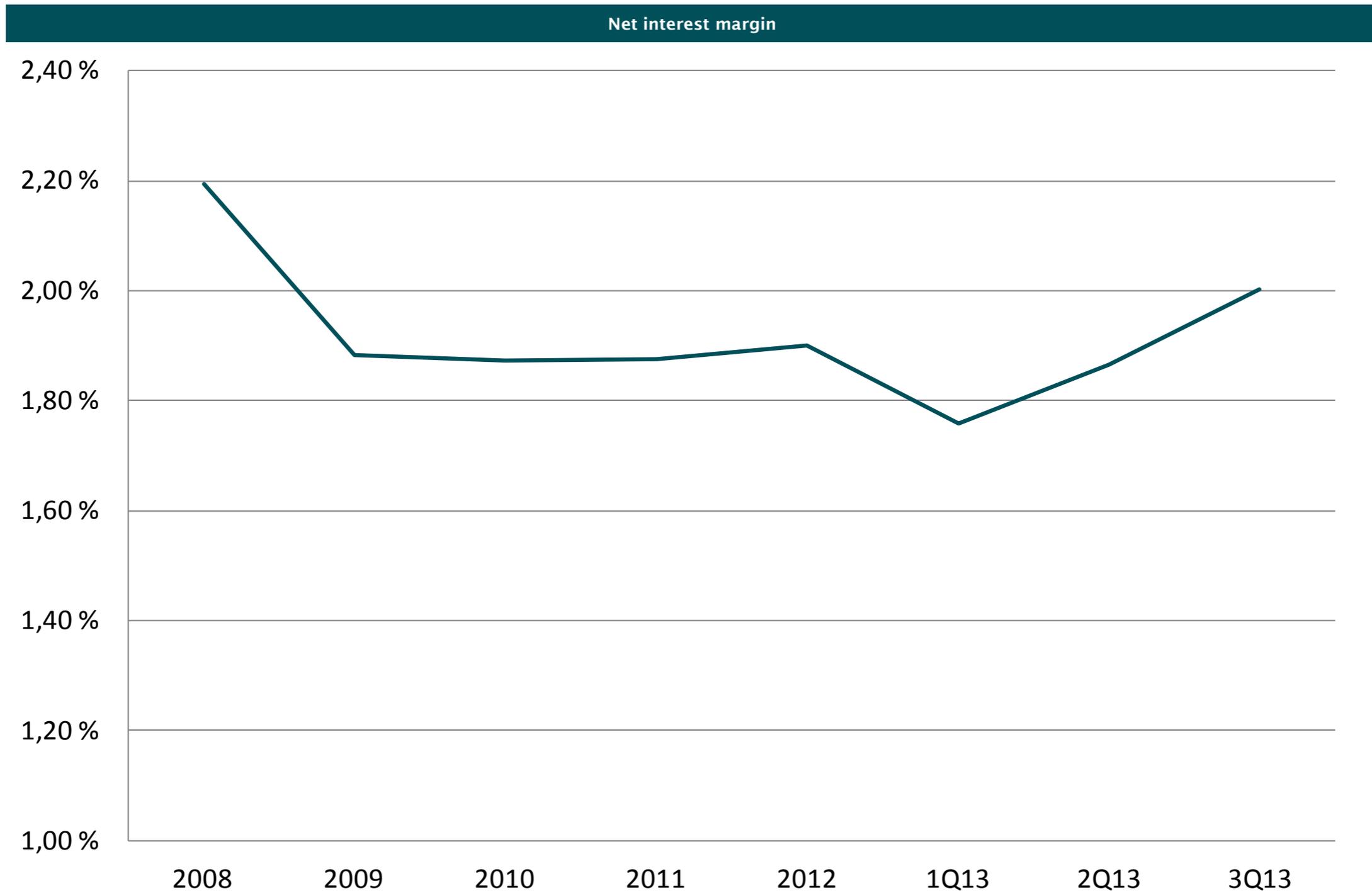
Changes in core earnings after loan losses - Eika vs. other banks



Source: Bank Analyst Eika

Appendix

Eika banks - increasing net interest margin



Source: Bank Analyst Eika

Appendix

Banks – transfer rate to Cov. Bond companies

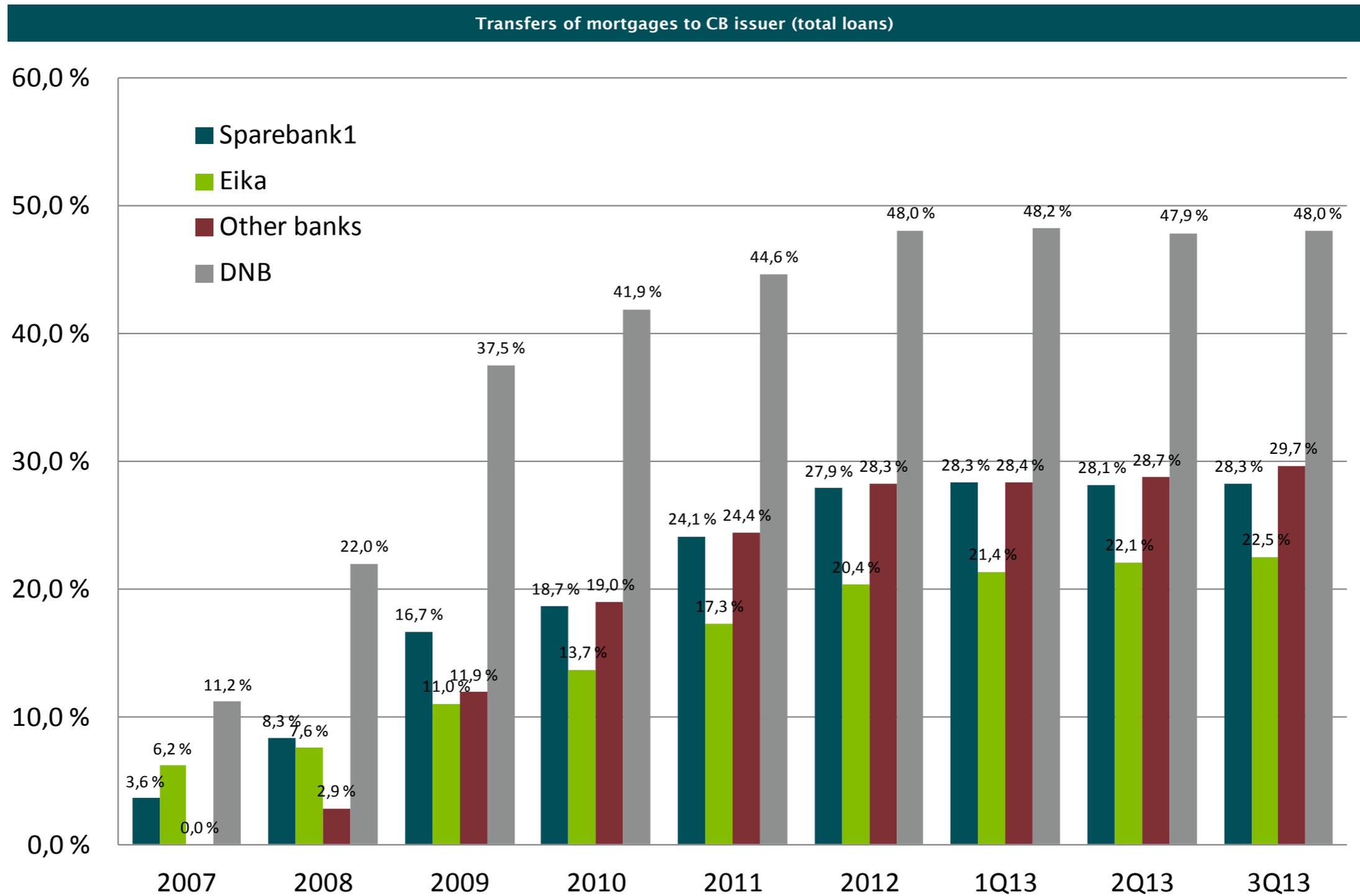
Numbers in NOK mill.	Gross lending	Retail lending	Transferred to CB company	Transfer-rate retail	Retail share
DNB (1)	1329665	618640	528298	85,4 %	50,3 %
Nordea	462568	223057	114839	51,5 %	48,2 %
BN Bank	32206	8586	6632	43,6 %	26,7 %
Eika banks (2)*	169256	123433	47948	28,0 %	72,9 %
Other banks*	275497	161733	111077	40,7 %	58,7 %
Sparebank1*	369348	203598	146321	41,8 %	55,1 %
SR-BANK*	108962	54534	46800	46,2 %	50,0 %
Sparebank1 SMN*	76379	34556	29382	46,0 %	45,2 %
Sparebanken Vest*	70245	42015	40357	49,0 %	59,8 %
Sparebank1 Nord-Norge*	50928	30210	22721	42,9 %	59,3 %

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

1 DNB adjusted and estimated number

2 Eika adjusted for OBOS

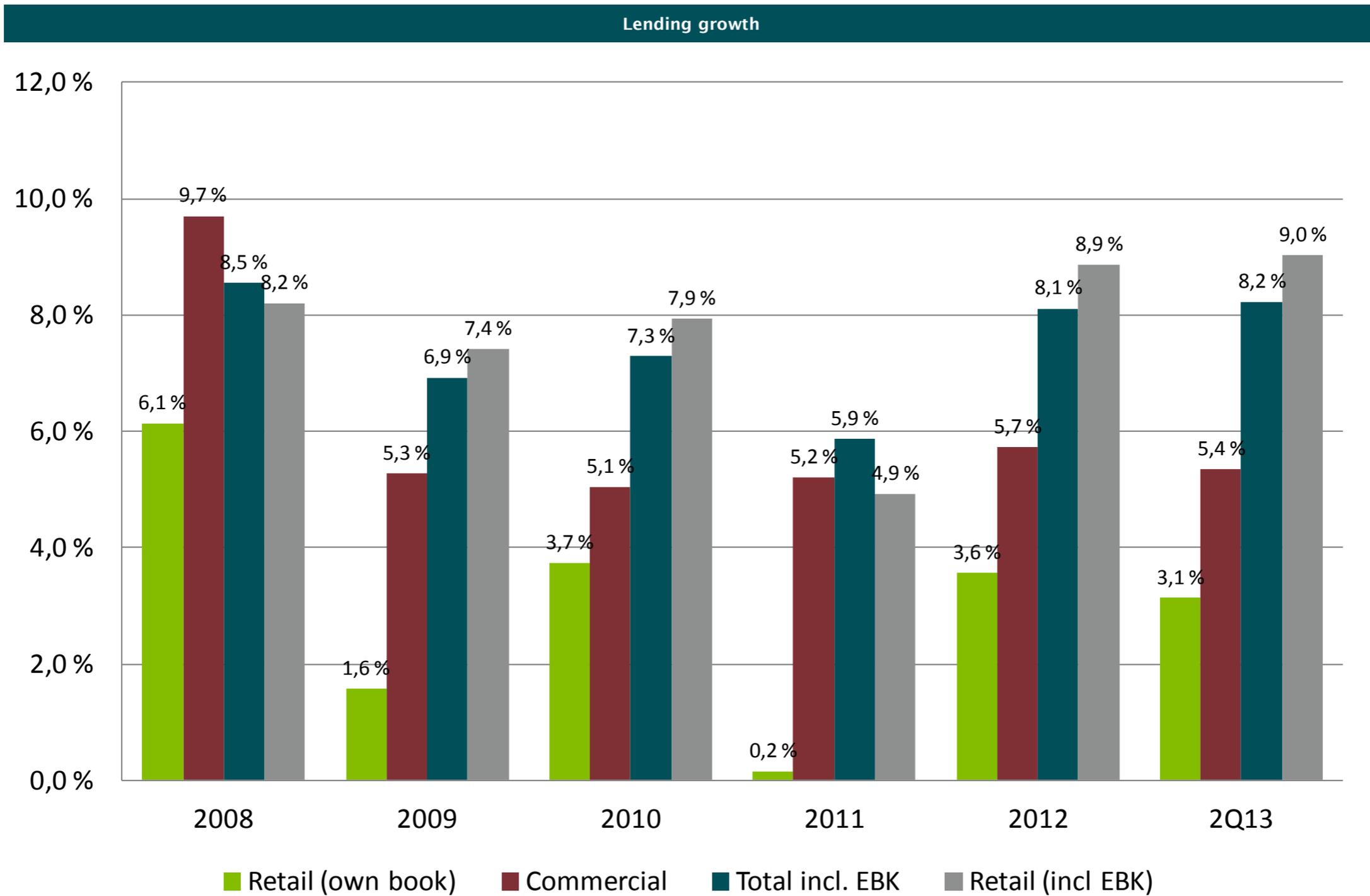
Banks - transfers of mortgages to Cov. Bond companies



Source: Bank Analyst Eika

Appendix

Eika banks - lending growth



Source: Bank Analyst Eika

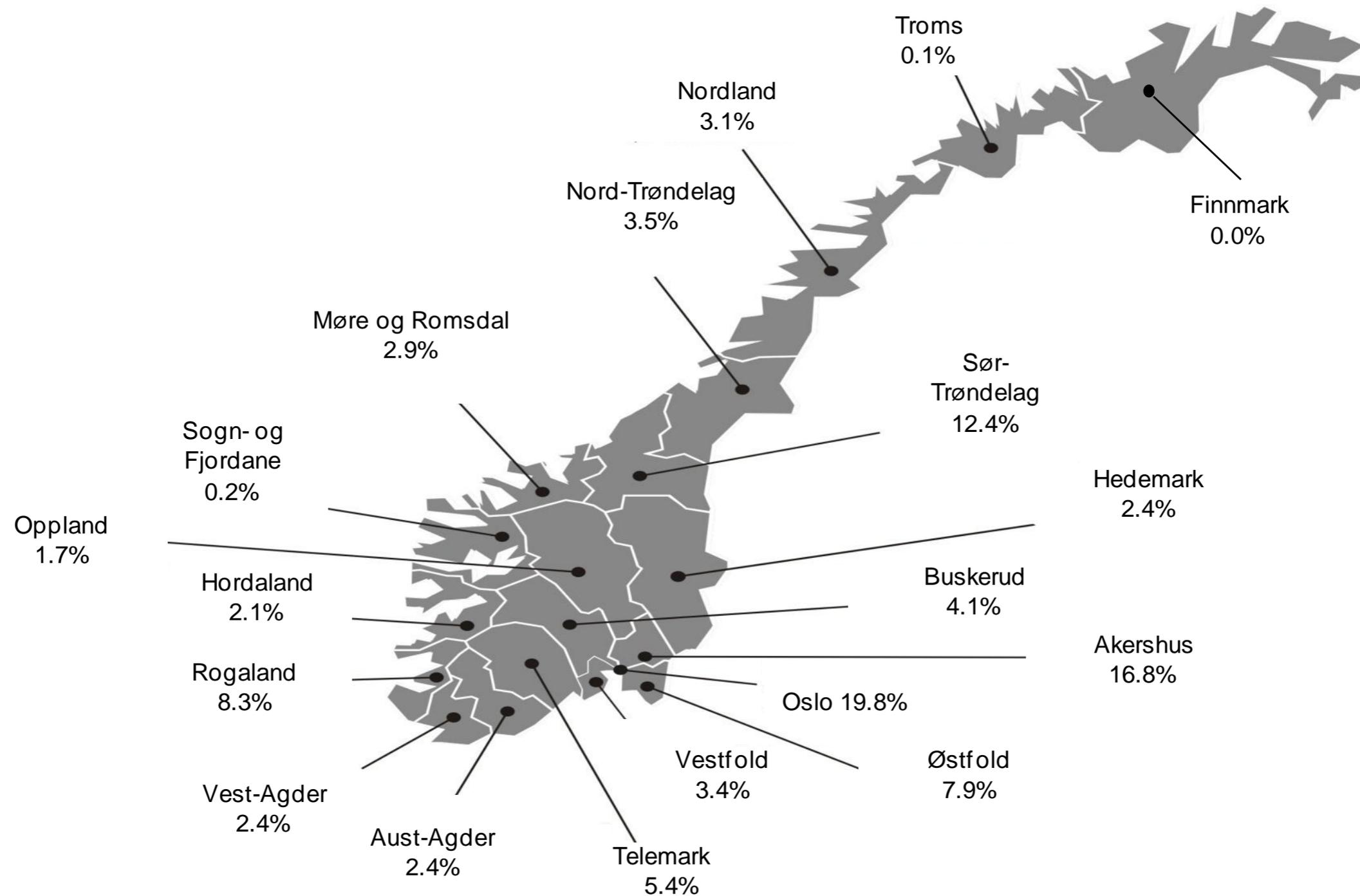
Appendix

Eika banks - 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 %

Eika Boligkreditt - Strong geographical diversification



Map of distribution as of 30.09.2013

Appendix

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 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)	Up to 15 %	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	Market value	Market value	Mortgage lending value
Valuation check	Regular surveillance through accountant	Regular monitoring of property values	Regular monitoring	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 for specialist lenders	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

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