Eika Boligkreditt

Investor presentation

December 2022

Executive summary

The economy

- GDP-growth -2.3% in 2020, but strong rebound of +4.1% in 2021. +3.2% expected for 2022
- Unemployment rate 1.6% in November 2022
- Higher mortgage rates are expected to lead to slightly lower house prices going forward
- Inflation expected to overshoot inflation target and economy operating at full capacity leads to higher policy rates going forward (from 2.5% today to around 3.0% during the winter 2022/23 according to Norges Bank)

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/shipping
- Strong and diversified deposit base
- Strong capitalization and high level of liquidity buffers
- Strong position in the local markets

Conservative cover pool

- Maximum 75% LTV for mortgages at origination and strict underwriting criteria
- 100% residential assets as collateral
- 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 – Key indicators

- Constitutional monarchy; Non EU member (EEA member); Population of 5.4 million
- Aaa / AAA / AAA rated country (all with stable outlook)
- GDP per capita amongst the highest in the OECD countries – estimated to be 40% higher than the average in EU (28 countries)

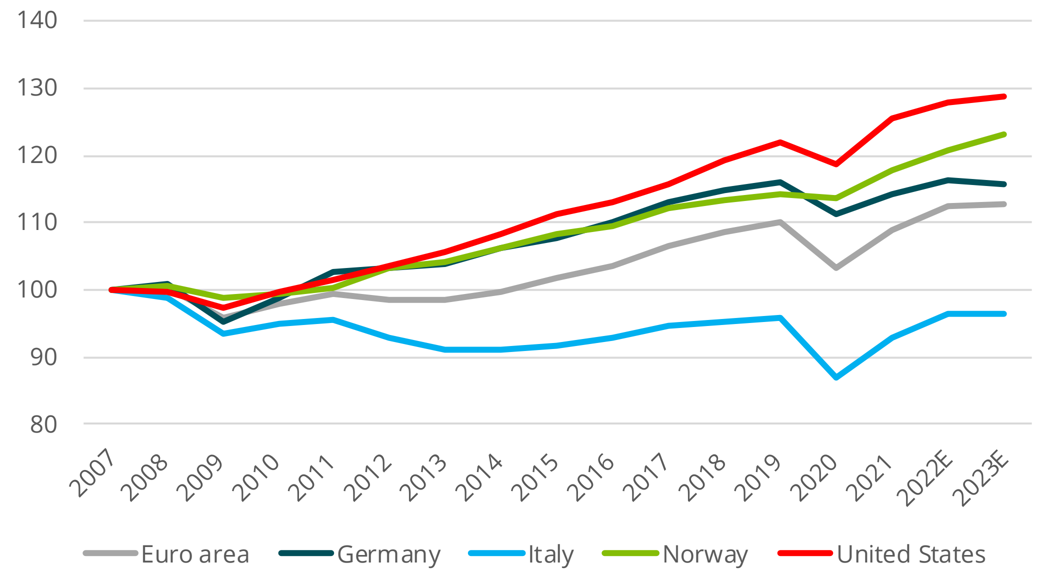
- GDP contracted by 2.3 % in 2020 driven by reduced private consumption, reduced investments and reduced export.
- Rebound in GDP of 4.1% in 2021 driven by a reversal of negative development in private consumption, investments and export in 2020. 3.2% expected for 2022.

	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E	2025E
GDP growth (Mainland)	0.9 %	2.0 %	2.2 %	2.0 %	-2.3 %	4.1 %	3.2 %	1.5 %	1.9 %	1.3 %
Consumer price inflation	3.6 %	1.8 %	2.7 %	2.2 %	1.3 %	3.5 %	5.7 %	3.5 %	1.0 %	1.8 %
Unemployment	4.7 %	4.2 %	3.8 %	3.7 %	4.6 %	4.4 %	3.3 %	3.6 %	3.7 %	4.2 %
Private Consumption	1.1 %	2.2 %	1.6 %	1.1 %	-6.6 %	4.9 %	6.7 %	1.0 %	1.3 %	2.4 %
Household savings rate	6.9 %	6.6 %	5.9 %	7.0 %	14.2 %	15.1 %	7.4 %	6.6 %	8.5 %	8.7 %
Houseprices	7.0 %	5.0 %	1.4 %	2.5 %	3.9 %	10.5 %	5.7 %	-2.5 %	-2.5 %	2.0 %
Mortgage rate (flexi loans)	2.6 %	2.6 %	2.7 %	3.0 %	2.6 %	2.1 %	2.8 %	4.2 %	4.1 %	3.7 %
Government net lending as % of GDP	4.1 %	5.0 %	7.9 %	6.6 %	-2.6 %	9.9 %	16.2 %	16.3 %	n/a	n/a
Government pension fund / GDP	241 %	257 %	233 %	283 %	291 %	287 %	289 %	297 %	307 %	n/a

Source: Statistics Norway – Konjukturtendensen 3/2022 , OECD – Economic Outlook No . 112 November 2022 and Norges Bank

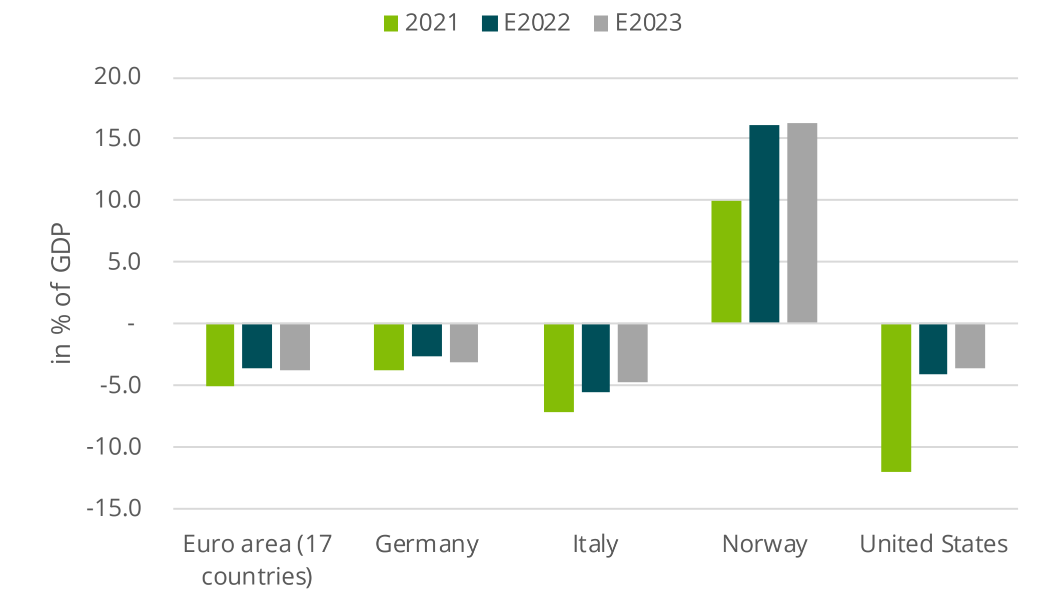
The Norwegian economy – Relative solid economic situation

Real GDP growth (rebased to 100 in 2007)



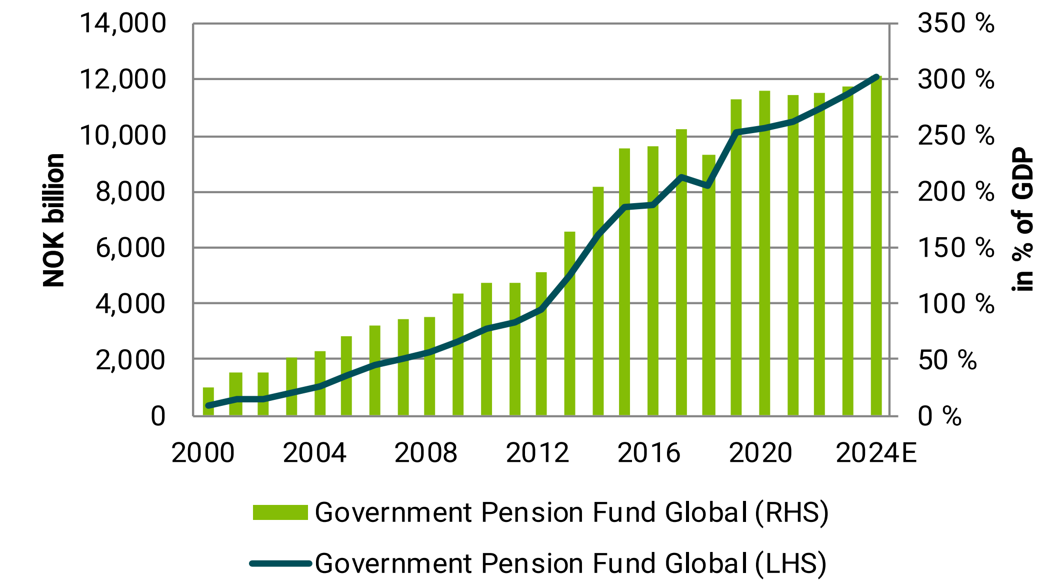
Source: OECD Economic Outlook No. 112 (database), November 2022

Government net lending (% of GDP)



Source: OECD Economic Outlook No. 112 (database), November 2022

Government Pension Fund Global



Source : The National Budget 2021, Statistics Norway

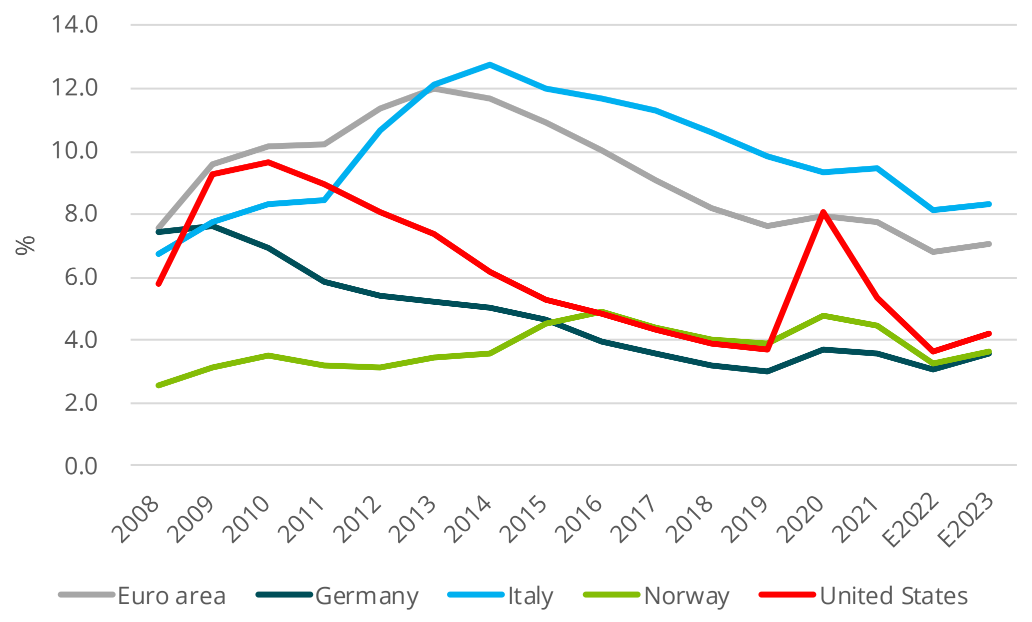
- Economic GDP Mainland growth average of 1.6% p.a. last 10 years
- Strong current account surplus averaging 7.9% of GDP since 2012

- Significant positive government net lending (+9.9% of GDP in 2021) expected for 2022 and 2023 due to high energy prices
- Government Pension Fund is almost three times the size of GDP

- Norway has a strong balance sheet
- High net central government financial assets (380% of GDP in 2020)

The Norwegian economy – Unemployment and inflation

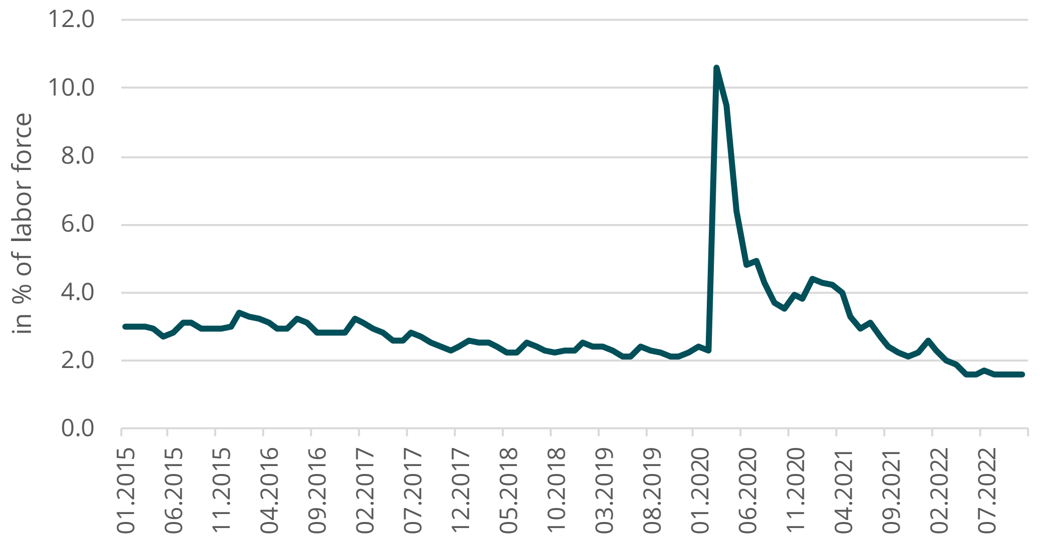
Norway has consistently low unemployment rate historically



Source: OECD Economic Outlook No. 112 (database), November 2022

- A stable economy has ensured a high rate of employment
- After the COVID-19 outbreak unemployment increased dramatically due to temporary lay-offs, but labour market back to normal after full reopening of the economy

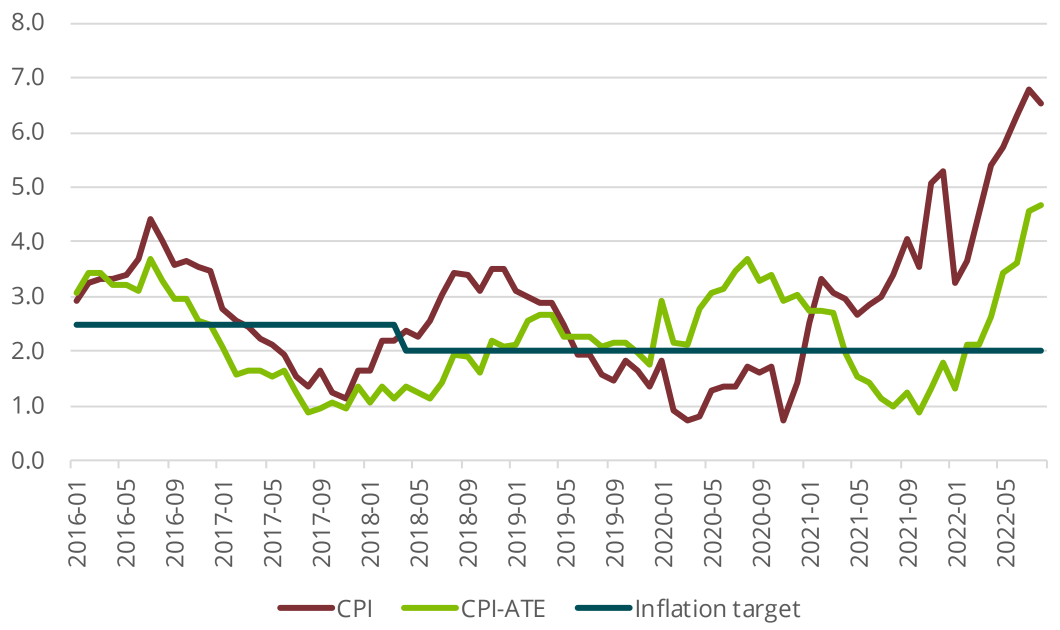
Unemployment rate



Source: NAV, November 2022

- 1.6% unemployment rate in November, lower than before COVID19. Last measures where lifted February 1st
- CPI was 7.5% YoY in October. Core inflation was 5.9% YoY. Core inflation is expected to overshoot the inflation target of 2.0% over the next 2-3 years
- Subsidy scheme for electricity for Norwegian households is expected to reduce CPI with 1.2% in 2022

Inflation & inflation target

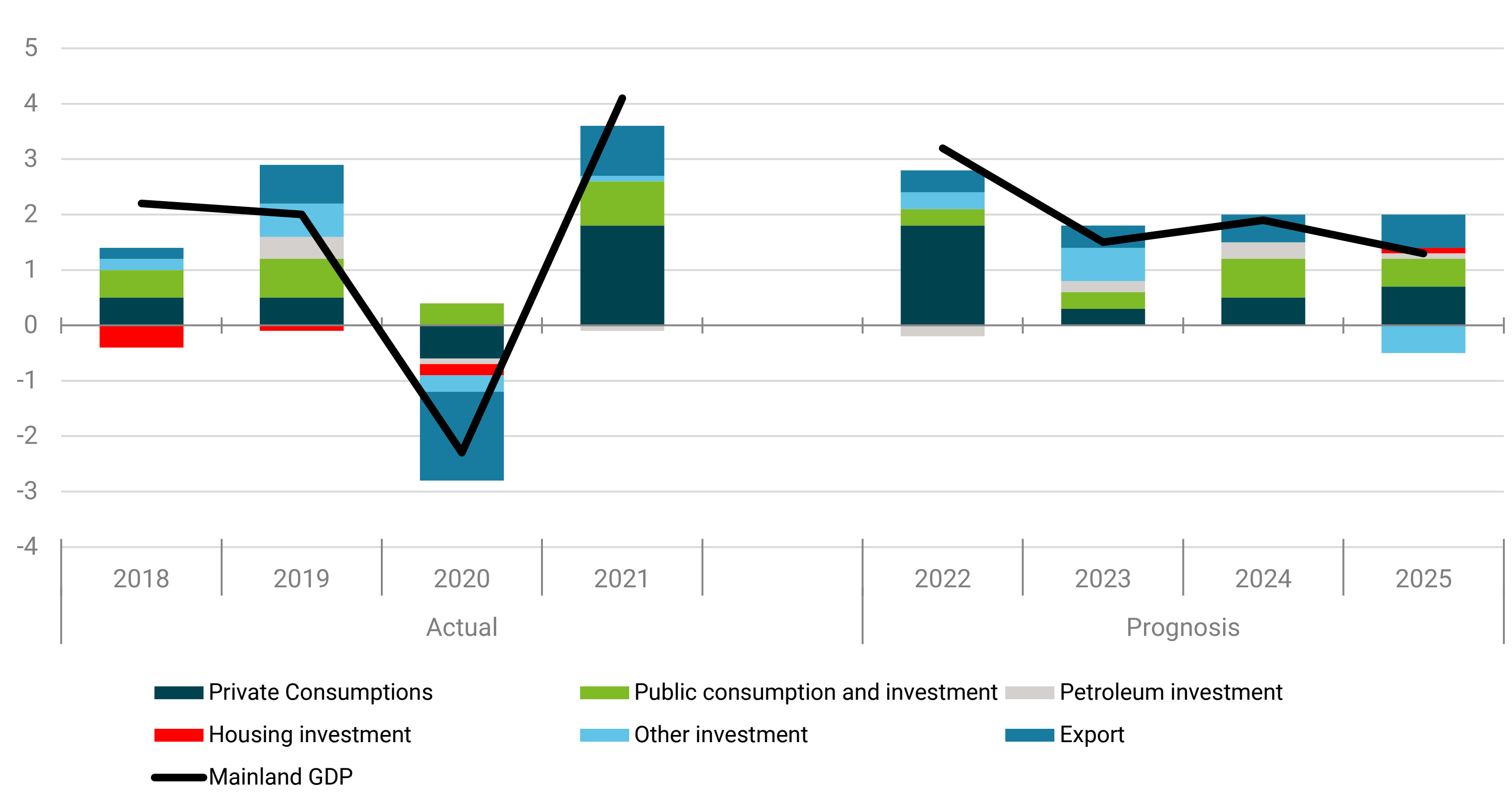


Source: Statistics of Norway & Norges Bank MPR 3/22

- A strong welfare system provides significant income protection: unemployment benefit is 62.4% of salary (capped at NOK 599,148) for a minimum of 104 weeks

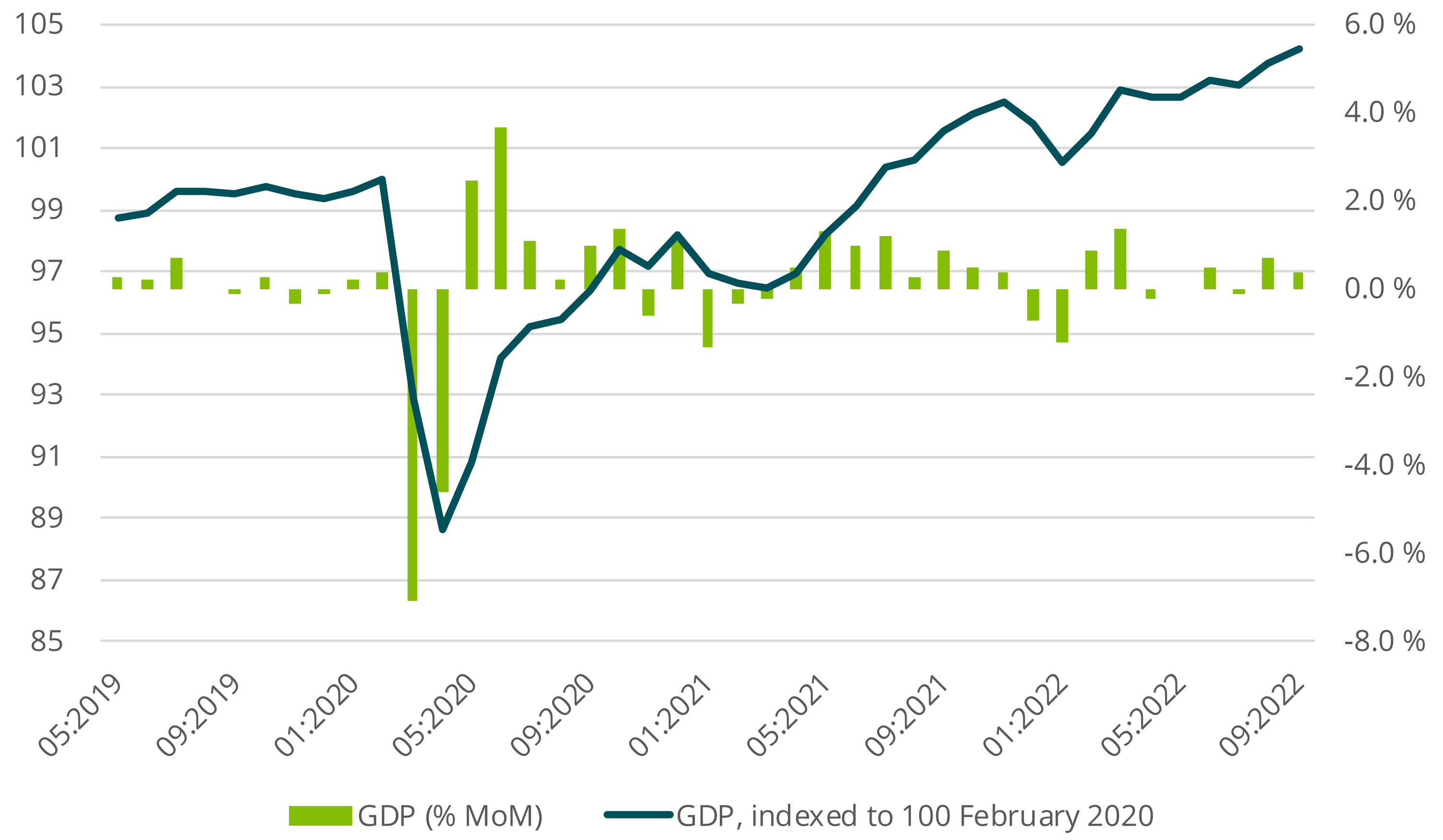
The Norwegian economy – GDP

Norwegian Mainland GDP growth



Source: Statistics Norway, Konjunkturtendensene 3/2022

Mainland GDP- MoM



Source: Statistics Norway, September 2022

- GDP growth contracted by 2.3 % in 2020 driven by reduced private consumption, reduced investments and reduced export.
- Rebound in GDP in 2021 with growth of 4.1% driven by a reversal of negative development in private consumption, investments and export in 2020.
- GDP growth of 3.2% expected for 2022 (revised down from 4.1% in December)

- Mainland GDP contracted 2.3% in 2020 and rebounded with +4.1% full year 2021. Mainland GDP increased by 0.8% in Q3 2022. Q2 was revised up to 1.2% from 0.7% and Q1 down from -0.4% to -0.5%.
- For Q3, trade in goods and services and public investments were positive drivers. Private and public consumption were negative drivers.

The housing market characteristics in Norway

Home ownership

- Among the highest in the world – **76.8%** are owner-occupied households
- Total size of the mortgage market NOK **3,300 bn** (EUR 320 bn)

MoF lending regulation*

- 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**
- Flexibility quota per quarter **10%** (8% in Oslo)

Tax incentives

- All interest expenses are tax deductible in Norway at capital gains tax rate (**22%**)
- 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

Personal liability

- 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

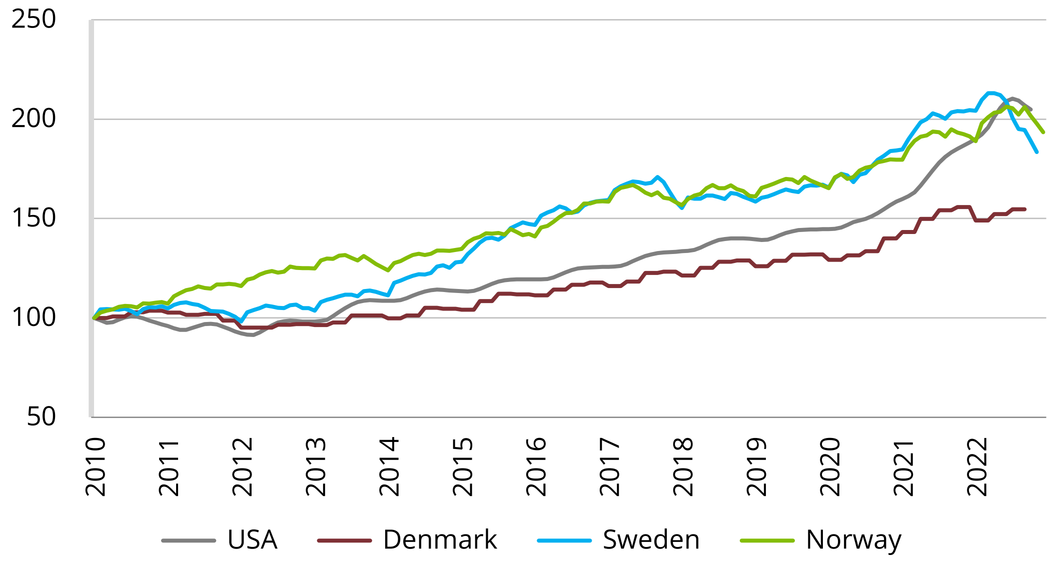
Mortgage lending

- Typical legal maturity 25-30 years, on average **22-23 years**
- **94.9%** of residential mortgages have variable interest rate (Q4 2021)
- Lenders allowed to **adjust interest** rates with a six week notice
- **No "sub-prime"** market in Norway
- Limited **buy-to-let market**

* January 20th 2021 the Ministry of Finance decided to continue the current mortgage regulation unchanged with effect from January 1st 2021. Current regulation expired 31 December 2024. Due to Covid 19 the flexibility quota was increased to 20 percent on March 23rd for Q2 2020 and June 11th the increased flexibility quota of 20 percent was extended for Q3 2020, but was not extended for Q4 2020

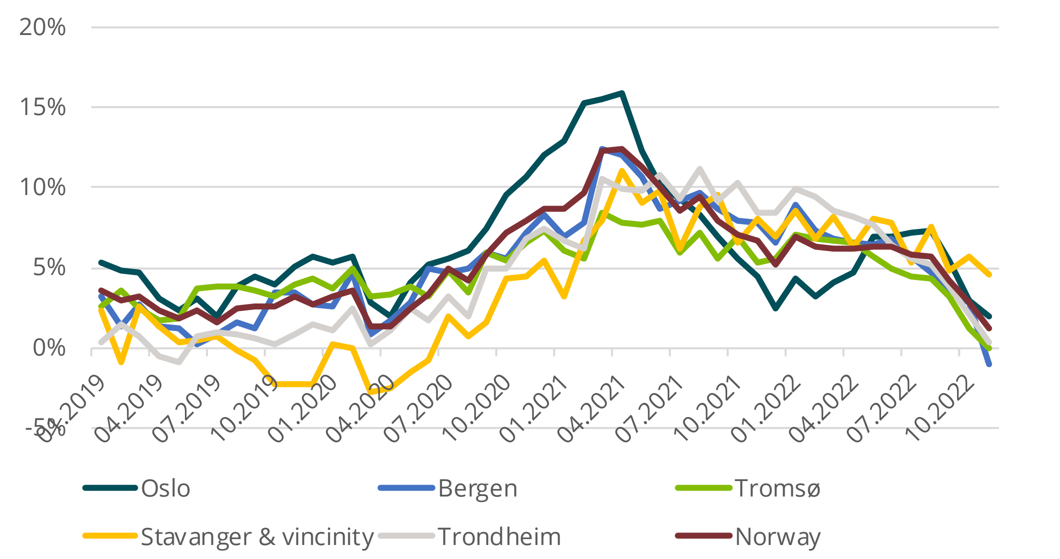
The housing market – Price development

Nominal house price development



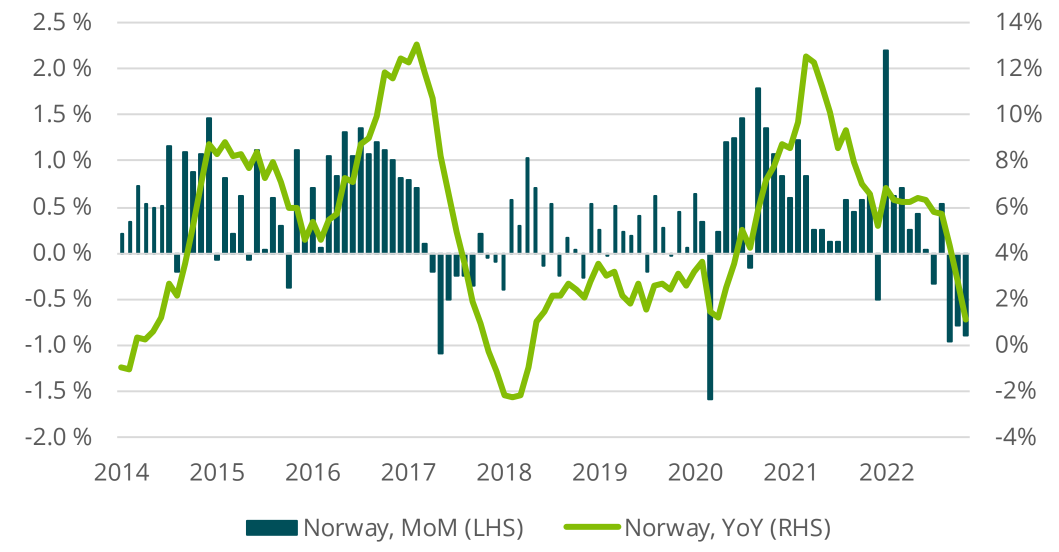
Source: S&P CoreLogic Case-Shiller US National Home Price NSA Index, Danmark statistik EJENEU, Valueguard HOX® Index, Eiendomsverdi, June 2022– November 2022

House prices larger cities (twelve-month change)



Source: Eiendom Norge, Eiendomsverdi, Finn.no, NEF, November 2022

House prices (monthly and twelve-month change)



Source: Eiendom Norge, Eiendomsverdi og Finn.no, November 2022

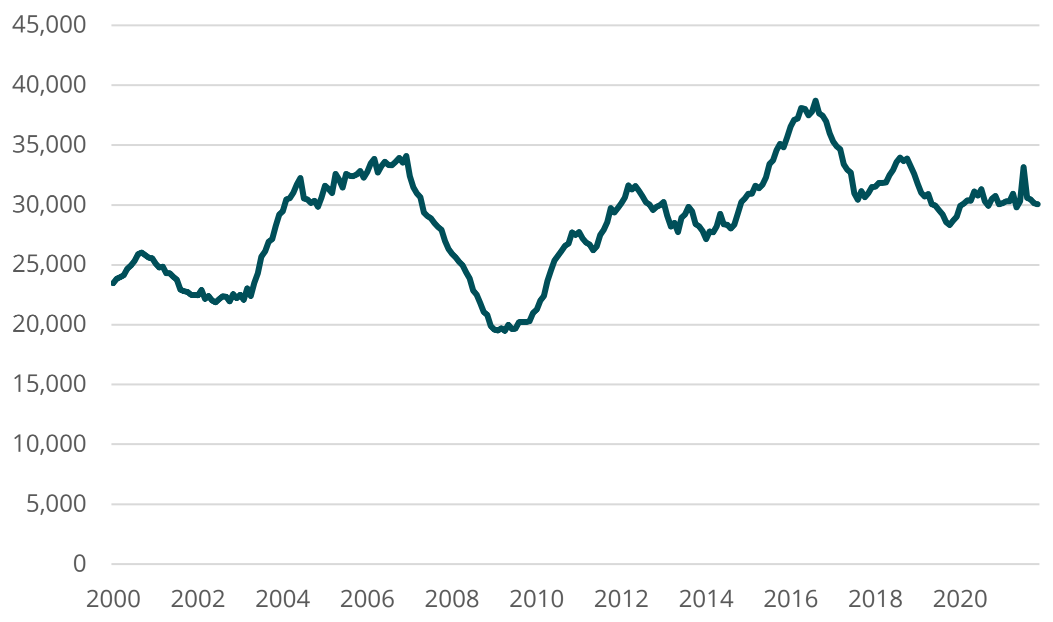
- Nominal house prices have increased by an average of 5.4% per annum since 2010
- Nominal house prices have increased by +8.7% in 2020, +5.2% 2021 and +2.4% YtD 2022, but -5.9% in July to November 2022

- The strong rise in Q1 2022 was related to the introduction of a new Disposal Act, coming into force on 1 January. The new act caused a temporary drop in supply.
- Higher mortgage rates are expected to lead to slightly lower house prices going forward

- Median house price (last 6 months) in Norway is €386 thousand, median house price in Oslo is €513 thousand
- Average m^2 price last 6 months in Norway is €5,276 , m^2 price in Oslo is €9,138

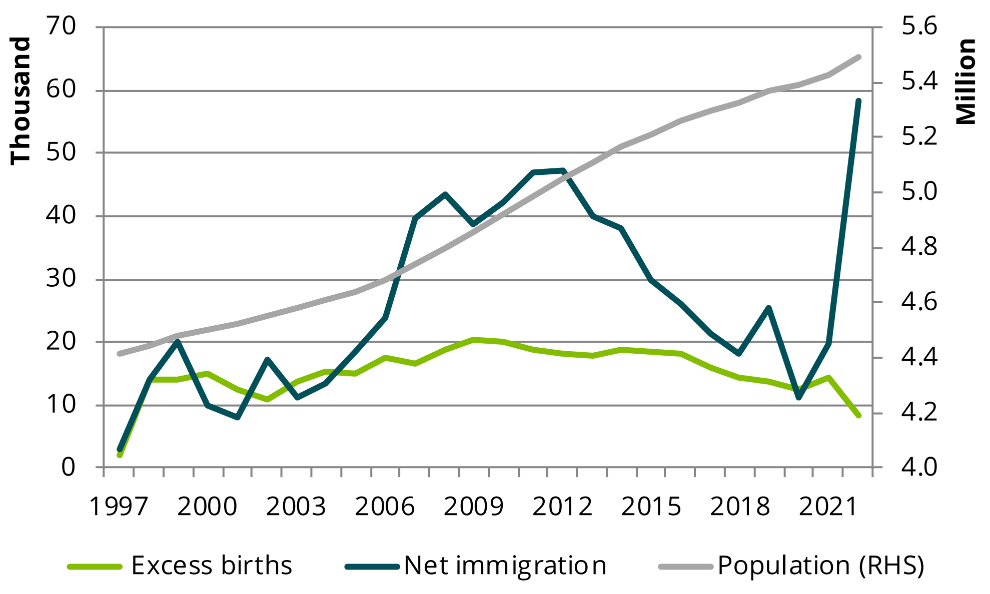
The housing market – Drivers of the housing market

Housing starts (twelve-month change)



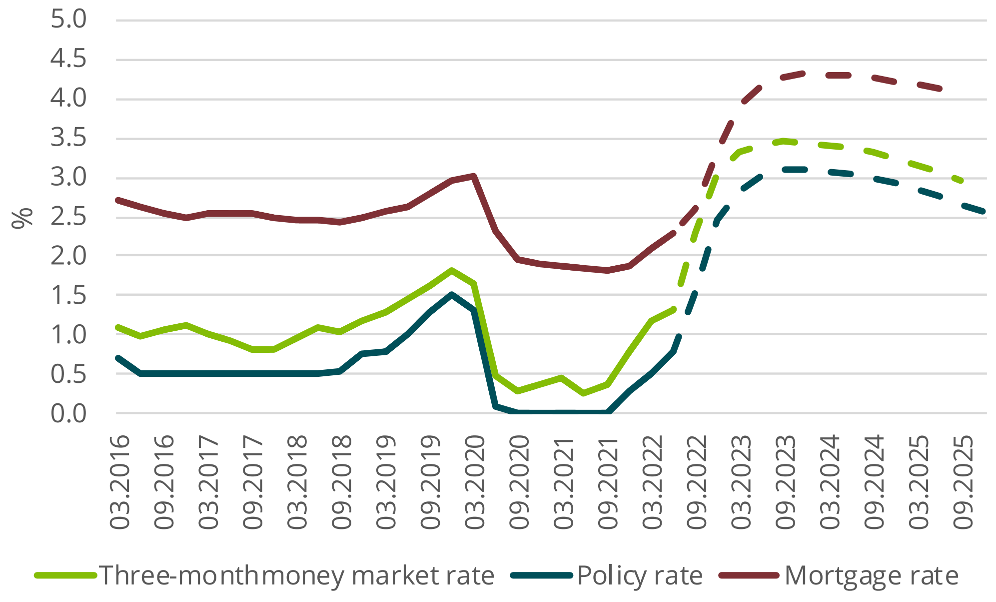
Source: Statistics Norway, October 2022

Population growth



Source: Statistics Norway, Q3 2022

Interest rates



Source: Norges Bank, MPR 3/22

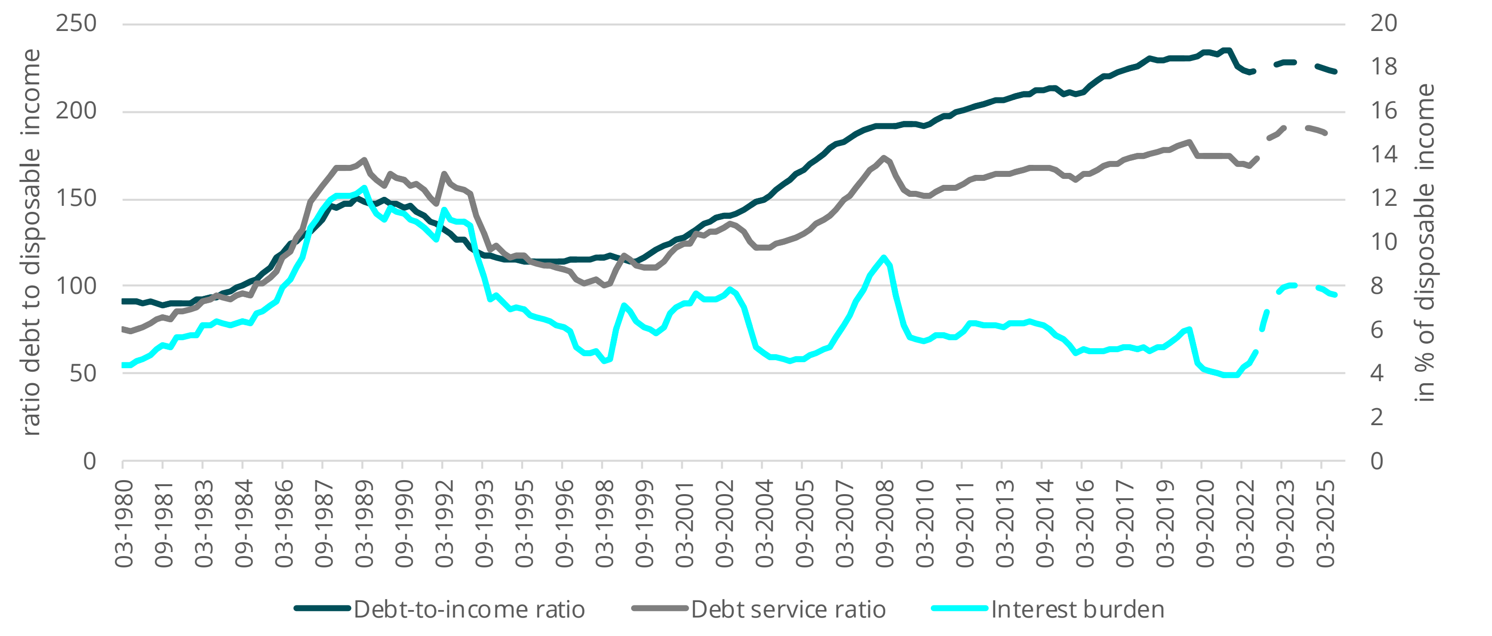
- Housing starts up by 0.7 % in 2021 compared to 2020. Housing starts down by 2.3 % YoY in October 2022
- Housing investments fell by 3.3 % in Q3 2022. Third quarter in the row with negative development in housing investments

- Net immigration down from above 47,000 in 2011/12 to 11,000 in 2020, but increased to 20,000 in 2021. Net births increased in 2021 compared to 2020. Immigration sharply up in YtD 2022.
- The population growth of 0.9% p.a. since 1997 has been driven both by excess birth rate (37%) and net immigration (63%)

- Average variable mortgage rates was 3.35% in October. Average deposits rates was 1.12% and average loan margins was -0.07%. Mortgage rates, deposits rates and loan margins will increase going forward both due to expectations for further increases in policy and money markets rates and the 6 week notice period before new rates takes effect for mortgages and deposits

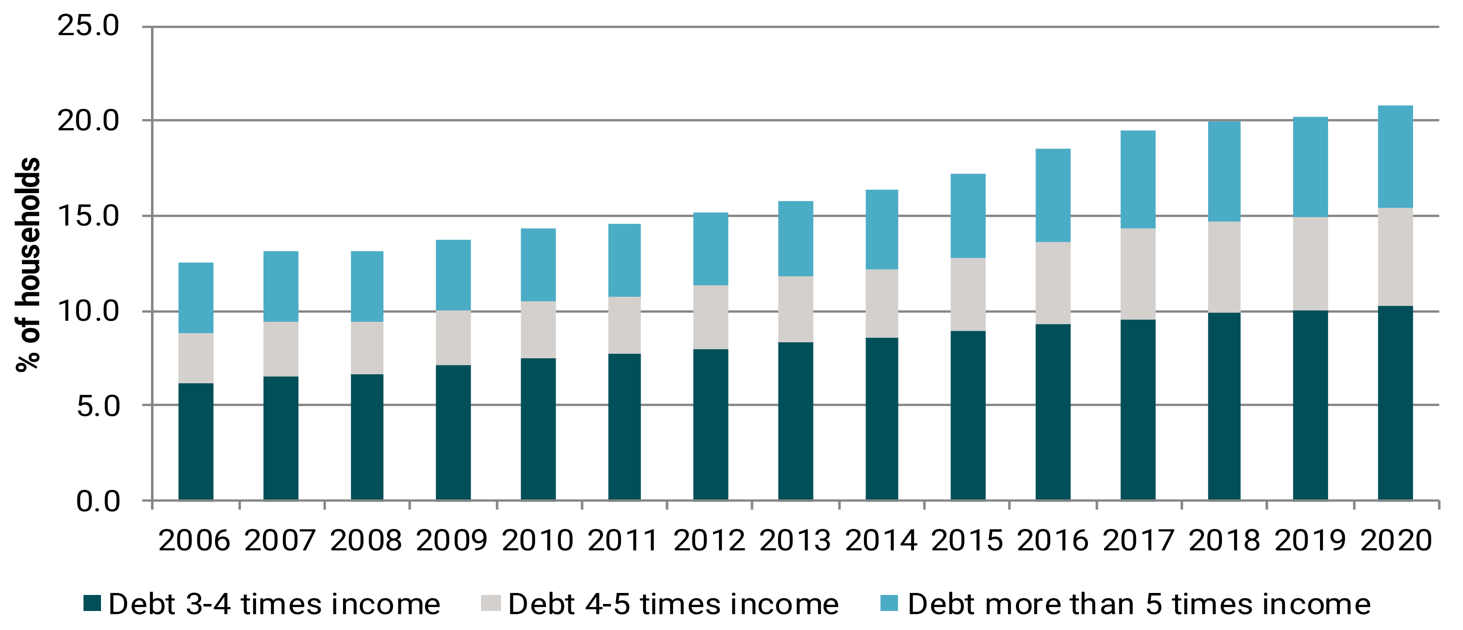
Households financial position

Household interest burden and debt-to-income ratio



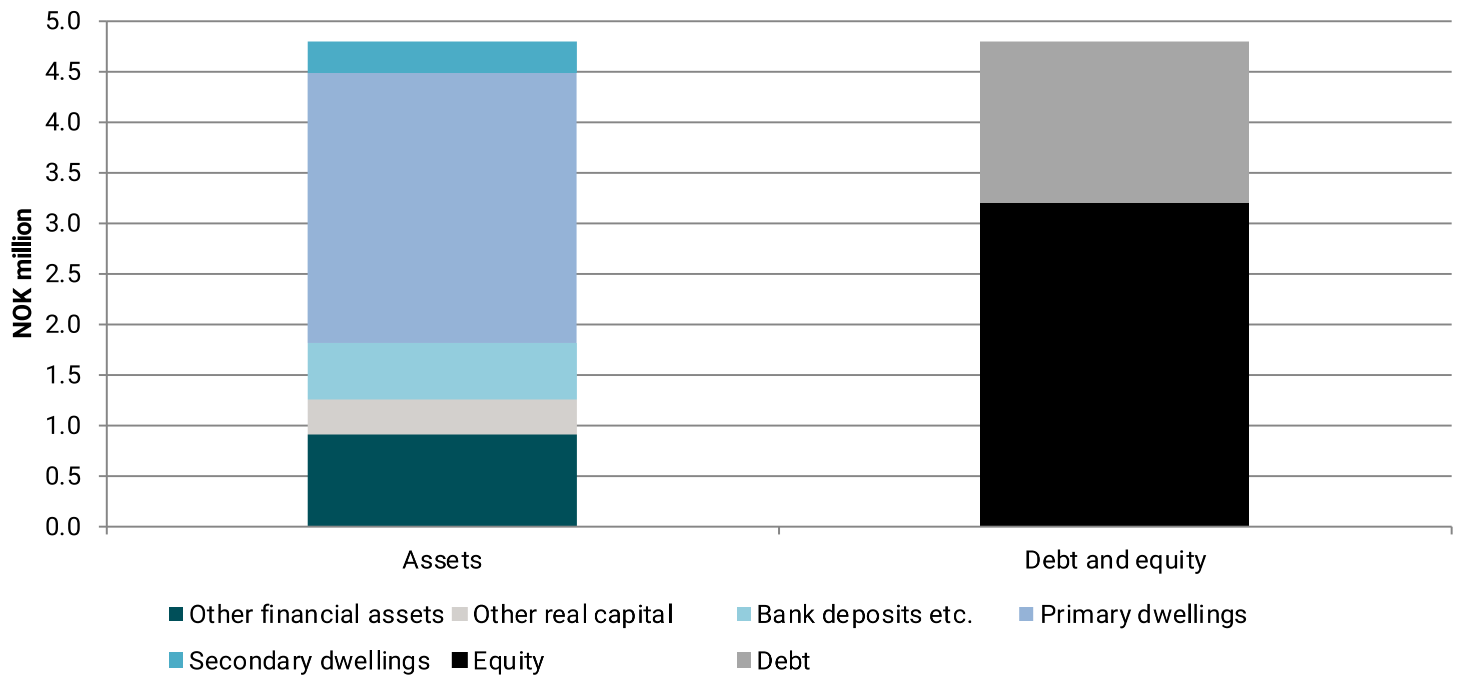
Source: Statistics Norway and Norges Bank, MPR 3/22

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



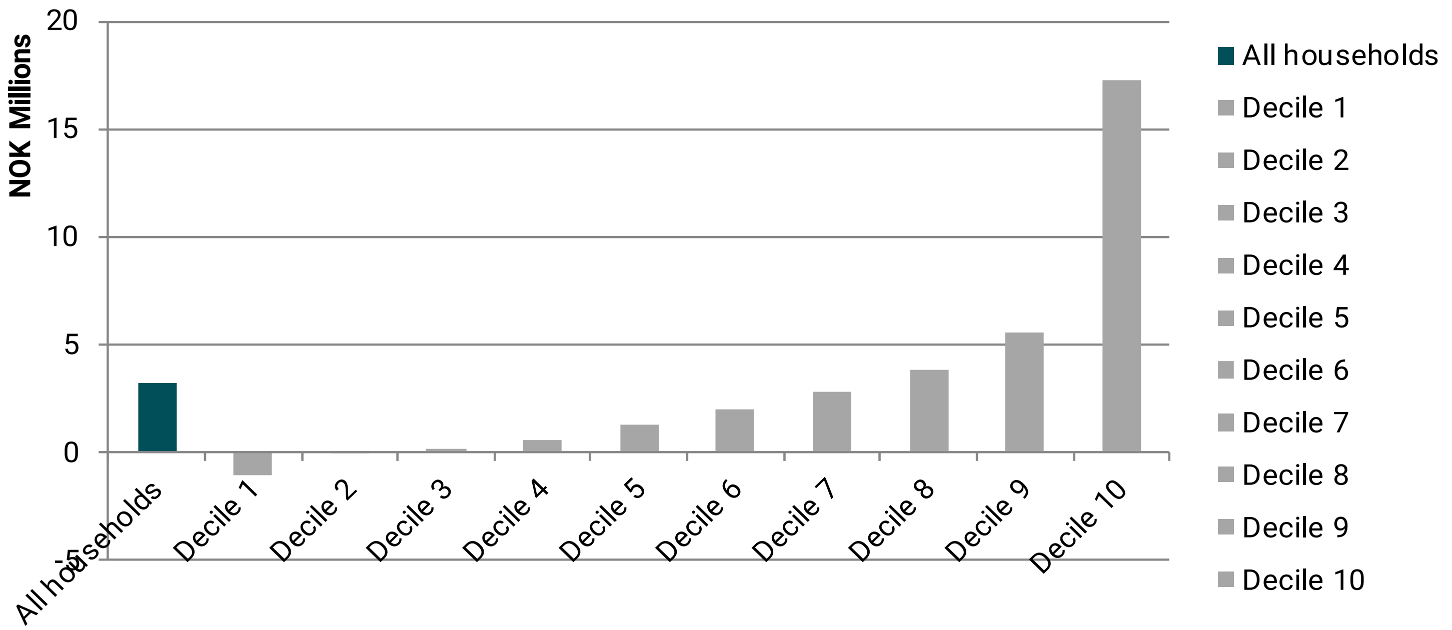
Source: Statistics Norway, Updated 2020

Household balance sheet



Source: Statistics Norway Updated 2020

Norwegian households net wealth (in NOK)



Source: Statistics Norway, Updated 2020

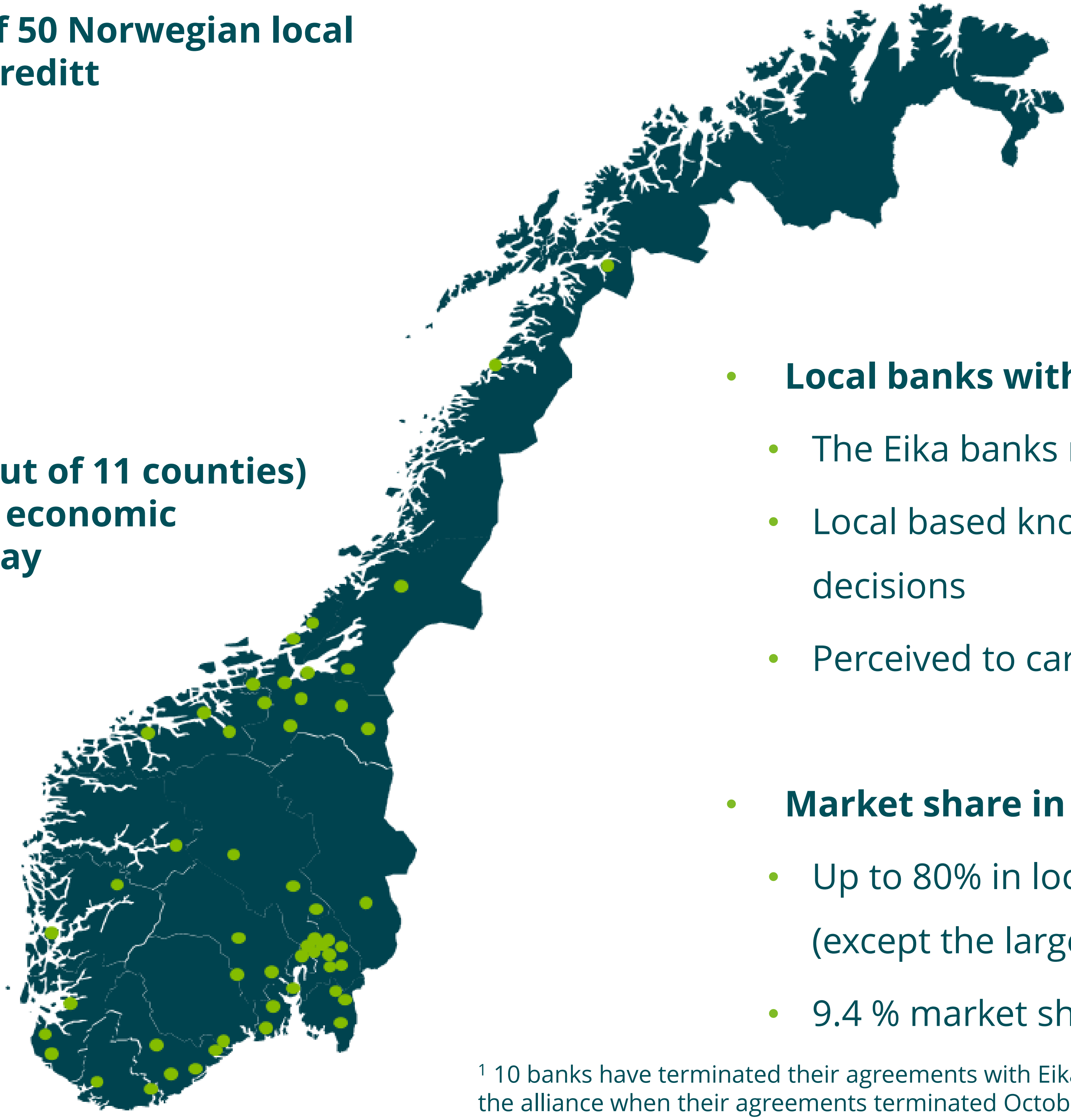
Agenda

eika.

3rd largest Norwegian banking system

- **The Eika Alliance consist of a group of 50 Norwegian local banks[1], Eika Gruppen and Eika Boligkreditt**
  - Total assets EUR 45 bn
  - 700,000 customers
  - 1,850 employees
  - 177 branch offices

- **The banks have a wide geographical reach (presence in 10 out of 11 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 ranks high on client experience
  - 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)
  - 9.4 % market share retail lending in Norway

[1] 10 banks have terminated their agreements with Eika Gruppen and left the Eika Alliance. The 10 banks left the alliance when their agreements terminated October 24th 2021 and sold their shares in Eika Gruppen, 11.9% of total number of shares, to the remaining Eika banks regulated in an agreement dated February 10th 2022. These banks have transferred 14.5% of the portfolio in Eika Boligkreditt as of 2021Q4. Eika Boligkreditt have terminated the distribution agreement with effect from January 1st 2022. Se appendix for a description of the effect of cancellation of the distribution agreement.

The Eika Alliance

NIDAROS Sparebank*, Tysnes Sparebank – din nærbank –, Eidsberg Sparebank, Oslofjord Sparebank, Grong Sparebank, HjartdalBanken, Selbu Sparebank*, Sandnes Sparebank, Hemne Sparebank, Høland & Setskog Sparebank, RørosBanken, Etnedal Sparebank, Birkenes Sparebank, Ørskog Sparebank, Skue Sparebank, Larvikbanken, Hegra Sparebank, Sunndal Sparebank, Aasen Sparebank*, Romerike Sparebank, Vekselbanken – ein god medspelar –, Askim & Spydeberg Sparebank*, stbank Stadsbygd Sparebank, Romsdalsbanken*, Evje & Hornnes Sparebank, Tinn Sparebank, Gildeskål Sparebank, Bjugn Sparebank, Haltdalen Sparebank, Jæren Sparebank, Rindal Sparebank, Berg Sparebank Lokalbanken ved din side, Hjelmeland Sparebank, Sparebanken Narvik, Ørland Sparebank*, Andebu Sparebank, Jernbanepersonalets bank og forsikring, Bien Sparebank, Sparebanken DIN*, Drangedal Sparebank*, Marker Sparebank, Soknedal Sparebank, Odal Sparebank, Tolga Os Sparebank*, Aurskog Sparebank, Åfjord Sparebank, Sogn Sparebank, Grue Sparebank, Melhus Banken, Oppdalsbanken, Valle Sparebank – allstøtt med deg, Banken Kvinesdal Sparebank, Orkla Sparebank, Strømmen Sparebank, Agder Sparebank, Sparebank 68° Nord*, Valdres Sparebank, Totens Sparebank, Trøgstad Sparebank, Skagerrak Sparebank

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 and the 10 banks that left The Alliance are only shareholder in Eika Boligkreditt AS.
OBOS is the largest Nordic Cooperative Housing Association, established in 1929 and is owned by 454,000 members, mostly located in the Oslo-area. More information about OBOS can be found on www.obos.no
* The 10 banks that have terminated their agreements with Eika Gruppen, sold their shares in Eika Gruppen and left the alliance

eika.

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

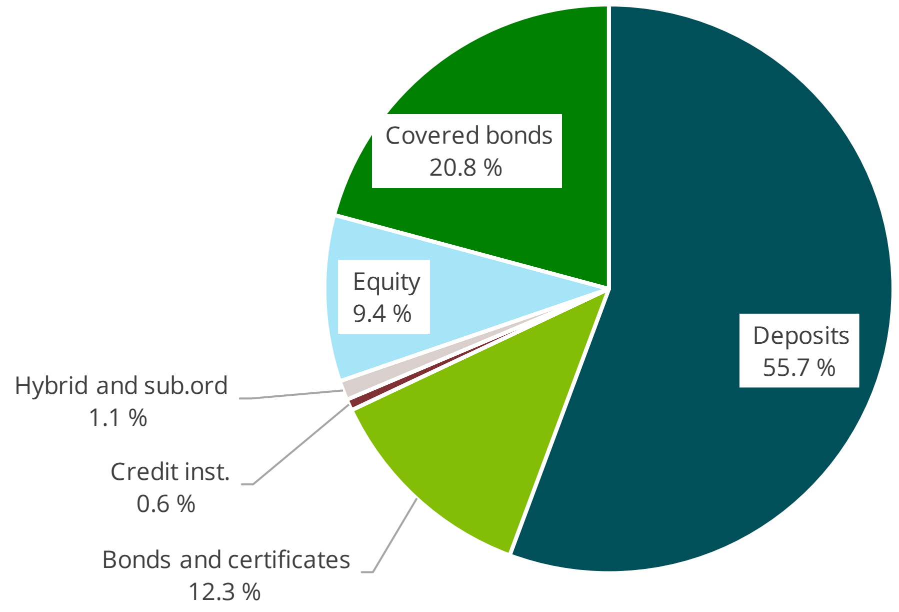
- Provider of covered bond funding

Efficiency

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

Alliance programme

Total funding sources



Source: Bank analyst Eika as of Q2 2022

Focus on retail customers

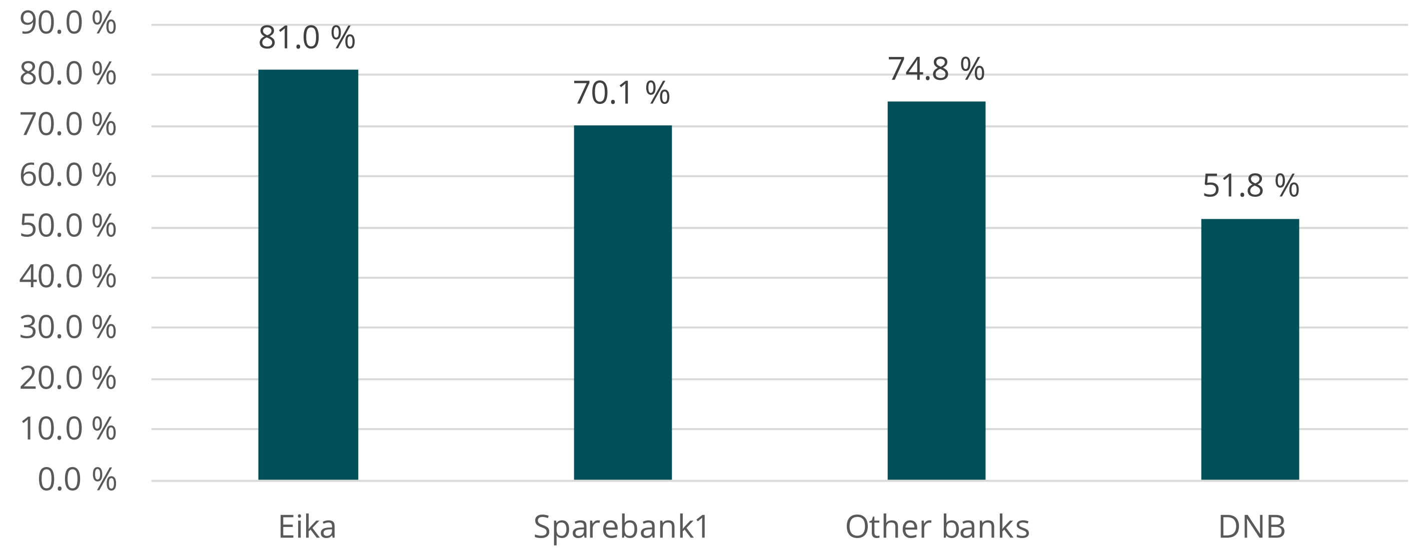
- Eika banks have a large and stable retail customer base
- Retail lending accounts for 80.5% of Eika banks' total lending
- Eika banks have a higher share of retail lending compared to the other Norwegian peers
- Retail lending consist predominantly of mortgage collateralized housing loans (approx. 93% of total)
- Low average LTV of 61.2% in mortgage portfolio YE2021

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

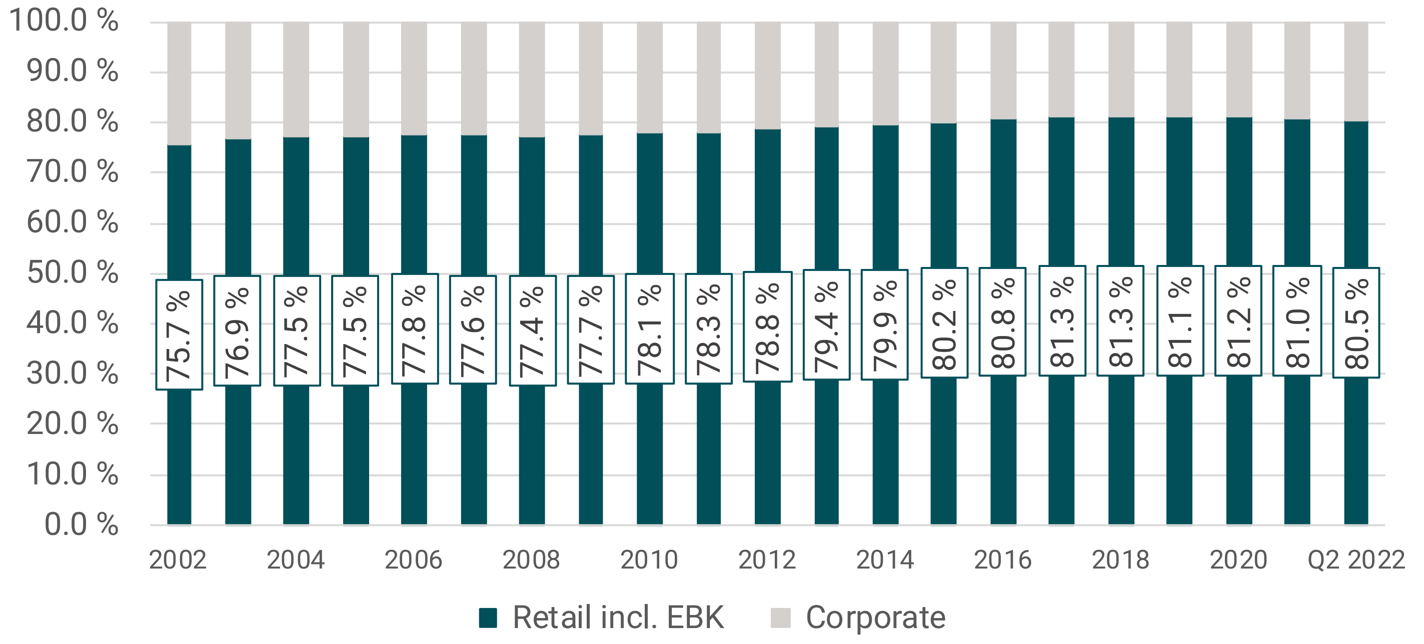
Separate legal identities and a common support brand

Retail share - Eika vs. peers



Source: Bank analyst Eika as of Q4 2021

Breakdown of the Eika banks lending



Source: Bank analyst Eika as of Q2 2022

High asset quality

- Conservative risk profile for the lending portfolios

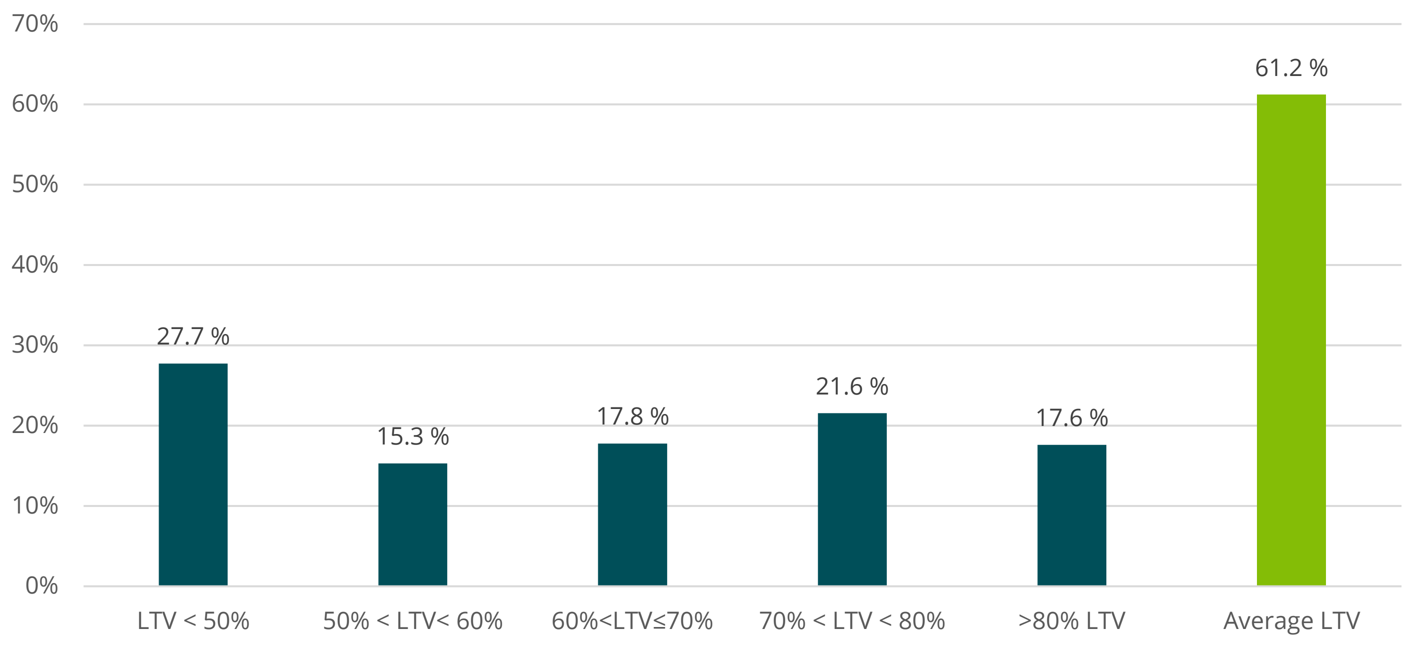
- Eika banks have low exposure to the corporate sector with no lending to shipping, oil sector and relatively low exposure to commercial real estate

- Few non-performing and doubtful loans (Q4 2021):
  - Gross non-performing loans constitute 0.49% of gross loans compared to 0.39% for sector
  - Gross doubtful loans constitute 0.64% of gross loans compared to 0.97% for sector
  - Provisioning ratio on problem loans of 43.7% Q4 2021

- Gross problem loans relative to equity + loan loss reserves was 7.5% in Q2 2021, down from 8.9 % in Q4 2020

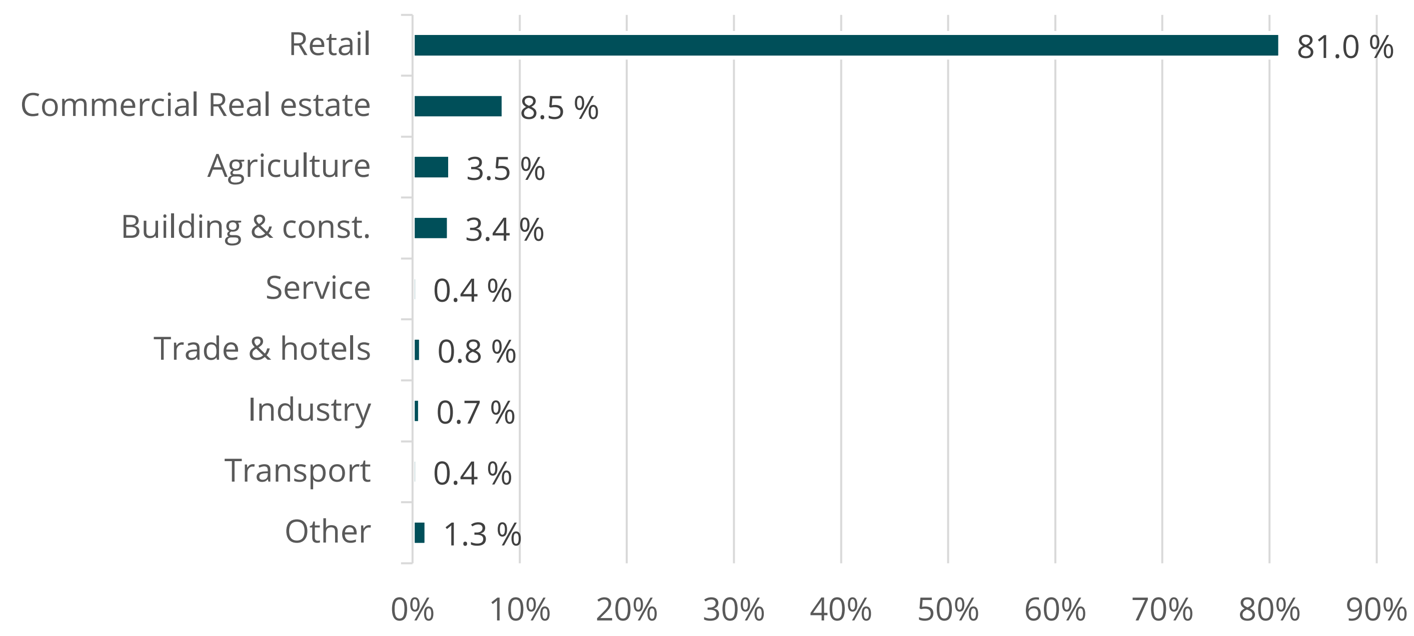
- Loan loss provision ratio was -0.01% in 2021, down from 0.20% in 2020. Average last 10 years has been 0.13%. Average for sector in 2021 was 0.03%

Low LTV in mortgage portfolio (bank book)



Source: Eika Boligkreditt as of Q4 2021

Sector breakdown of the loan book (incl.EBK)

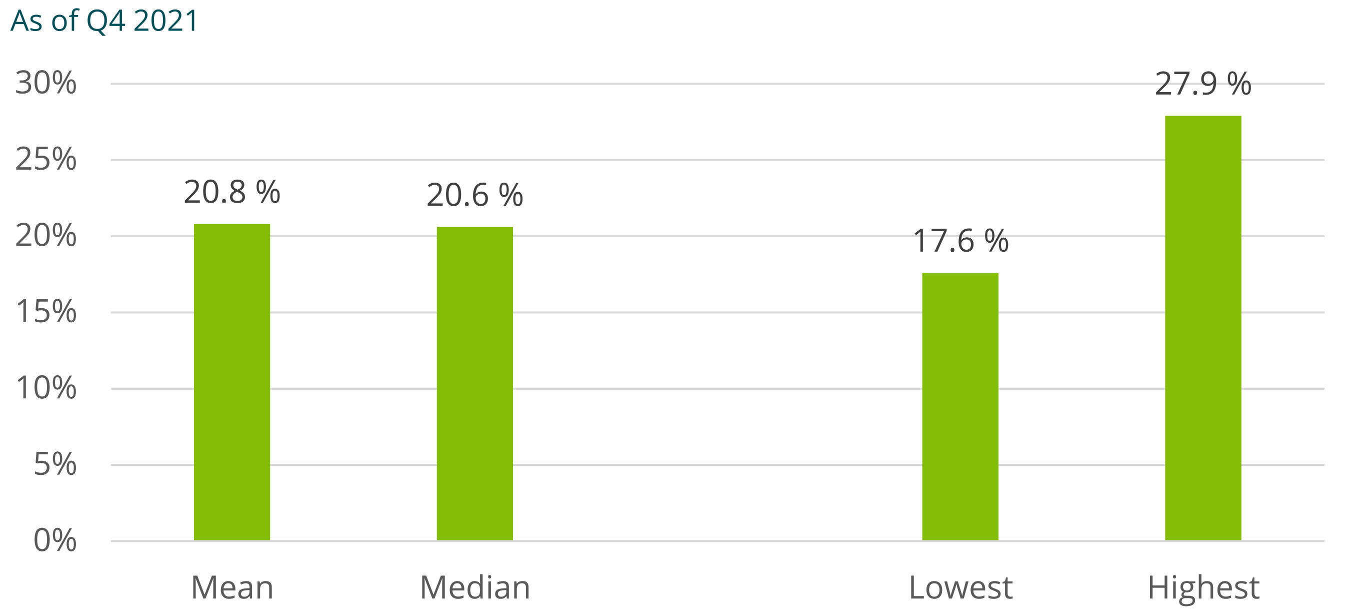


Source: Bank analyst Eika as of Q4 2021

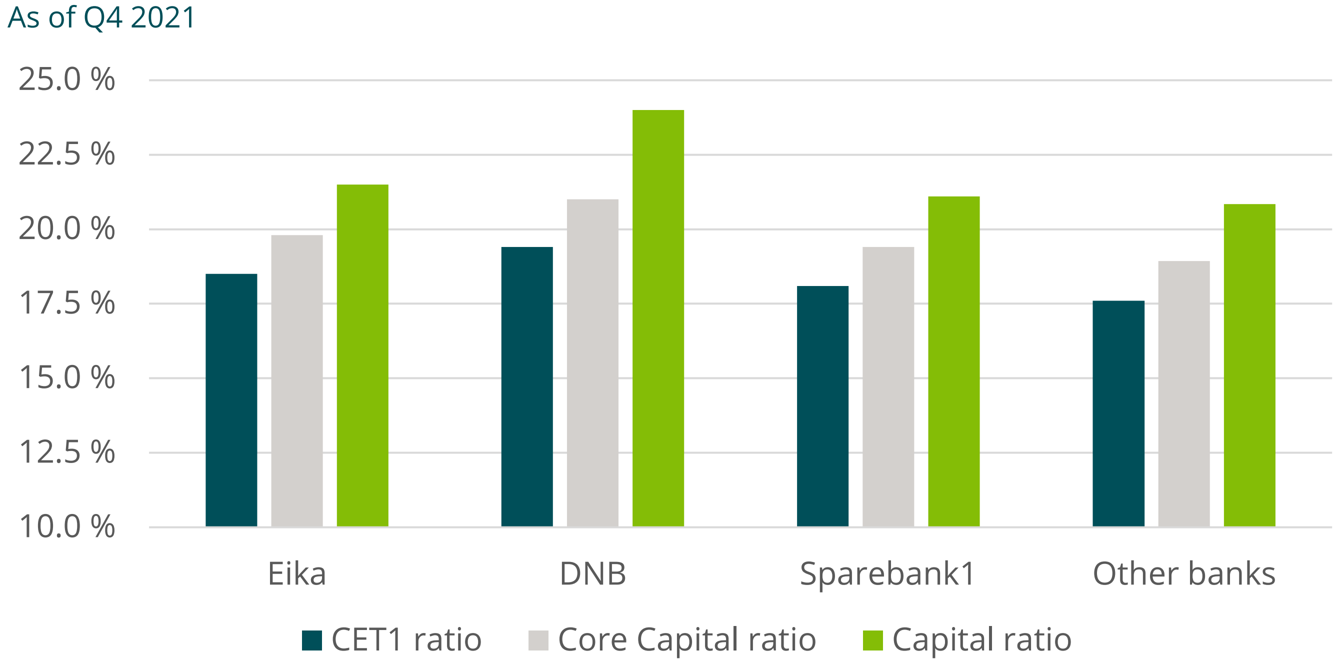
Strong capitalization

- **Strong capital ratios – Q4 2021**
  - Common equity ratio (CET1): 19.7%
  - Core capital ratio: 20.8%
  - Capital ratio: 22.6%
  - Equity ratio (Equity/Total assets): 11.8%
- **All Eika banks are well capitalized (core capital ratio)**
  - Lowest: 17.6%
  - Highest: 27.9%
- **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 27.0% and 29.3% Q4 2021**

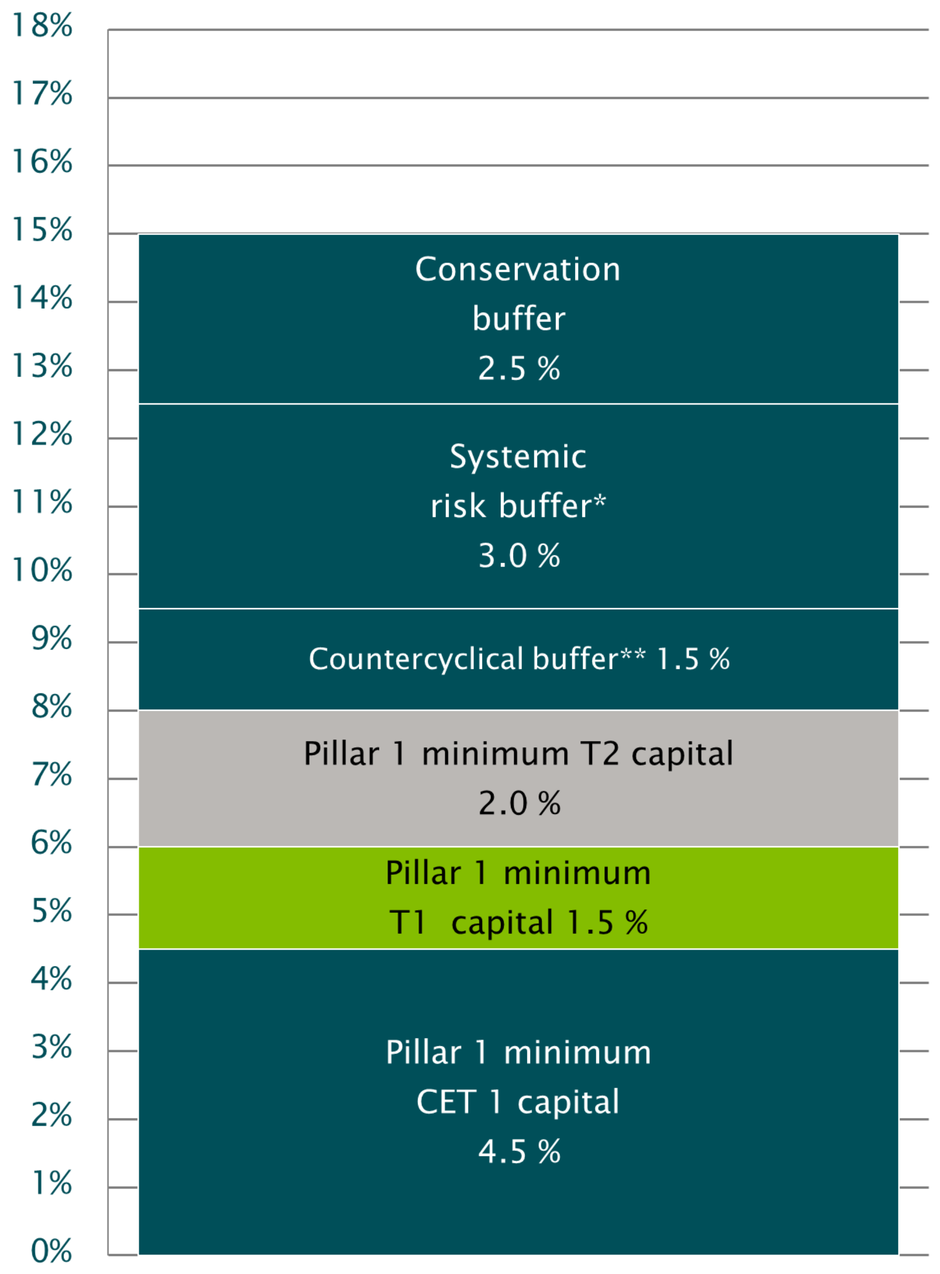
Core capital ratio – Eika banks



Capital ratio - Norwegian banks



Minimum capital requirements for Eika



*The Systemic risk buffer will be increased from 3.0 percent to 4.5 percent with effect from Dec.31st, 2022
**The CCyB will be increased from 1.5 percent to
- 2.0 percent with effect from Dec. 31st, 2022
- 2.5 percent with effect from Mar. 31st, 2023

No Eika Bank has SIFI requirements

Source: Bank Analyst Eika

Agenda

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
- EU harmonized covered bond framework from July 2022.

II. Regulatory

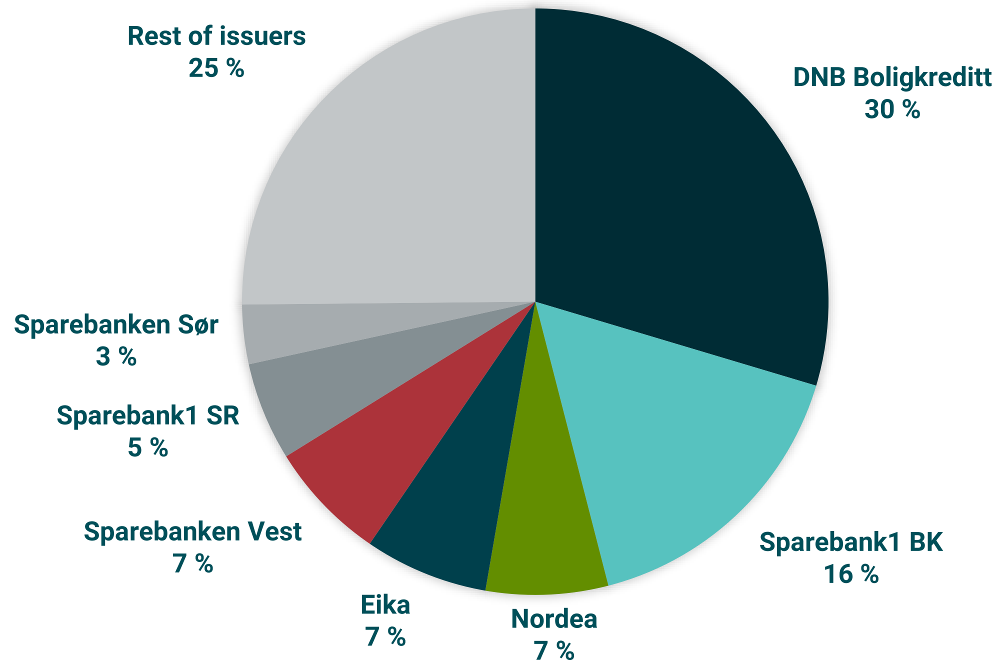
- Norwegian covered bonds are category 1 for LCR purposes (above EUR 500 mill.)
- 10% preferential risk weighting

III. Eika Boligkreditt (EIKBOL) covered bonds

- Premium Covered Bond
- ECBC labelled (www.coveredbondlabel.com)
- EIKBOL covered bonds are rated **Aaa** by Moody's
- Issued by Eika Boligkreditt AS with a Baa1 long-term issuer rating (positive outlook), A3 Counterparty Risk Rating
- Committed minimum OC of 5%*
- 12 month soft-bullet on all CBs

Norwegian covered bond market

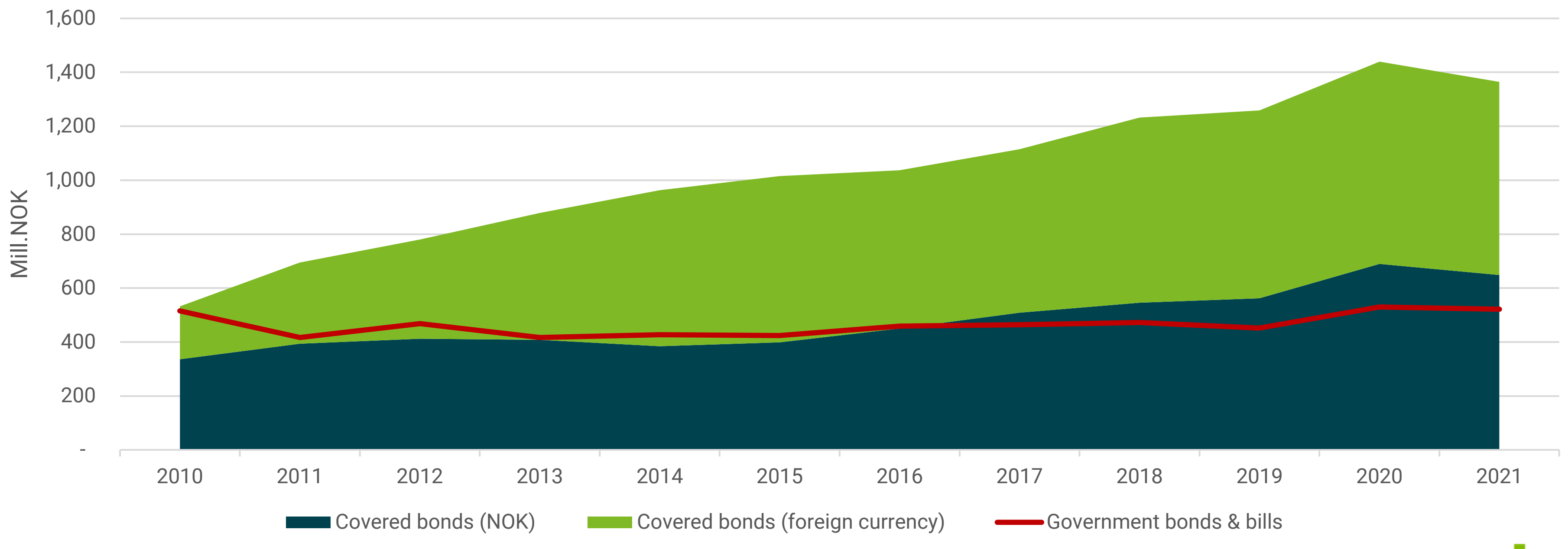
As of YE2021



Source: Finance Norway

Norwegian covered bonds and government bonds outstanding

As of YE2021



Source: Finance Norway, Oslo Stock Exchange

* Subject to alternative OC of 102.75% as described in prospectus

Eligibility criteria for mortgages in the cover pool

I. Customer categories
- Norwegian residents (Retail)
- Cooperative housing associations (common debt between multiple individuals)

II. Credit Criteria
- Eika Boligkreditt sets the credit policy for acceptable mortgages for the cover pool (credit manual)
- No arrears

III. Collateral
- Max LTV 75% at time of origination (80% eligibility requirement in the Norwegian legislation)
- Recent valuations (within 6 months at time of origination)
- Quarterly valuation from independent 3rd party, documented

IV. Type of properties
- Stand alone residential mortgages
- Cooperative housing residential mortgages

V. Type of products
- Principal repayment loans (currently no flexi loans)
- Fixed and variable interest rate loans

VI. Origination process
- Loan-by-loan origination
- Portfolio transfer from banks' own balance sheet

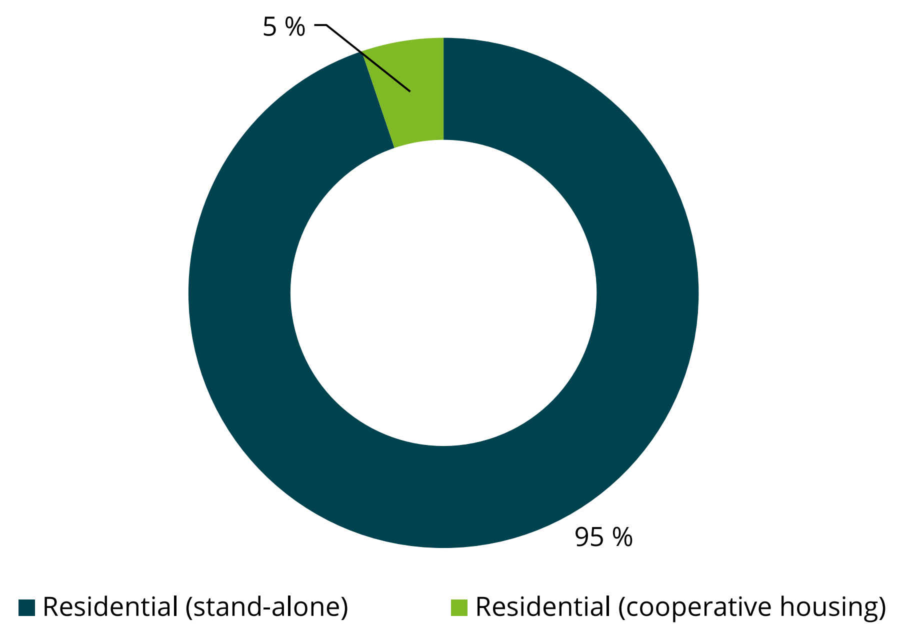
Structure of liquidity and capital support from owners

- **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 and a revolving credit facility between Eikbol (borrower) and Eika bank (lender) for the value of mortgages exceeding 75% of the value of the collateral

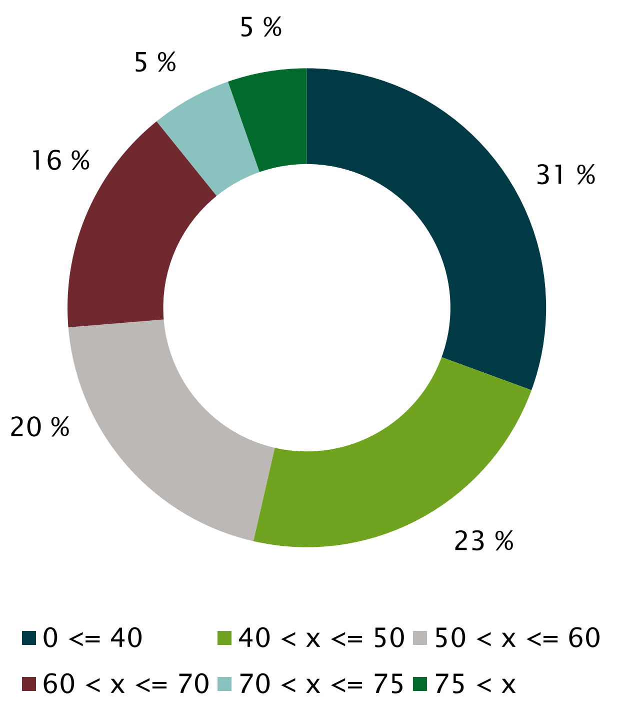
Summary of the mortgages in the cover pool

Nominal value	EUR 8.9 bn
Number of loans	52,895
Arithmethic average loan (nominal)	EUR 168,551
WA LTV (indexed)	48.7%
WA seasoning (months)	33.7
Doubtful loans in % of gross loans	0.03%
Over-collateralization *	8.53%

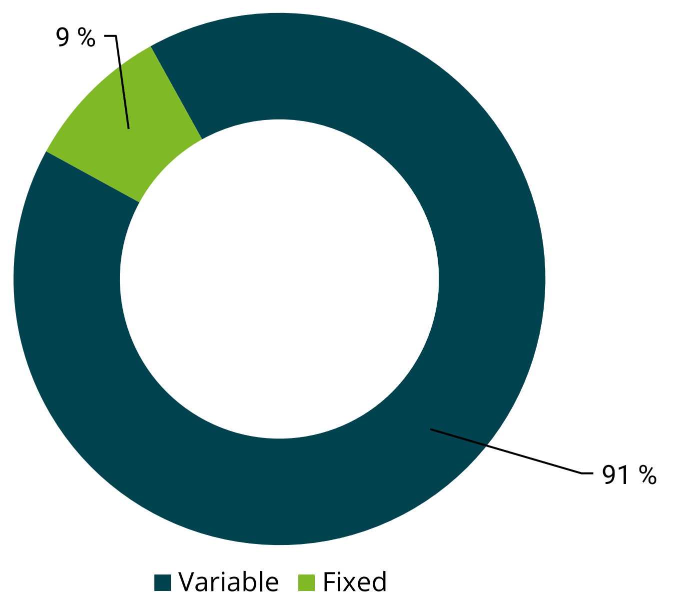
Type of collateral



Indexed LTV distribution



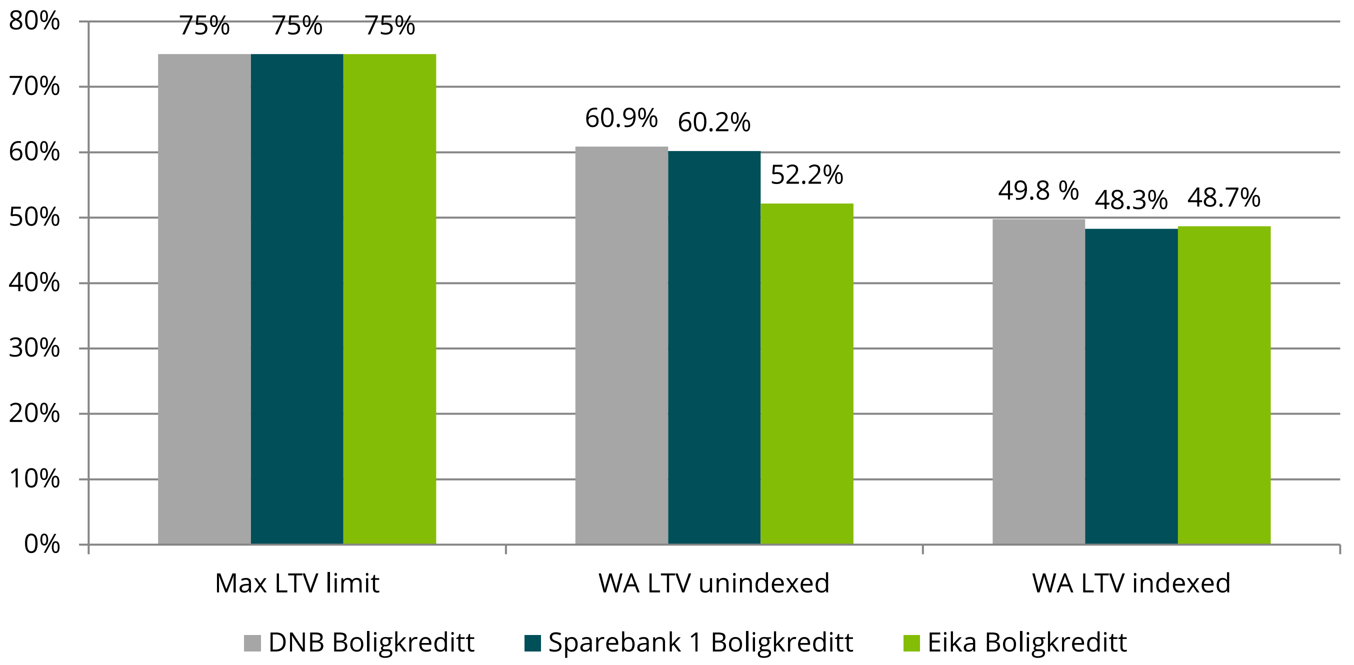
Variable vs fixed rate



Data as of 30.09.2022. EURNOK 10.58
* OC is estimated based on nominal values. Doubtful loans are excluded from OC-calculations.

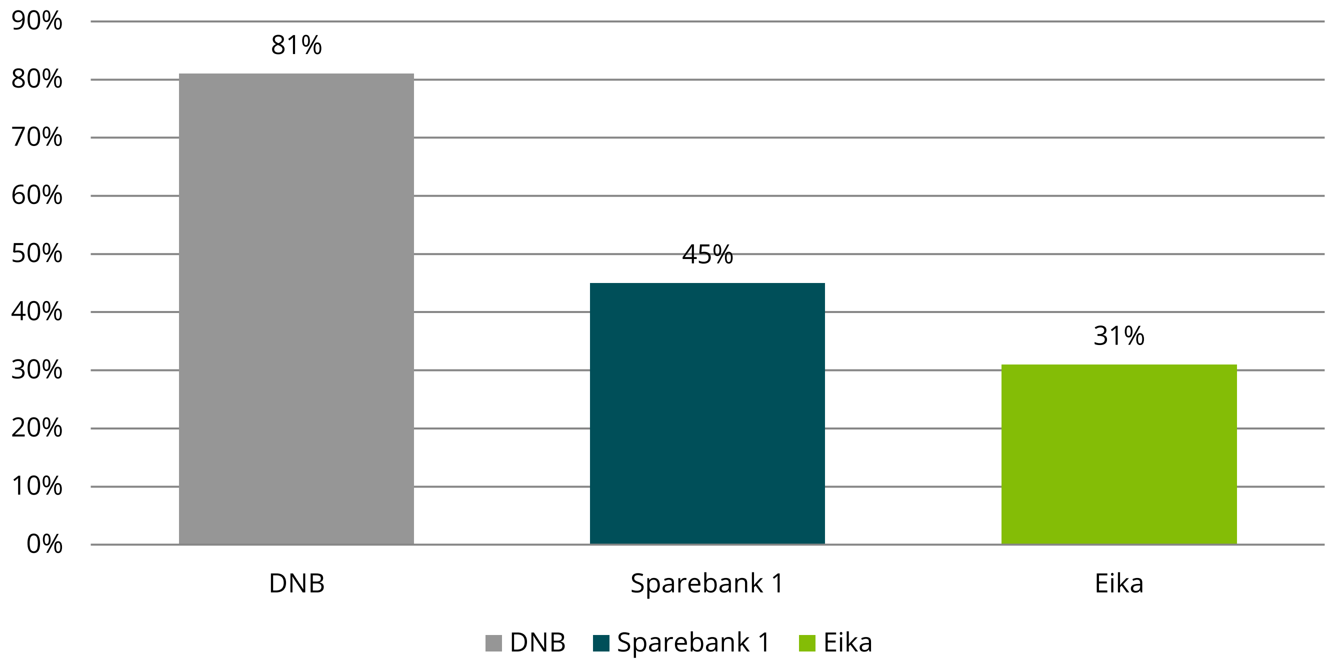
Cover pool comparison and stress test

LTV comparison with peers



Source: Cover pool information as of Q2 2022 for Eika, Sparebank 1 and DNB.

Share of retail mortgage loans transferred to CB issuer



Source: Bank Analyst Eika, Q4 2021

Stress test: Decline in house prices

Stress test house price reduction (numbers in € million)	Unchanged	Decline of 10%	Decline of 20%	Decline of 30%
Eligible Mortgage Portfolio	8,916	8,821	8,692	8,419
Part of mortgages exceeding 80% LTV	52.6	94.3	223.8	496.6
Share of mortgage portfolio >80% LTV	0.59 %	1.06 %	2.51 %	5.57 %
Estimated over-collateralization*	8.53 %	7.59 %	6.30 %	3.58 %

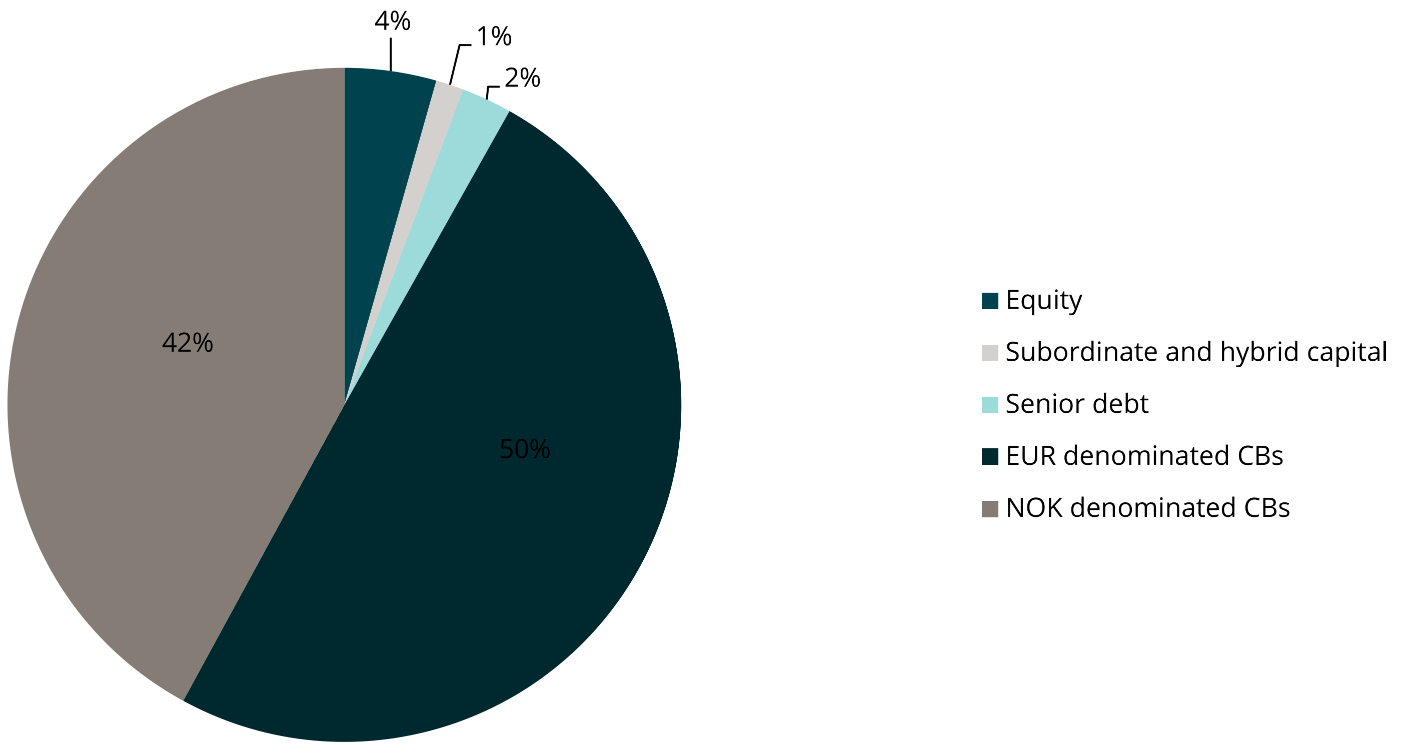
Data as of 30.09.2022. EURNOK 10.58
* OC is estimated based on nominal values. Doubtful loans are excluded from OC-calculations.

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 25% of the gross funding at the time of redemption
- Targeting a level of liquidity covering redemptions the next 12 months
- Balance sheet hedged to 3M NIBOR on both asset and liability side

Funding mix EIKBOL

As of 2022-09-30

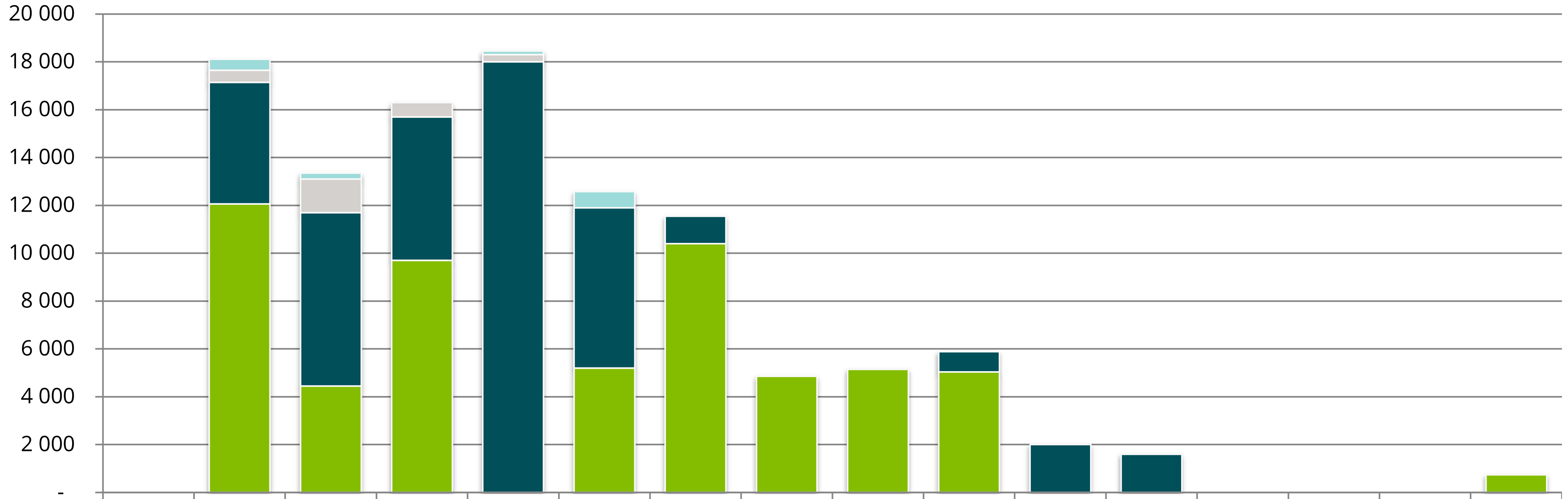


Outstanding EUR benchmark transactions

ISIN	Issue date	Volume (EUR mio)	Maturity date
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
XS1869468808	2018-08-28	500	2025-08-28
XS2133386685	2020-03-12	500	2027-03-12
XS2234711294	2020-09-16	500	2028-03-23
XS2536806289	2022-09-22	500	2028-09-22
XS1945130620	2019-02-01	500	2029-02-01
XS2482628851	2022-05-19	500	2030-05-19
XS2353312254	2021-06-16	500	2031-06-16

Maturity profile of funding (in million NOK)

As of 2022-09-30



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	>
Redemption subordinate	-	462	250	-	150	675	-	-	-	-	-	-	-	-	-	-
Redemption senior	-	500	1 400	600	300	-	-	-	-	-	-	-	-	-	-	-
Redemption CB NOK	-	5 084	7 250	6 000	18 000	6 700	1 150	-	-	850	2 000	1 600	-	-	-	-
Redemption CB EUR	-	12 059	4 448	9 698	-	5 200	10 394	4 851	5 150	5 033	-	-	-	-	-	736

Eika Boligkreditt

Planned long term funding

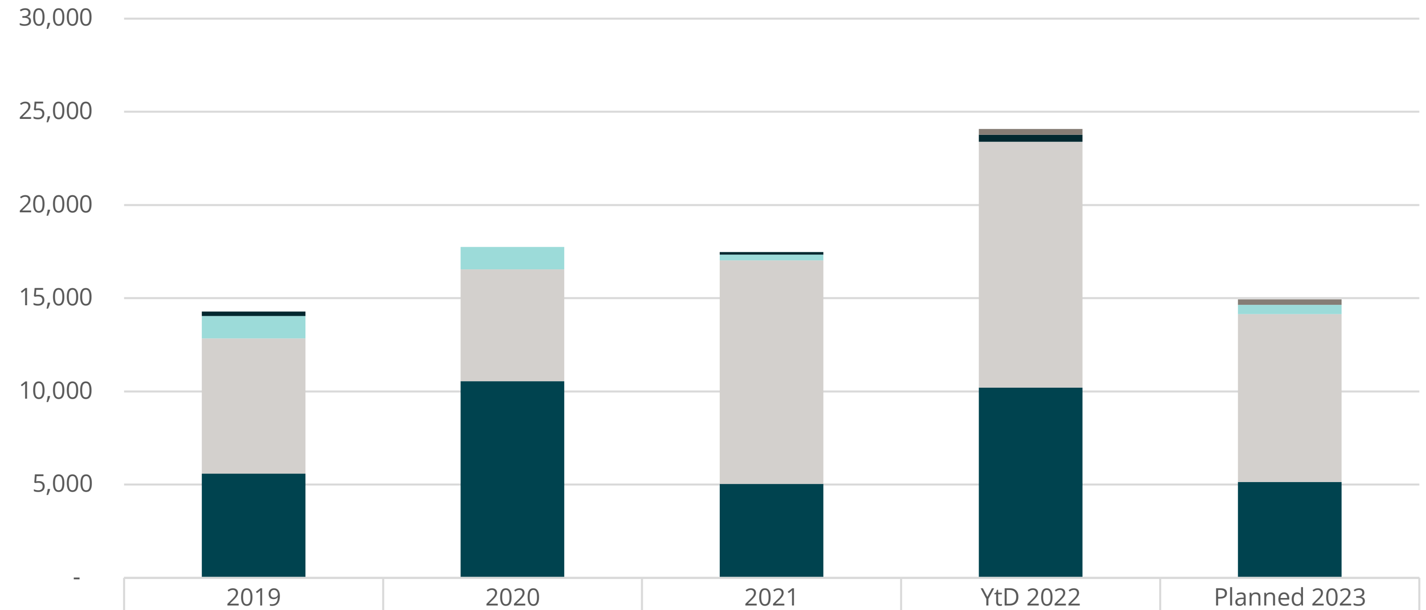
- Budget for gross long-term funding in 2022 is NOK-equivalent of 19.1 bn (EUR 2 bn)
  - NOK-equivalent of 18.4 bn in covered bonds

- EIKBOL has the flexibility to pre-fund expected need in coming periods or shifting between covered bond funding in EUR vs NOK on a discretionary basis.

- Stable growth of mortgage book

Actual and planned long term funding by instrument (in million

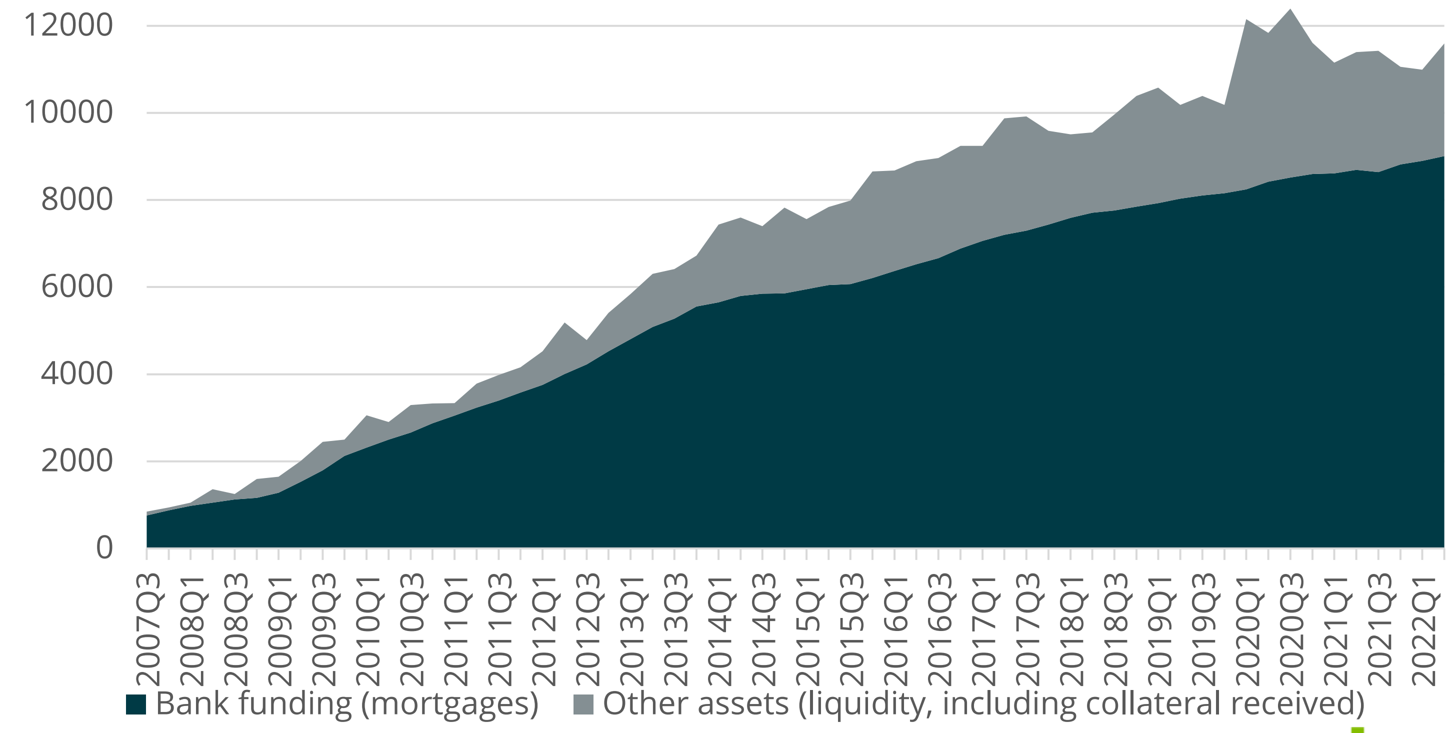
As of 2022-10-31



	2019	2020	2021	YtD 2022	Planned 2023
AT1	-	-	-	300	300
T2	250	-	150	375	-
Senior unsecured	1,200	1,200	300	-	500
Covered Bonds (denominated in NOK)	7,250	6,000	12,000	13,200	9,000
Covered Bonds (denomianted in EUR)	5,587	10,550	5,030	10,194	5,140

EIKBOL development in mortgages and AUM (in million €)

As of 2022-09-30



Agenda

Strategic framework for sustainability in the Eika Alliance

- Eika uses an integrated strategy for the whole Eika Alliance, which sets a common standard for ambitions and goals based on a suitable ESG framework for sustainability
- The Eika vision of **<<We strengthen the local bank>>** describes our desired future development. Our core business thereby supports the moral and ethical compass of the local banks and the societal engagement discharged by the local savings banks in the Eika Alliance
- 3 pillar approach: **(i) sustainable local growth and change**, **(ii) sustainable financial products**, and **(iii) responsibility and sustainability in internal operations**

1 Sustainable local growth and adjustment process

2 Sustainable savings & investments

3 Responsible and sustainable internal operations

1 Be an initiator for sustainable local growth, development and green readjustment through credit decisions and advisory services

- Ambition: Be the local strategist for local businesses and an initiator for sustainable, local growth and readjustment

2 Strengthen communication about and continuing improvement of sustainable saving products

- Ambition: Offer a menu of sustainable and green saving products

3 Strengthen responsible and sustainable internal operations

- Ambition: The Eika Alliance shall improve and prioritize responsible and sustainable internal operation to enable a credible position regarding sustainable growth and readjustment process

Local bank 2023 Initiative

Strong and caring local banks. Driving force for growth and development for you and your local community

Eika's main UN SDG & UNEP contributions

UNEP FINANCE INITIATIVE

Eika Alliance supports the following SDG's and considers that the most relevant approach is to give emphasis to:

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

11 SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts

Eika Gruppen has signed the UN Environment Programme Finance Initiative (UNEP-FI), pledging to follow UN guidance for banks in their sustainability efforts

1. Align its business strategy to be consistent with and contribute to individuals' needs and society's goals in accordance with the SDGs
2. Continuously increase its positive impacts and ESG managing risks to, people and the environment and, to this end, establish and publish targets for areas where the most significant impacts can be achieved
3. Work responsibly with the local banks and customers to encourage sustainable practices
4. Proactively and responsibly consult, engage with and partner with relevant stakeholders to achieve society's overarching goals
5. Pursue its commitment to these principles by implementing effective management tools and a culture of responsible banking
6. Periodically review its individual and collective implementation of these principles and be transparent about and accountable for its positive and negative impacts and its contribution to society's overarching

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ESG screening for all investments – a four step process

PFG exclusion

Excludes all companies as Pension Fund Global + 3 private larger Norwegian Asset Mangers because of ESG

Sector exclusion

Excludes all companies within the following sectors:
- Coal
- Tobacco
- Gambling/Casino
- Weapon production

Also excludes all companies not engaging to follow international norms and standards
- UN Global Compact (UNGC)
- UN Guiding Principles on Business and Human Rights (UNGPs)
- OECD Guidelines for Multinational Enterprises

Product exclusion

Excludes all companies with the following products/activities:

- Palm oil (all)
- Tobacco producers (all)
- Controversial weapons (all)
- Weapon sale private (all)
- Oil sand (>10% of production)
- Pornography (>10%)
- Gambling (>10%)
- Tobacco related product (>25%)
- Tobacco distribution-/sales (>25%)
- Military contracts (>25%)

In addition we exclude all companies involved in serious controveries involved with corruption, enviromental accidents, labor conflicts etc.

ESG score and carbon footprint

Exclude companies that have a significant exposure to ESG risks and are classified by Sustainalytics to have a high or severe carbon footprint

Portfolio construction

Positive screening

Within the remaining «clean» universe, the portfolio manager can invest freely.

However, when choosing between two equally attractive companies the company with the best ESG score is chosen

	PFG exclusion	Sector exclusion	Product exclusion	ESG score and carbon footprint
Universe 7,944 companies NOK 838k bn.				
Excluded companies	226 companies NOK 61k bn.	187 companies NOK 27k bn.	142 companies NOK 41k bn.	1,715 companies NOK 85k bn.
Accumulated exclusion list	226 companies NOK 61k bn.	329 companies NOK 69k bn.	346 companies NOK 76k bn.	1,908 companies NOK 135k bn.

Eligible universe

6,036 companies (76%)

NOK 703k bn. (83%)

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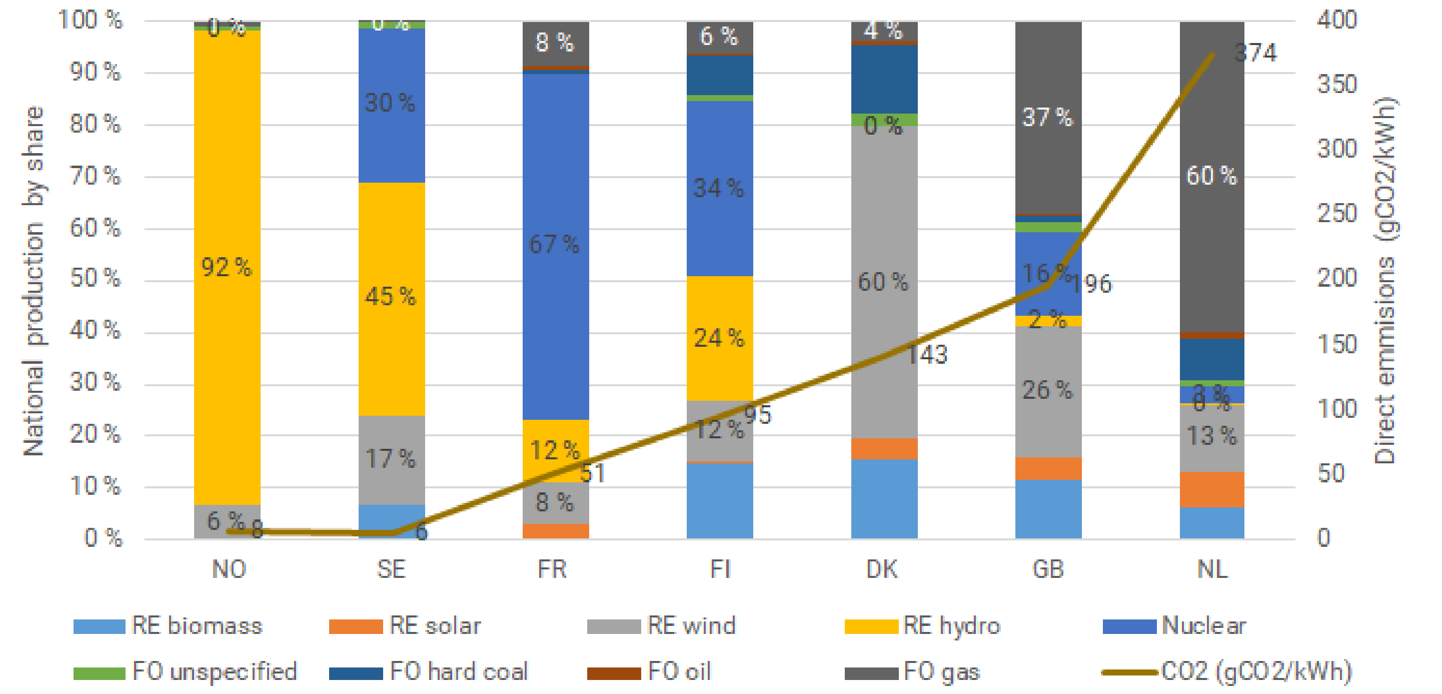
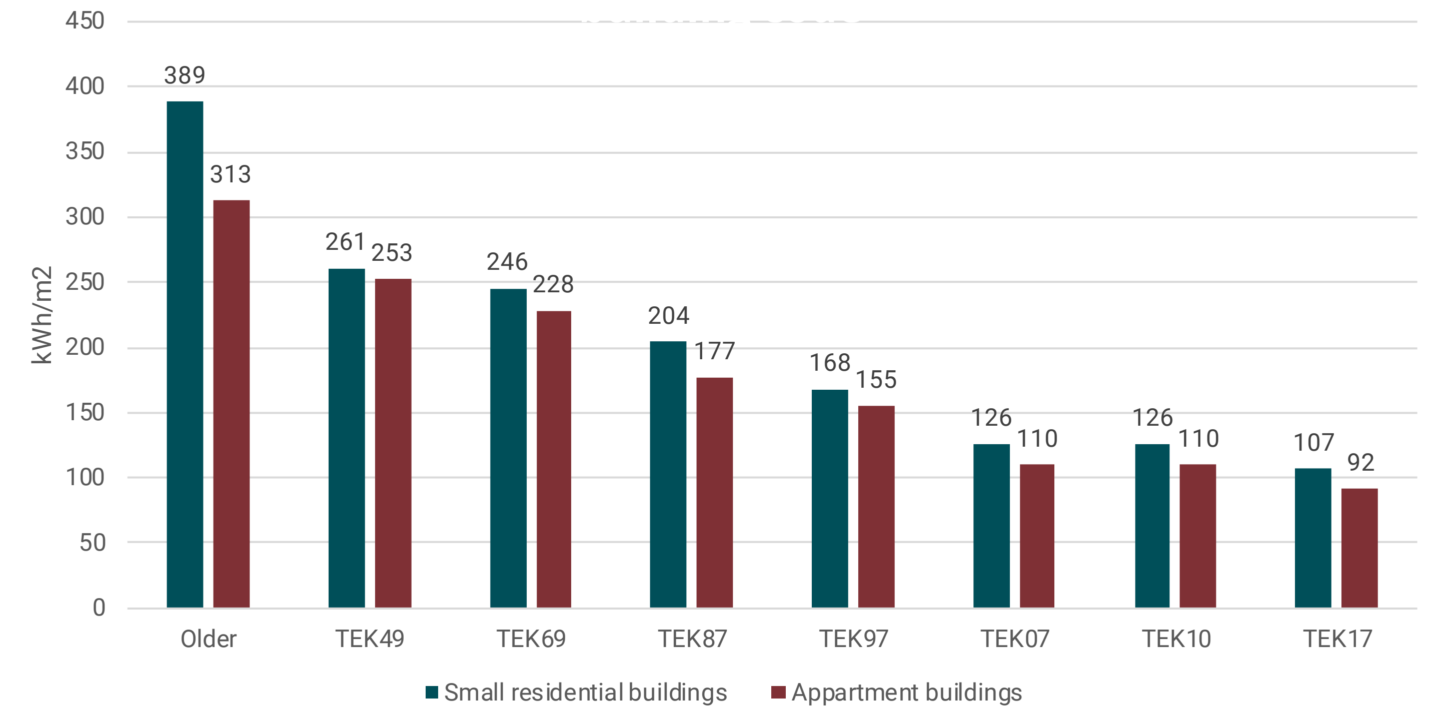
CO2 Footprint Analysis of the Cover Pool – Background

- Norwegian buildings are predominantly heated with electricity
- Norway has one of the greenest energy source mix for electricity (>98% renewable energy, 92% Hydro & 6% wind)
- The carbon intensity for the lifetime of a Norwegian residential building = 111g CO_2/Kwh, this compares to much higher carbon intensities for other European countries[1]
- Over time, residential buildings in Norway have become more energy efficient – analyzing building codes provides a robust proxy as this data is available for the entire building stock (unlike EPC labels which represent 44% of all buildings)
- With each new building code, energy efficiency standards for buildings have improved over time
- Multiconsult has estimated the CO_2 footprint of the entire Eika cover pool on this basis

National electricity production mix (2020)



Development in calculated specific net energy demand by building code

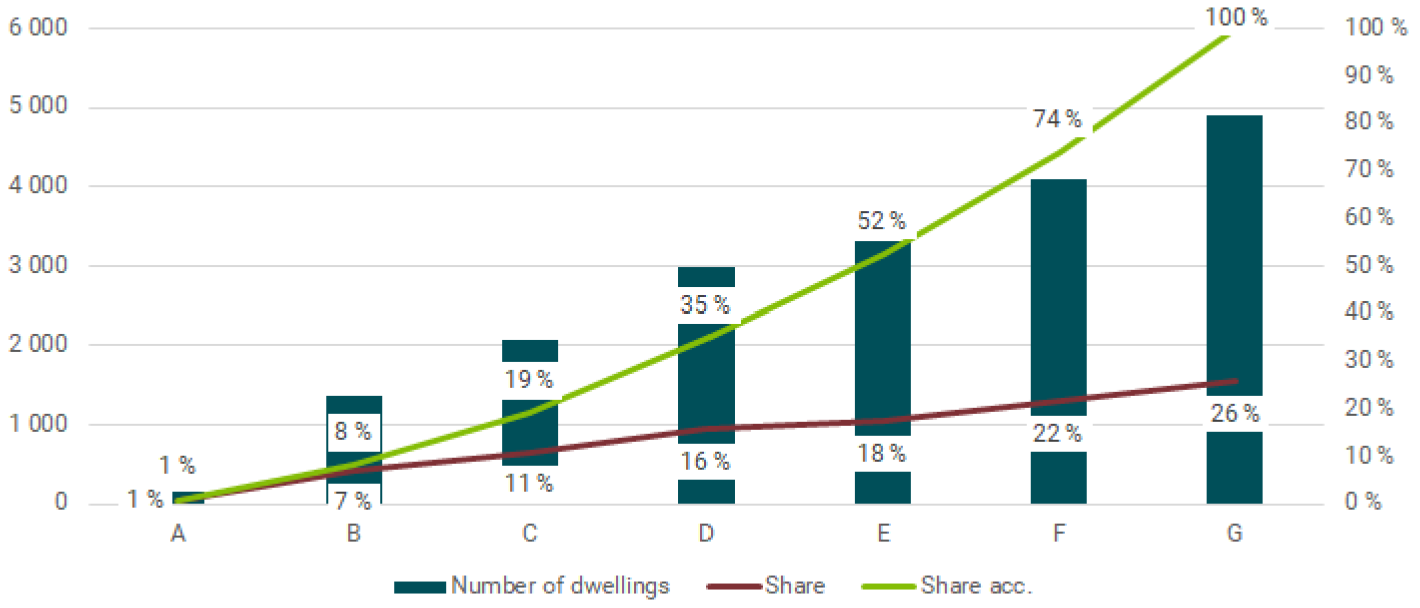


[1] taking into account the importing of electricity via the interconnected European grid

CO2 Footprint Analysis of the Cover Pool – 2021

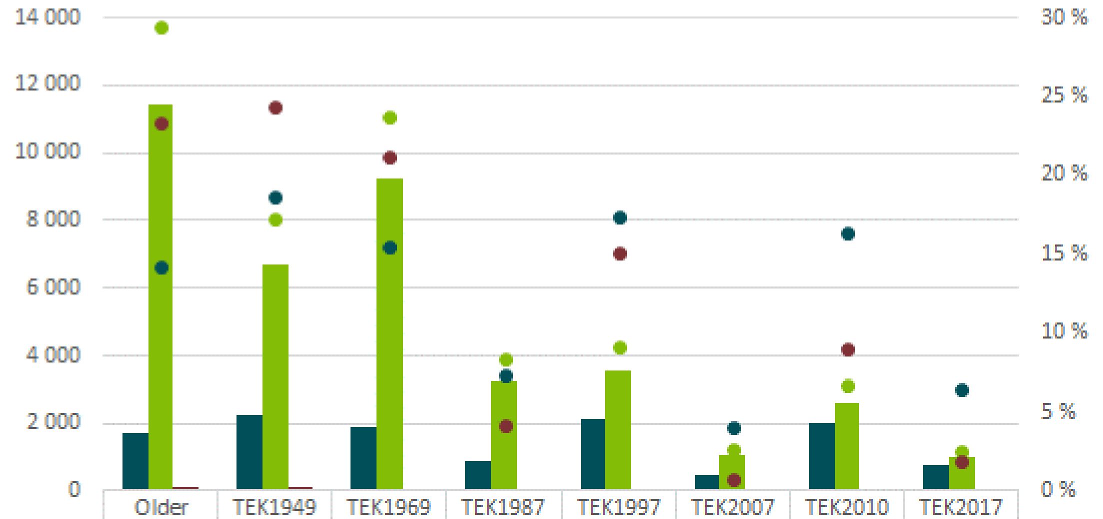
- As part of our 'Strategic Framework for Sustainability', Eika values increased disclosure in terms of scope 3 carbon impact
- The current portfolio, as of December 31st 2021, represents:
  - Yearly energy demand of 2 504 GWh
  - Yearly emissions of 192 273 tons CO_2 eq. based on European production mix (2019/20) and 15 201 tons CO_2 eq. based on Norwegian production mix (2019/20) for Eika funded share of collateral

Distribution of the Eika cover pool by EPC label YE2021[2]



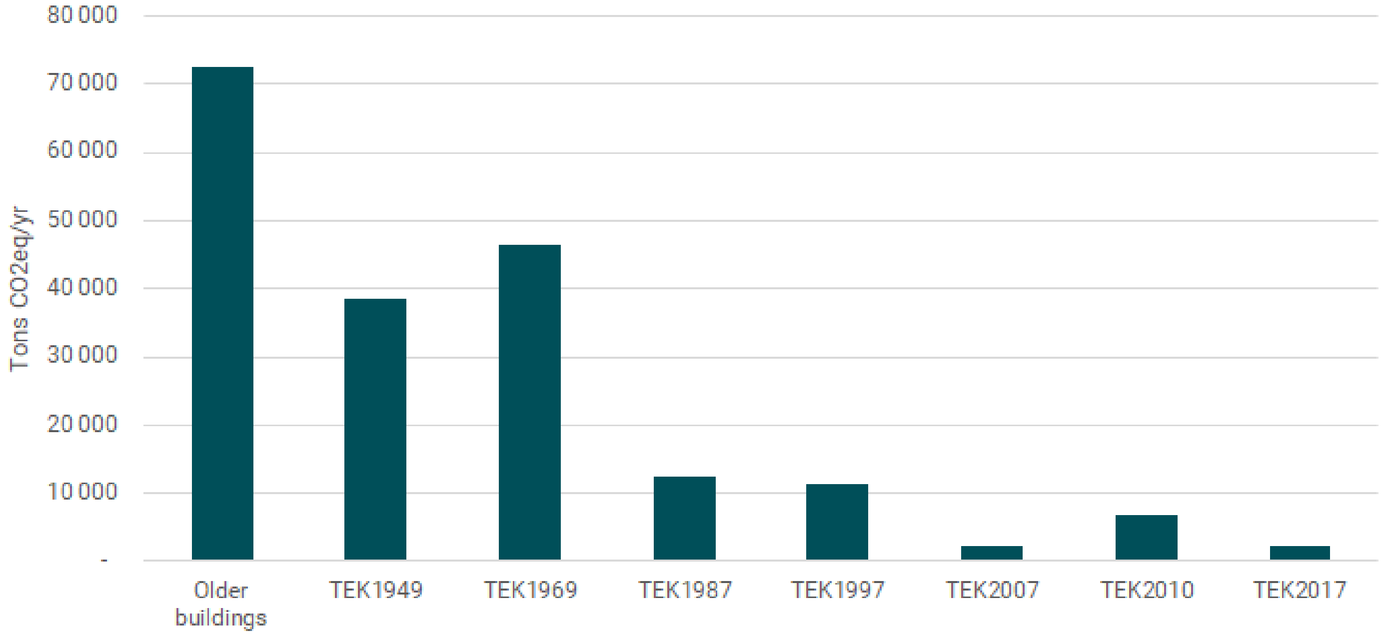
[2] EPC labels represent only 37% of the Eika cover pool, hence this is not fully representative of the entire cover pool

Distribution of the Eika cover pool by building code and building type YE2021



	Older	TEK1949	TEK1969	TEK1987	TEK1997	TEK2007	TEK2010	TEK2017
Apartments - # objects	1 739	2 280	1 891	893	2 130	500	2 001	790
Small residential buildings - # objects	11 459	6 696	9 226	3 236	3 557	1 054	2 612	1 004
Apartment buildings - # objects	96	100	87	17	62	3	37	8
Apartments - in %	14 %	19 %	15 %	7 %	17 %	4 %	16 %	6 %
Small residential buildings - in %	30 %	17 %	24 %	8 %	9 %	3 %	7 %	3 %
Apartment buildings - in %	23 %	24 %	21 %	4 %	15 %	1 %	9 %	2 %

Eika cover pool CO2 (European mix) footprint YE2021 [3]



[3] Portfolio CO2-emissions related yearly use in energy demand distributed by age of building

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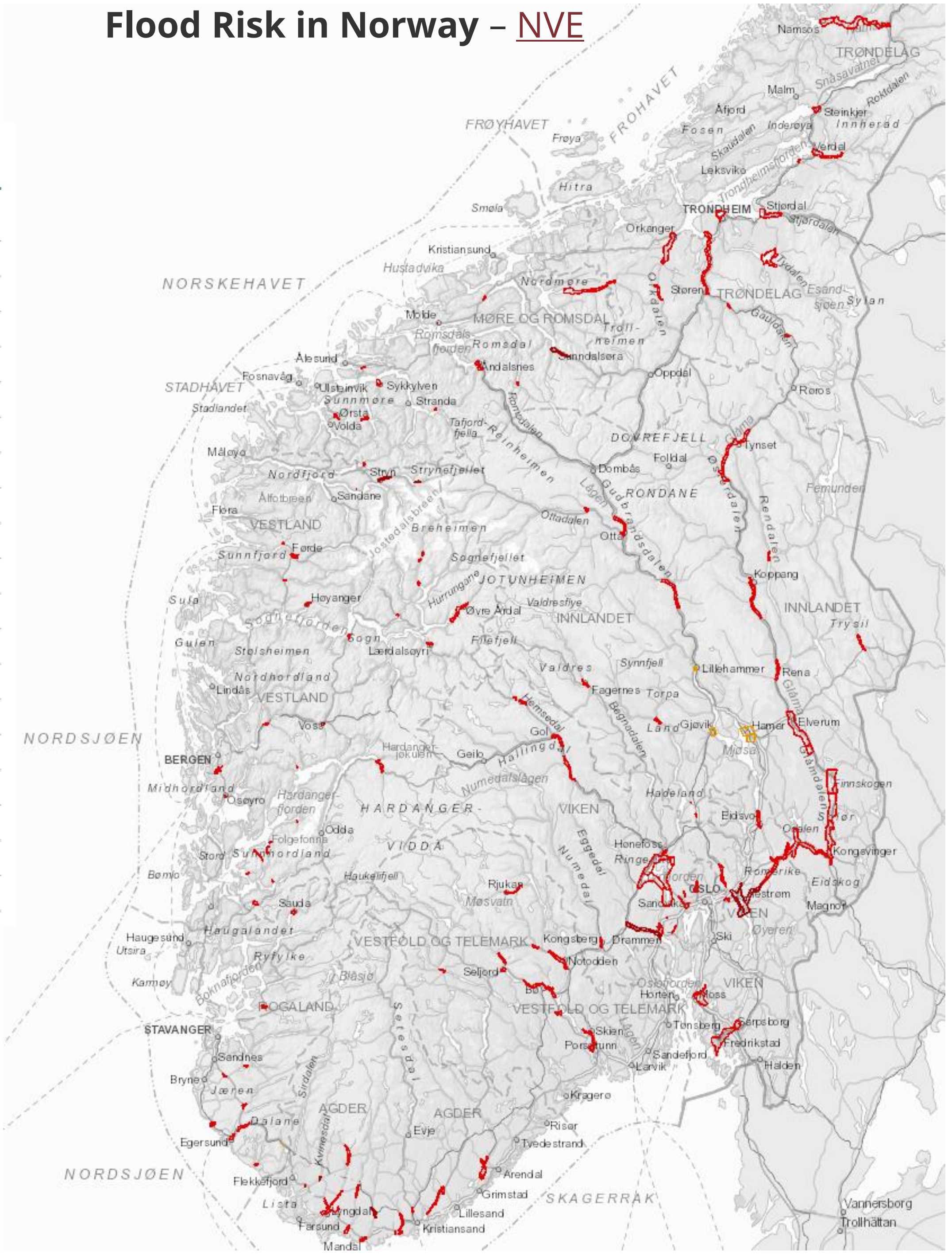
Mitigation of physical climate risk within Eika cover pool

- **Every quarter, the residential mortgage portfolio is run against Eiendomsverdi's energy and climate risk data** registers to update market values for the residential mortgage portfolio, as well as data on energy class, area, TEK standard and selected environmental factors
- To identify the vulnerability of the mortgage collateral to natural disasters, i.e. physical climate risk, **hazard maps of the mortgage portfolio are prepared** (data sourced from governmental insitutions[1]) for quick clay, flooding, landslides in steep terrain, and storm surges (sea levels)
- As the table shows, mortgage collateral in **the Eika Boligkreditt portfolio has a relatively low exposure to climate risks with the highest probability**
- The possible **financial impact of such risks are greatly mitigated by the Norwegian Mortgage Guarantee Pool**
- The Norwegian mortgage guarantee pool is a collaboration in the insurance sector which **safeguards mortgages that are implicated by natural disasters**, covering damage to real property as a result of storm, flood, storm surge, earthquake and volcanic eruption.
- **A precondition in Eika Boligkreditt's mortgage terms is that the mortgage object is insured**. Hence, the financial risk stemming from natural perils should be borne by the insurance sector rather than the mortgage borrower

Physical Risk of Eika cover pool; probabilty distribution[2] (NOKm impact)

Physical climate risk (figures in NOK million)		2021	Cumu-lative
Flood zone		1 260	1 260
Flood zone	10-year	83	83
Flood zone	20-year	64	147
Flood zone	50-year	39	186
Flood zone	100-year	99	285
Flood zone	200-year	343	627
Flood zone	500-year	114	742
Flood zone	1000-year	516	1 260
Storm surge		345	345
Storm surge	20-year	192	192
Storm surge	200-year	106	298
Storm surge	1000-year	47	345
Landslide		235	235
Rock hazard zone	100-year	3	3
Rock hazard zone	1000-year	79	82
Rock hazard zone	5000-year	154	235
Quick clay		1 700	1 700
High hazard		201	201
Medium hazard		692	892
Low hazard		809	1 700

Flood Risk in Norway – NVE



→ **To date, no cases in Eika Boligkreditt have led to identified loss. The company wants the residual physical risk in its residential mortgage portfolio to be low and feels this has been achieved with a requirement in the mortgage terms on insuring the mortgage object.**

[1] Climate risk data provided by Eiendomsverdi are taken from the Norwegian Mapping Authority, the Norwegian Water Resources and Energy Directorate (NVE) and the Norwegian Geotechnical Institute (NGI).
[2] Where years are specified, these refer to how frequently buildings in the relevant zone are likely to be affected by the relevant risk.

New Green mortgage products

1. Green Mortgages (Construction or Purchase)

New Green Mortgage Product

- In the fourth quarter 2020 the Eika Alliance banks launched an inaugural common green mortgage product.
- Green mortgages are mortgages secured by energy efficient housing with favorable loan interest rates.
- With a green mortgage, you **typically get lower interest rates** compared to a non-green mortgage (sample average in Eika 0.3%, range 0.1% -0.6%).

Loan criteria

- The criteria for the mortgage product are based on Energy Performance Certificates (EPC).
- The criteria for qualifying for the green mortgage product in Eika will be an EPC of A or B.

2. Green Mortgages (Refurbishments)

New Green Refurbishment Product

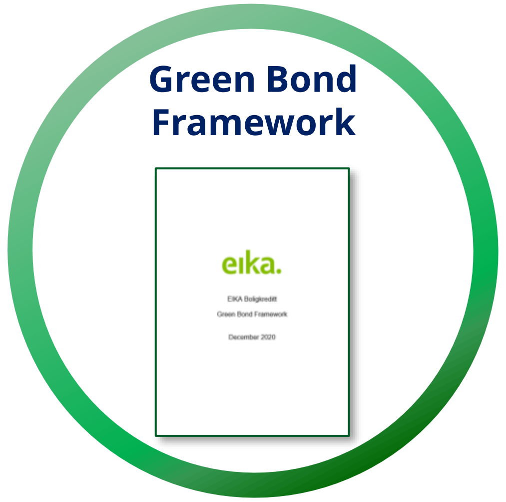
- In the first quarter 2021 the Eika Alliance launched a green mortgage product relating to refurbishments.
- A lower EPC may qualify for refurbished residential buildings in Norway with an improved energy efficiency of minimum 30% due to a combination of measures like:
    - insulation of old construction (walls, roof, floor, windows, doors)
    - balanced ventilation
    - night set-back of temperature
    - energy efficient lighting appliances
    - solar cells or collector
    - heat pump air to air, air to water, water to water or exhaust fan

ESG Ratings in Eika Boligkreditt

MSCI	• A (scale AAA-CCC) • Last update May 2022
Sustainalytics	• 27.9 risk rating • Medium risk • Last update April 2022
ISS ESG	• C (scale A+ - D-) • Status: Prime • 2nd decile ranking • Last update August 2021
Norwegian Client Experience Index (CEI)	• 77.1/100 • #4 rank out of 158 companies/brands across 30 sectors • Last update June 2022

We are working to build relationships with the ESG rating agencies to improve our scores through regular engagement with them and providing transparent data that they can collate, track and benchmark

Eika's roadmap towards sustainable banking



- Attention on Eika' Sustainability Strategy & Actions
- Align the funding strategy and sustainability strategy
- Address increasing investor demand towards sustainable assets
- Broaden investor base and foster relationship with existing investors
- Contribute to the development of the green bond market
- Contribute to the achievement of 2030 Agenda
- Positive marketing effect on stakeholders

In light of its sustainability objectives and its strategy, Eika has established a Green Bond Framework

Agenda

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Eika Boligkreditt Green Bond Framework

Use of proceeds:
Allocation of the net proceeds of the Green Bonds to a loan portfolio of new and existing mortgages for energy efficient residential buildings in Norway

Process for Project Evaluation and Selection:
Eika Boligkreditt will select and track the Eligible Green Loans based on information from the official Land Register. The information is received from a third-party, Eiendomsverdi

Management of Proceeds:
Eika Boligkreditt intends to allocate the proceeds from the Green Bonds to a portfolio of loans that meet the Eligibility Criteria and in accordance with the evaluation and selection process

Reporting:
Pre-issuance Allocation and Impact Reporting will be made available to investors.
Eika Boligkreditt intends to report to investors within one year from the date of a Green bond transaction and annually thereafter. Reporting will be on both the Allocation and Impact of the proceeds from green bond issuance

External Review:
ISS-ESG has provided a Second-Party Opinion (including on EU Taxonomy alignment) on Eika Boligkreditt's Green Bond Framework[1]. Eika has received CBI certification for its inaugural green bond. Eika Boligkreditt may request a limited assurance on the Allocation Report

1. Based on the Technical Expert Group (TEG) Report on the EU Taxonomy Regulation.

Use of Proceeds Criteria

Eligible use of proceeds categories: Green Residential Buildings

1. New Residential buildings in Norway (built 2012 or later)

- New or existing Norwegian apartments that comply with the Norwegian building codes of 2010 (TEK10) or 2017 (TEK17). Hence, built in 2012 or later
- New or existing Norwegian other residential dwellings that comply with the Norwegian building codes of 2010 (TEK10) or 2017 (TEK17). Hence, built in 2012 or later

2. Residential buildings in Norway (built before 2012)

- Existing Norwegian residential buildings built using older building codes than TEK10 with EPC-labels A and B. These buildings may be identified in data from the Energy Performance Certificate (EPC) database

3. Refurbished Residential buildings in Norway with an improved energy efficiency of 30%

One of two criteria below must be met:

- Refurbished Norwegian residential buildings with at least two steps of improvement in energy label compared to the calculated label based on building code in the year of construction
- Refurbished Norwegian residential buildings with at least a 30% improvement in energy efficiency measured in specific energy, kWh/m2, compared to the calculated label based on building code in the year of construction

Alignment with international initiatives & involved parties:

ICMA GBP category	UN SDG	TEG Report Technical Screening Criteria	TEG Report Do No Significant Harm & Miniumum Social Safeguards	Consultants & Third Parties
Green Buildings	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION	• Top 15% approach for buildings built up until end 2020 • ≥30% improvement in Primary Energy Demand for refurbishments	• Compliance with international, national and local Regulation and monitoring of environmental and social risks • DNSH and Minimum Social Safeguards met in accordance with ISS-ESG SPO in alignment with the EU Green Bond Standard	Multiconsult ISS ESG Climate Bond Certified

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EU Taxonomy Assessment – accredited via ISS ESG[1]

Eika Green Bond Portfolio Alignment FY21	93% aligned (NOK 17.5bn / 18.8bn total Green Eligible Assets)

EU Enviro. Objective	EUT Economic Activity: 7.7 *Acquisition & Ownership of Buildings*			
	EUT Criteria		Eika Green Bond	Alignment (FY21)
1. Mitigation	**Technical Screening Criteria**	i. Built <2021: EPC A or Top 15% approach ii. Built ≥2021: NZEB –10%	**Eligibility criteria = Top 15% approach (via Building code / EPC label)**	**Partial Alignment** • **Built <2021: 93% (Aligned)** • **Built ≥2021: 7% (Out of scope) [2]**
2. Adaptation	**Do No Significant Harm**	i. Reducing material physical climate risks ii. Supporting system adaptation iii. Monitoring adaptation results	i. Green buildings are aligned with Norwegian environmental legislations via the building code, where an environmental risk assessment is conducted at the planning stage and relevant measures are applied to reduce identified risks ii. Green buildings do not increase the risks of adverse climate impact on other stakeholders and align with national adaptation efforts iii. Adaptation results can be monitored and measured ➔ TEK10 & TEK17 Building Code Regulation (= Eika Green Bond Criteria) ensures new buildings are not prone to significant Physical Climate Risks e.g. Flooding; Storm Surges, Landslides.	**Aligned**
1. Mitigation **2. Adaptation**	**Minimum Social Safeguards**	i. OECD Guidelines on Multinational Enterprises ii. UN Guiding Principles on Business and Human Rights iii. ILO Core Labour Conventions	i. Not applicable. Eika operates only in Norway and not overseas ii. Norway applies a National Action Plan for the implementation of the UN Guiding Principles. In addition, Eika's due diligence processes ensures alignment and compliance iii. All 8 ILO Core Labour Conventions are enshrined in Norwegian law	**Aligned**

[1] See ISS-ESG SPO for Taxonomy Alignment Assessment: https://eikbol.no/Investor-relations/green-bonds
[2] In Norway, a definition for what constitutes an 'NZEB' has not yet been implemented.

Project Evaluation and Selection

Process for Project Evaluation and Selection

Originate Mortgages in line with credit risk policies → Identification and record keeping of mortgages meeting Eligibility Criteria → Selection of eligible assets → Green Bond Committee review → Eligible assets

This Framework & Green Assets are managed by a dedicated Green Bond Committee. The committee consists of: CEO, CFO, CCO and another representants from the Treasury Department in Eika Boligkreditt as issuer, and the CSR department in Eika Gruppen.

The Green Bond Committee will meet on a regular basis (at least annually) and will conduct an additional review on the selected mortgages to ensure ongoing compliance with the Eligibility Criteria.

Eligible Green Loans selected and tracked based on information from the official Land Register. Information from the Land Register regarding building year used to determine the Eligible Residential Green Buildings.

All residential mortgages within the Cover Pool are originated in line with Eika credit risk policies. Loans secured by mortgages on Eligible Residential Green Buildings are selected as Eligible Green Loans. All selected Eligible Green Loans comply with official national standards and local laws and regulations.

Management of Proceeds

Portfolio Approach

- The proceeds from Green Bonds will be managed by Eika Boligkreditt in a portfolio approach.
- Eika Boligkreditt intends to allocate these proceeds to an Eligible Green Loan Portfolio, that meet the Eligibility Criteria and in accordance with the evaluation and selection process

Proceeds Allocation

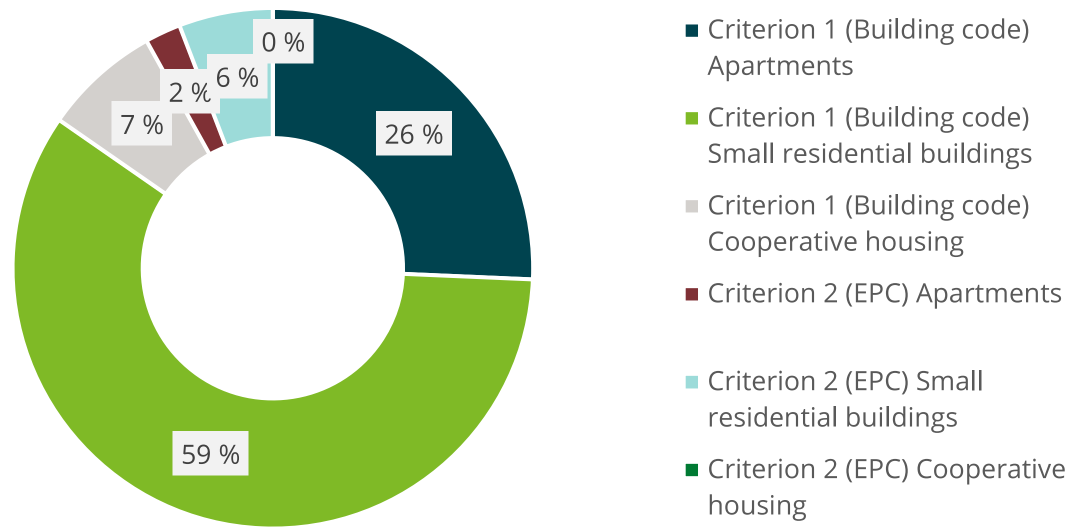
- Sufficient Eligible Green Loans will be designated in the Eligible Green Loan Portfolio to ensure that the size of the Eligible Green Loan Portfolio matches or exceeds the total balance of all outstanding Green Bonds.
- Additional Eligible Green Loans will be added to the Eligible Green Loan Portfolio to ensure the sufficient and timely allocation of the incremental net proceeds

Unallocated Proceeds

- Any unallocated Green Bond net proceeds will be invested in a liquidity portfolio in money market instruments

Green Portfolio

As of 2022-09-30



Criterion	Type of dwelling	# of objects	Area total [m^2]	Area financed by EBK [m^2]	Portfolio size [MNOK]
Criterion 1 (Building code)	Apartments	2,932	223,573	104,798	5,055
	Small residential buildings	4,627	812,540	423,871	11,609
	Cooperative housing	49	75,199	25,392	1,432
Criterion 2 (EPC)	Apartments	318	23,555	11,020	438
	Small residential buildings	536	95,776	47,629	1,150
	Cooperative housing	-	-	-	-
Total		**8,462**	**1,230,643**	**612,710**	**19,684**

Impact Reporting FY21

Impact Reporting

Portfolio date: 31 December 2021

Eligible Project Category	Eligible portfolio (NOK bn)	Share of Total Financing	Eligibility for Green Bonds	Estimated Site Energy Savings (in GWh/year)	Estimated Emissions Avoidance (in tons of CO2 /year)
a/	b/	c/	d/	e/	e/
Green Residential Buildings	18.85	100%	100%	79	8,778
Total	**18.85**	**100%**	**100%**	**79**	**8,778**

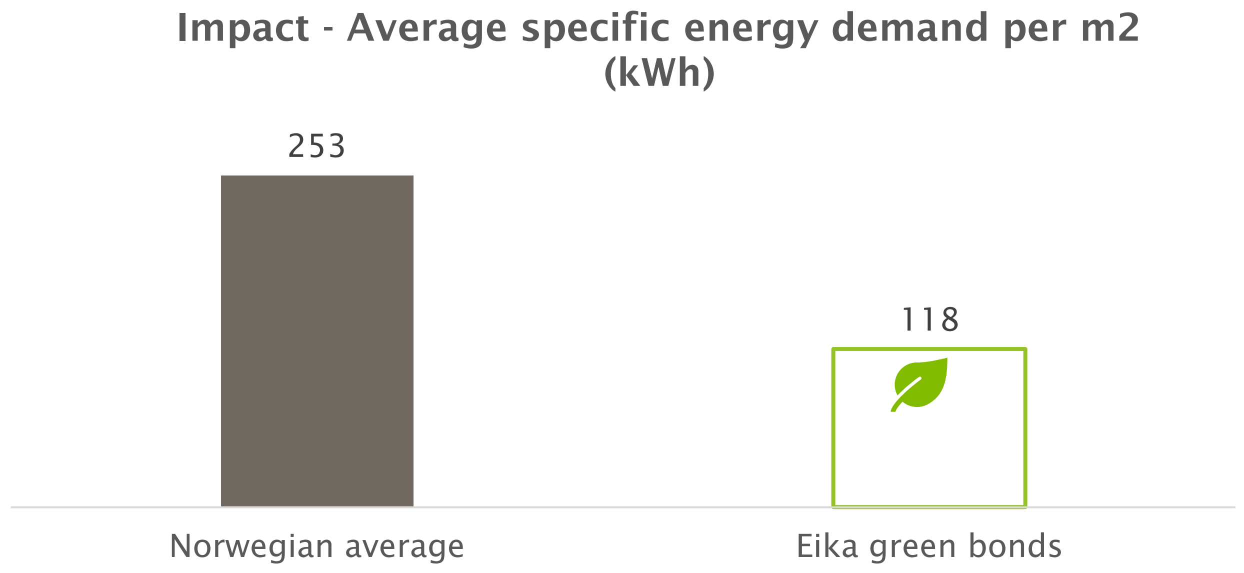
a/ Eligible category

b/ Amount committed by the issuer for the portfolio eligible for Green Bond financing

c/ This is the share of the total budget financing

d/ This is the share of the total portfolio costs that is Green Bond eligible

e/ Impact indicators



- Eika green bond portfolio has an estimated average energy consumption of less than 50 per cent of the Norwegian average

- **Estimated avoided CO2 emissions (entire pool) = 8,778 tons CO2/year based on European mix and 1,702 tons CO2/year based on Norwegian mix on Eika funded share of collateral**

External Review

1 Second Party Opinion by ISS ESG

- Eika Boligkreditt has obtained an independent Second Party Opinion from ISS-ESG to confirm the validity of the Eika Boligkreditt's Green Bond Framework
- ISS ESG assessed the alignment of the Green Bond pool and the due diligence and selection processes in place, with the EU Taxonomy. Technical screening criteria and do no significant harm criteria have been taken into account

> *"The issuer's eligible category corresponds to the following EU Taxonomy category: "Acquisition and Ownership" (activity 8.4. of the EU Taxonomy). Based on robust processes for selection of Green Projects,* ***the Green Bond asset pool is considered as aligned with the EU Taxonomy and the relevant activity-specific Technical Screening Criteria, Do No Significant Harm Criteria and Minimum Social Safeguards."***
>
> ISS ESG

SPO SECTION	EVALUATION
Part 1: Issuer sustainability performance	**Status:** *NOT PRIME* **Rating: C-** **Decile Rank:** *3*
Part 2: Performance against the draft of EU GBS and GBPs	**Positive**
Part 3: Alignment of the asset pool with the EU Taxonomy	**Positive**

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Mortgages for energy efficient residential buildings	Significant contribution[11]	13 CLIMATE ACTION
	Limited contribution	11 SUSTAINABLE CITIES AND COMMUNITIES

2 Pre-Issuance CBI Certification

- Eika Boligkreditt has received Certification from the CBI for its inaugural EUR green bond

Climate Bond Certified

eika.

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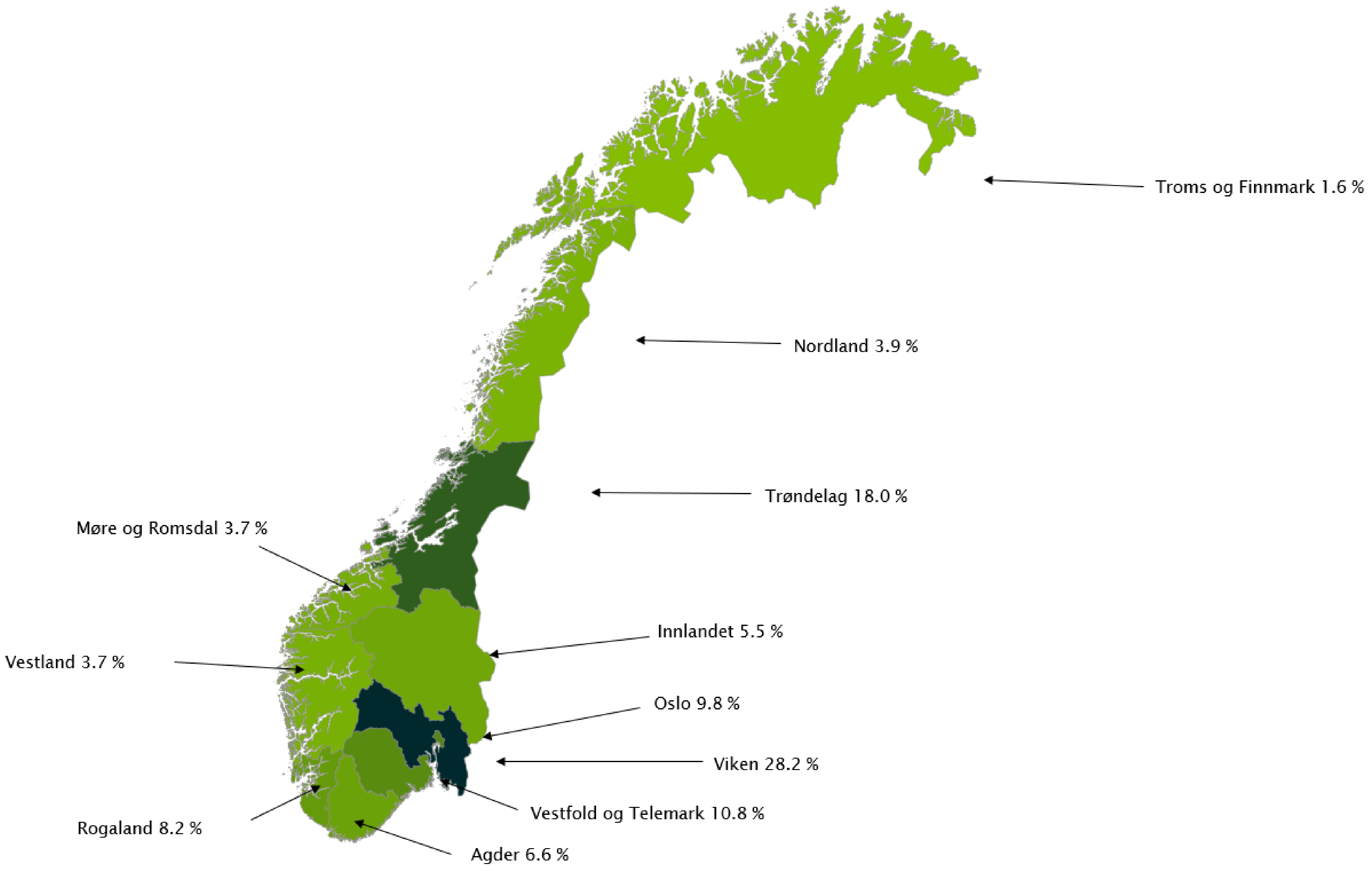
More information may be found on **https://eikbol.no**

Agenda

Mortgage lending - Strong geographical diversification



Mortgages in cover pool. Data as of 30.09.2022

Liquidity portfolio

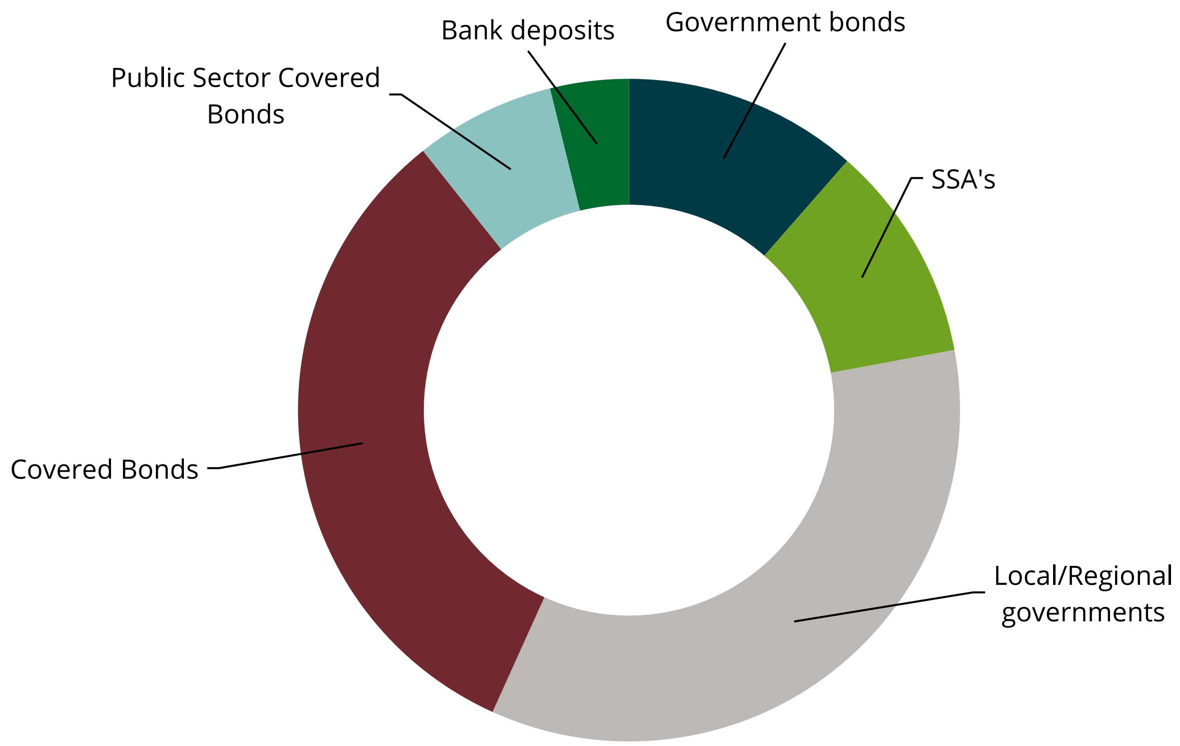
- **The substitute assets constitute EIKBOL's liquidity buffer**
  - Minimum liquidity > 6% of outstanding covered bonds (hard limit)
  - Minimum liquidity > 100% of next 6 months redemptions (hard limit)
  - Internal target is to have liquid assets covering at least 75% of redemptions within the next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

- **The Liquidity portfolio conforms to a conservative investment policy**
  - Nordic, German and SSA exposure, only NOK denominated
  - Portfolio weighted average time to maturity of maximum 2 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	Market values (EUR)	In % of portfolio	TtM
Government bonds	233,251,077	11 %	2.13
SSA's	216,461,166	11 %	1.64
Local/Regional governments	705,827,370	35 %	0.41
Covered Bonds	662,419,100	33 %	2.62
Public Sector Covered Bonds	139,541,597	7 %	2.55
Bank deposits	78,114,547	4 %	0.00
Total portfolio	**2,035,614,857**	**100 %**	**1.59**

Liquidity portfolio by sectors



Liquidity buffer in cover pool. Data as of 30.09.2022. EURNOK 10.58

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 overcollaterization higher than the 2% needed for LCR level 1 classification

Comparison of legal frameworks for covered bonds

	Norway	Denmark	Sweden	Germany
Product name	Norwegian Covered Bonds	Særligt Dækkede Obligationer	Säkerställda Obligationer	Pfandbrief
Covered bond model	Specialised bank issuance model	Universal bank + specialised bank issuance model	Universal bank issuance model + specialised bank issuance model	Universal bank issuance model
Eligible cover assets	Public sector, mortgage loans	Public sector, mortgage loans, ship mortgages	Public sector, mortgage loans (commercial max. 10%)	Public sector, mortgage loans, ship + aircraft mortgages
Maximum LTVs	Residential: 75%, commercial: 60%	Commercial: 60%, agricultural: 60%, ships: 70%, residential: 80%	Commercial: 60%, residential: 75%, agricultural: 70%	Residential, commercial, ship, aircraft: 60%
Basis for LTV calculation	Market value	Market value	Market value	Mortgage lending value
If a loan's LTV exceeds the LTV cap after inclusion into the pool, does the part below the limit still remain part of the cover pool?	Yes	Yes	Yes	Yes
Minimum OC	2 %	Universal banks: 0%; Mortgage banks: 8% of RWA	2 %	2 %
Type of coverage test	NPV	NPV after stress test	Nominal + NPV after stress test	Nominal + NPV after stress test
Is OC above the minimum protected?	Yes	Yes	Yes	Yes
Legal transparency requirements?	**No**	Yes	No	Yes
Is there an issuance limit in place?	No	No	No	No

Source: Crédit Agricole Covered Bond Research, Eika Boligkreditt

Eika Boligkreditt - P&L

Amounts in NOK Million	2018	2019	2020	2021	2022 Q1	2022 Q2	2022 Q3
Total interest income	2 162	2 624	2 230	1 831	541	630	739
Total interest expenses	1 480	1 976	1 418	996	367	470	632
Net interest income	682	648	812	835	175	160	107
Income from portfolio sale	-	-	-	23	-	-	-
Dividend from shares classified as available for sale	18	19	13	13	4	8	3
Total gains and losses on financial instruments at fair v	22	(6)	43	31	(49)	11	(20)
Commission costs	458	490	647	774	150	116	104
Total salaries and administrative expenses	50	51	51	52	16	20	22
Depreciation	2	4	4	4	1	1	1
Other operating expenses	16	15	14	15	1	1	1
Losses on loans and gurantees	-	-	-	-	-	-	-
PROFIT/(LOSS) BEFORE TAXES	197	102	153	56	(39)	40	(37)
Taxes	45	14	29	5	(9)	1	(2)
PROFIT/(LOSS) FOR THE PERIOD	152	89	124	51	(30)	38	(35)
Net gains and losses on bonds and certificates	(7)	7	8	(9)	(2)	(35)	(7)
Fair value adjustment, shares	(15)	-	-	-	-	-	
Net gains and losses on basis swaps	(106)	53	99	63	138	100	299
Taxes on other comprehensive income	28	(15)	(27)	(13)	(39)	(11)	(73)
COMPREHENSIVE INCOME FOR THE PERIOD	52	133	204	91	67	92	183

Eika Boligkreditt AS – Report Q3 2022:

Eika Boligkreditt showed a loss of NOK 35 million for third quarter, compared with a profit of NOK 60 million for the same period in 2021. Net gains and losses on basis swaps came to NOK 299 million for the third quarter (2021: NOK 49 million) , net gains and losses on bonds and certificates came to negative NOK 7 million and taxes on other comprehensive income came to negative NOK 73 million, so that the comprehensive income for the period including such changes came to a profit of NOK 183 million.

The full report is available on: eikbol.no

eika.

Eika Boligkreditt - Balance sheet and key figures

Amounts in NOK Million	2018	2019	2020	2021	2022 Q1	2022 Q2	2022 Q3
Balance sheet development							
Lending to customers	82 015	84 719	89 269	91 327	92 127	93 230	94 650
Debt from issuing securities	97 288	94 300	106 127	103 648	102 751	108 171	110 924
Subordinated loans	674	889	724	724	724	724	812
Equity*	5 290	5 777	5 851	5 774	5 835	5 857	6 183
Equity in % of total assets*	4.9	5.5	4.9	5.0	5.1	4.9	5.0
Average total assets	101 744	107 506	120 881	117 692	116 411	117 324	118 495
Total assets	107 969	105 835	120 563	114 861	114 160	120 497	124 236
Rate of return / profitability							
Fee and commission income in relation to average total assets, annualised (%)	0.40	0.50	0.50	0.70	0.50	0.50	0.40
Staff and general administration expenses in relation to average total assets, annualised (%)	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Return on equity, annualised (%)	4.50	2.20	3.00	1.10	(3.00)	0.04	(0.90)
Total assets per full-time position	5 453	5 345	6 345	6 045	5 708	6 694	6 902
Financial strength							
Core tier 1 capital	4 522	5 074	5 099	5 109	5 077	5 094	5 029
Total tier 1 capital	5 227	5 648	5 673	5 684	5 652	5 669	5 756
Total primary capital (tier 2 capital)	5 902	6 372	6 397	6 409	6 377	6 393	6 565
Risk-weighted assets	33 731	34 074	37 222	37 296	37 253	38 347	38 929
Core tier 1 capital ratio	13.40	14.90	13.70	13.70	13.60	13.30	12.90
Total tier 1 capital ratio	15.50	16.60	15.20	15.20	15.20	14.80	14.80
Capital adeqacy ratio	17.50	18.70	17.20	17.20	17.10	16.70	16.90
Doubtful loans in % of gross loans	-	-	-	0.05	0.05	0.03	0.03
Loss in % of gross loans	-	-	-	-	-	-	-
Staff							
Number of full-time positions at end of period	19.8	19.8	19.0	19.0	20.0	18.0	18.0

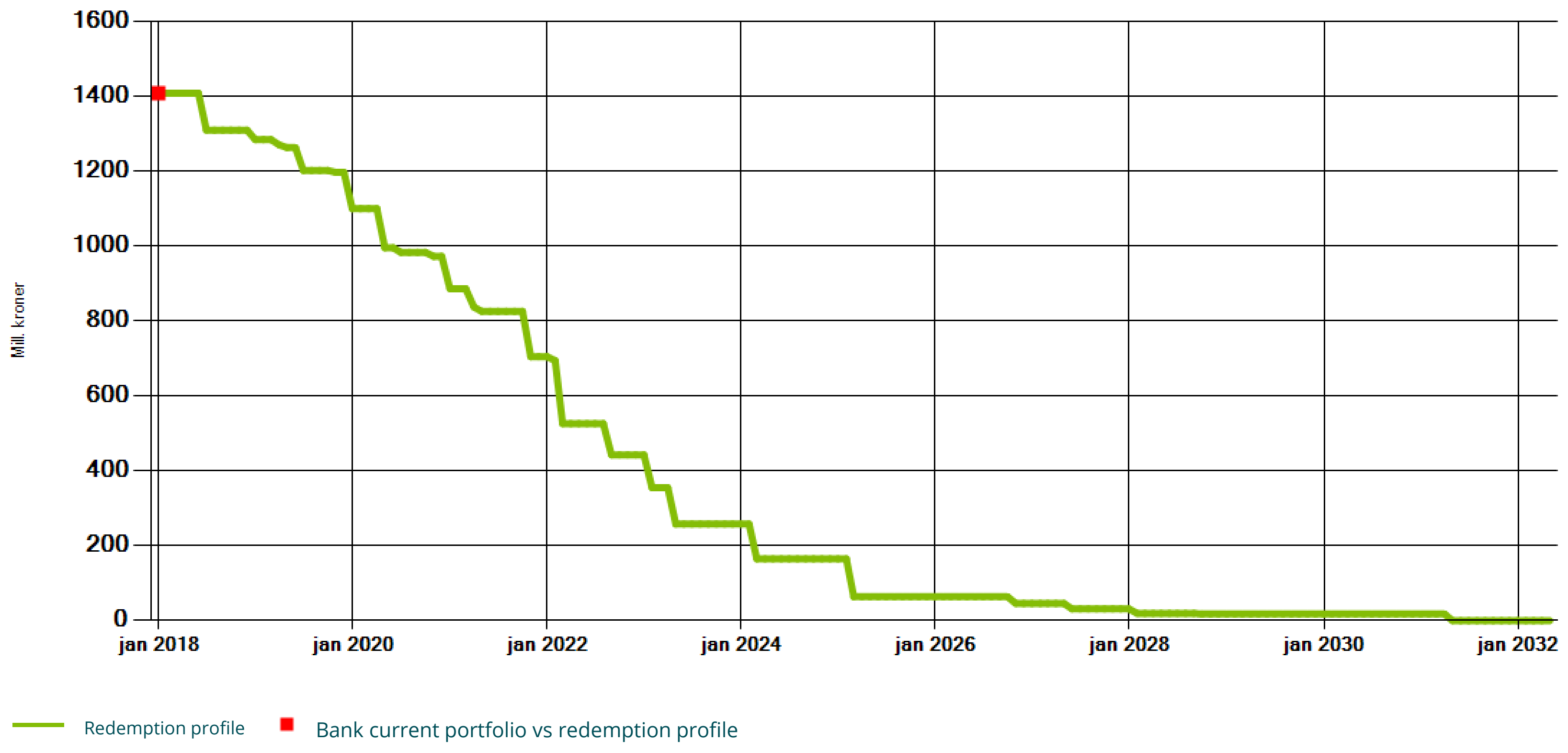
*Including AT1 capital

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 Eika banks in 2021/22

Surnadal Sparebank and Sparebank1 Nordvest

- The banks merged May 1st 2021
- The merged bank is part of the Sparebank1 Alliance
- The name for the merged bank is Sparebank1 Nordmøre
- Surnadal was a member in The Eika Alliance while Sparebank1 Nordvest was a member of the Sparebank1 Alliance.
- Both banks are located on the northern part of the west coast of Norway
- Allan Troelsen, CEO in Surnadal Sparebank, is CEO in the merged bank and Runar Wiik, chair in Sparebank1 Nordvest, is chair in the board of the merged bank
- Total assets, including mortgages transferred to Eika and Sparebank1 Boligkreditt, of NOK 30 billion
- Rationales for the merger was to improve competitiveness in local markets, expand market reach, improved profitability and attractiveness as an employer and further enhance ability to contribute to develop their local communities

Tysnes Sparebank and Etne Sparebank

The banks decided to terminate negotiations in March 2021

- December 16th 2020 the boards in the banks ...nnounced starting negotiations with the intention ...erge the banks
- ...a member in The Eika Alliance while Etne ...a collaborating partner in DSS ...nsisting of 9 saving banks on the sou... Norway
- Currently ...the merged bank will join the Eika Allia... ...ll be decided in 2021
- Rune Ramsvik, CE... ...bank, is proposed as CEO in the merge... ...Sandstå , CEO in Tysnes Sparebank is ... ...ir for the board of the merged bank
- Total assets, including transferre... ...rd Boligkreditt, of NOK 6.8 billion
- Rationales for considering to merge are ... size and improve competitiveness in Sunnhordland, reduce funding costs and secur... jobs
- The merged banks will be more attractive for clients, owners, employees and further enhance ability to contribute to develop their local communities

Romerike Sparebank and Blaker Sparebank

- October 27th, 2021, the boards in the banks approved a letter of intent to merge the banks
- December 13th, 2021, the boards in the banks approved the agreement to merge the banks
- January 25th, 2022, the general meetings/boards of trustees approved the agreement to merge the banks
- June 30th Finanstilsynet approved the merger
- Both banks are members in the Eika Alliance
- Blaker Sparebank is merged into Romerike Sparebank with Romerike Sparebank as the continuing bank. The merger took effect October 1st
- Siri Berggren, CEO in Romerike Sparebank, is CEO in the merged bank and Svein Aaling, chair of the board in Blaker Sparebank, is chair of the board in the merged bank
- Total assets for the merged bank, including mortgages transferred to Eika Boligkreditt, of NOK 17.9 billion
- Rationales for the merger was to improve competitiveness in local markets, improved profitability and attractiveness as an employer and further enhance ability to contribute to develop their local communities

Mergers Eika banks in 2021/22 continued

Arendal og Omegns Sparekasse and Østre Agder Sparebank

- April 19th , 2022, the boards in the banks approved an agreement to merge the banks
- May 23rd ,2022 the general meetings/boards of trustees approved the agreement to merge the banks
- June 23rd Finanstilsynet approved the merger
- Both banks are members in the Eika Alliance
- Arendal og Omegns Sparekasse is merged into Østre Agder Sparebank with Østre Agder Sparebank as the continuing bank
- The name for the merged bank is Agder Sparebank. The merger took effect August 15th
- Nina Holte, former CEO in Østre Agder Sparebank, is CEO in the merged bank and Per Olav Nærstad, former CEO in Arendal og Omegns Sparekasse, is chair of the board in the merged bank
- Total assets for the merged bank, including mortgages transferred to Eika Boligkreditt, of NOK 9.2 billion
- Rationales for the merger was to improve competitiveness in local markets, improved attractiveness as an employer and further enhance ability to contribute to develop their local communities

Hemne Sparebank and Åfjord Sparebank

- May 23rd , 2022, the boards in the banks approved an agreement to merge the banks
- June 27th , 2022, the general meetings/boards of trustees approved the agreement to merge the banks
- The merger is pending approval from Finanstilsynet
- Both banks are members in the Eika Alliance
- Åfjord Sparebank is intended merged into Hemne Sparebank with Hemne Sparebank as the continuing bank
- The proposed name for the merged bank is Trøndelag Sparebank
- Tor Espnes, CEO in Hemne Sparebank, is proposed as CEO in the merged bank and Arnar Utseth, chair of board in Åfjord Sparebank, is proposed as chair of the board in the merged bank
- Total assets for the merged bank, including mortgages transferred to Eika Boligkreditt, of NOK 8.1 billion
- Rationales for considering to merge are to improve competitiveness in local markets, improved attractiveness as an employer and further enhance ability to contribute to develop their local communities

Andebu Sparebank, Larvikbanken and Skagerrak Sparebank

- November 9th, 2022, the boards in the banks approved a letter of intent to merge the banks
- The timeline for approval of the merger agreement in the boards in the banks is February 2023 and approval in the general meetings/boards of trustees of the agreement to merge the banks by the end of Q1 2023, then pending approval from Finanstilsynet, the merger may take effect February 1st, 2024
- All three banks are members in the Eika Alliance
- Andebu and Larvikbanken are intended merged into Skagerrak Sparebank with Skagerrak Sparebank as the continuing bank.
- Jan Kleppe, currently CEO in Skagerrak Sparebank, is proposed CEO in the merged bank and Are Stokstad, currently chair of the board in Larvikbanken, is proposed chair of the board in the merged bank
- Total assets for the merged bank, including mortgages transferred to Eika Boligkreditt, of NOK 34 billion
- Rationales for the merger is to create a leading local saving bank in Vestfold and Telemark, improve attractiveness as an employer and local banking partner for clients and further enhance ability to contribute to develop their local communities

Eika Banks - P&L & Balance sheet

P&L & balance sheet (in million NOK)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net interest income	3,720	3,889	4,101	4,205	4,482	4,868	5,054	5,711	5,558	5,772
Net commission income	850	1,125	1,297	1,235	1,170	1,330	1,388	1,539	1,694	1,933
Other income	40	39	39	37	38	34	32	27	28	31
Total income	4,610	5,052	5,436	5,478	5,689	6,232	6,474	7,278	7,280	7,737
Personnel and adm. expenses	2,210	2,308	2,450	2,628	2,736	2,867	2,865	2,975	2,023	2,156
Depreciation	92	98	107	114	128	136	136	151	157	204
Other costs	505	566	593	653	672	689	710	755	1,848	1,881
Total costs	2,807	2,972	3,151	3,395	3,535	3,692	3,711	3,882	4,027	4,237
Core earnings before loan losses	1,803	2,080	2,286	2,083	2,154	2,540	2,763	3,396	3,252	3,500
Impairment of loans and guarantees	323	387	311	234	229	193	174	163	518	-15
Core earnings	1,480	1,693	1,975	1,849	1,925	2,347	2,589	3,234	2,735	3,515
Dividends/associated companies	88	251	232	342	391	414	414	566	649	618
Net return on financial investments	213	226	128	-189	179	145	44	79	41	26
One-offs and loss/gain on long-term assets	149	-61	178	217	312	-11	165	-5	-247	-169
Pre tax profit	1,929	2,109	2,513	2,219	2,806	2,895	3,212	3,874	3,177	3,991
Taxes	535	574	613	542	572	657	695	853	627	840
Net profit	1,395	1,535	1,900	1,677	2,234	2,238	2,517	3,022	2,550	3,151
Gross loans	163,460	170,782	178,891	190,203	210,532	224,279	238,996	255,161	265,999	286,033
Gross loans incl. EBK	205,512	221,587	234,013	248,598	275,458	296,291	317,175	337,592	354,754	380,587
Deposits	135,038	142,754	154,063	162,046	175,189	184,518	194,416	207,234	224,395	240,910
Equity	18,551	20,116	21,932	23,261	25,786	28,375	31,001	34,214	38,837	41,822
Total assets	197,632	206,833	220,301	227,766	249,787	267,870	285,653	306,286	329,784	353,015
Total assets incl. EBK	239,683	257,638	275,424	286,161	314,713	339,882	363,831	388,717	418,539	447,569
Growth in loans (in %)	4.0 %	4.5 %	4.7 %	6.3 %	10.7 %	6.5 %	6.6 %	6.8 %	4.2 %	7.5 %
Growth in loans incl. EBK (in %)	8.0 %	7.8 %	5.6 %	6.2 %	10.8 %	7.6 %	7.0 %	6.4 %	5.1 %	7.3 %
Growth in deposits (in %)	6.6 %	5.7 %	7.9 %	5.2 %	8.1 %	5.3 %	5.4 %	6.6 %	8.3 %	7.4 %

Source: Bank Analyst Eika

Eika banks - Key figures

Key figures	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Deposit ratio	82.6 %	83.6 %	86.1 %	85.2 %	83.2 %	82.3 %	81.3 %	81.2 %	84.4 %	84.2 %
Deposit over total funding	76.2 %	77.3 %	78.5 %	80.1 %	79.0 %	77.8 %	77.1 %	76.9 %	77.8 %	78.1 %
(Market funding - Liquid assets)/Total assets	6.2 %	5.3 %	3.0 %	4.0 %	5.8 %	6.1 %	6.8 %	6.7 %	3.5 %	3.6 %
Liquid assets/Total assets	15.2 %	15.0 %	16.2 %	13.7 %	12.9 %	13.6 %	13.5 %	13.6 %	15.9 %	15.5 %
Market funds/Total assets	21.3 %	20.3 %	19.2 %	17.7 %	18.7 %	19.7 %	20.3 %	20.3 %	19.4 %	19.1 %
Equity ratio	9.4 %	9.7 %	10.0 %	10.2 %	10.3 %	10.6 %	10.9 %	11.2 %	11.8 %	11.8 %
Common Equity Tier 1 ratio (CET1)	15.9 %	16.0 %	17.0 %	17.5 %	17.8 %	18.1 %	18.2 %	19.6 %	19.3 %	19.6 %
Core capital ratio	18.2 %	18.5 %	18.3 %	18.5 %	18.9 %	19.3 %	19.6 %	20.9 %	20.5 %	20.8 %
Capital ratio	18.7 %	18.8 %	18.9 %	19.2 %	20.0 %	20.8 %	21.4 %	22.9 %	22.2 %	22.6 %
Loan loss provision ratio	0.20 %	0.23 %	0.18 %	0.13 %	0.11 %	0.09 %	0.07 %	0.07 %	0.20 %	-0.01 %
Loan loss provision/Pre-provision income	15.4 %	15.1 %	11.8 %	10.5 %	8.4 %	6.2 %	5.4 %	4.0 %	13.1 %	-0.4 %
Gross problem loans/Gross loans	1.80 %	1.64 %	1.55 %	1.39 %	1.13 %	0.97 %	1.01 %	1.33 %	1.36 %	1.14 %
Net problem loans/Gross loans	1.33 %	1.21 %	1.14 %	1.02 %	0.84 %	0.72 %	0.78 %	1.07 %	1.08 %	0.87 %
Loan loss reserves/Gross loans	0.88 %	0.83 %	0.79 %	0.74 %	0.64 %	0.59 %	0.55 %	0.52 %	0.59 %	0.50 %
Problem loans/(Equity + LLR)	14.7 %	13.0 %	11.9 %	10.8 %	8.8 %	7.3 %	7.4 %	9.6 %	8.9 %	7.5 %
Net interest income/total assets	1.90 %	1.92 %	1.92 %	1.88 %	1.88 %	1.88 %	1.83 %	1.93 %	1.75 %	1.69 %
Net commission incom/total assets	0.43 %	0.56 %	0.61 %	0.55 %	0.49 %	0.51 %	0.50 %	0.52 %	0.53 %	0.57 %
Loss provision ratio	0.20 %	0.23 %	0.18 %	0.13 %	0.11 %	0.09 %	0.07 %	0.07 %	0.20 %	-0.01 %
Cost/income ratio	57.2 %	53.8 %	54.4 %	60.3 %	56.5 %	54.4 %	53.5 %	49.0 %	50.5 %	50.6 %
Cost/income ratio (adjusted for net finance)	59.7 %	56.0 %	55.6 %	58.3 %	58.1 %	55.5 %	53.9 %	49.5 %	50.8 %	50.7 %
Cost/income ratio (adj. for net finance and dividends)	60.9 %	58.8 %	58.0 %	62.0 %	62.1 %	59.2 %	57.3 %	53.3 %	55.3 %	54.8 %
Net profit in % of total assets	0.71 %	0.76 %	0.89 %	0.75 %	0.94 %	0.86 %	0.91 %	1.02 %	0.80 %	0.92 %
Net profit/average RWA	1.29 %	1.37 %	1.62 %	1.37 %	1.74 %	1.63 %	1.72 %	1.99 %	1.59 %	1.82 %
Pre-provision income/average RWA	1.95 %	2.29 %	2.25 %	1.83 %	2.13 %	2.25 %	2.20 %	2.67 %	2.46 %	2.40 %
Core earnings in % of average RWA	1.37 %	1.52 %	1.68 %	1.51 %	1.50 %	1.71 %	1.77 %	2.13 %	1.70 %	2.03 %
Return on equity	7.8 %	7.9 %	9.0 %	7.4 %	9.1 %	8.3 %	8.5 %	9.3 %	7.0 %	7.8 %

Source: Bank Analyst Eika

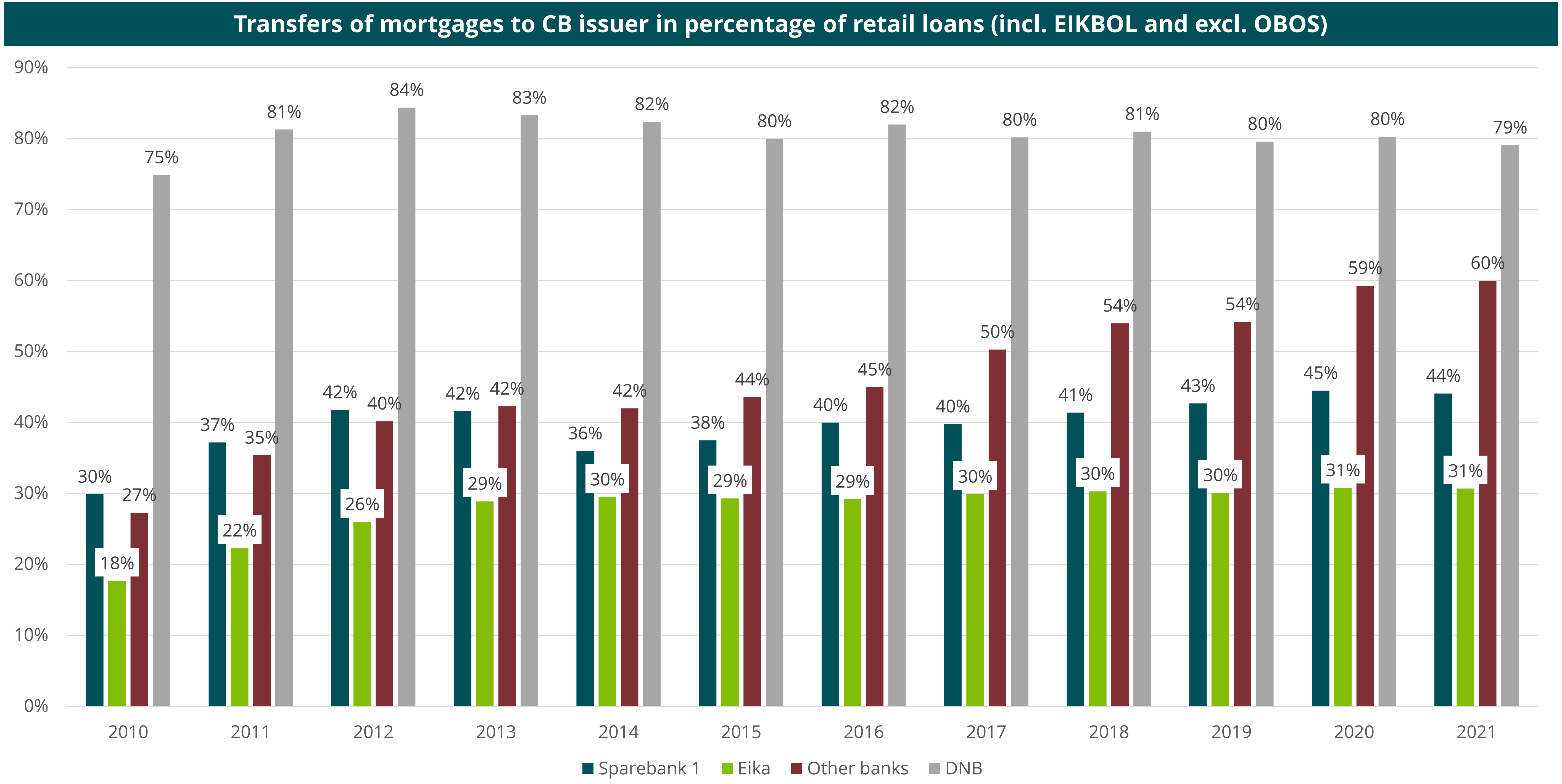
Quarterly data - P&L and Key figures Eika banks

P&L & balance sheet (in million NOK)	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Net interest income	1,256	1,382	1,407	1,368	1,409	1,461	1,535	1,558	1,684
Net commission income	357	435	502	438	450	489	557	455	418
Other income	6	7	8	7	7	8	9	6	8
Total income	1,619	1,824	1,917	1,812	1,866	1,958	2,101	2,020	2,111
Personnel and adm. expenses	432	511	538	543	448	551	611	588	502
Depreciation	38	39	42	49	53	53	48	55	55
Other costs	441	432	521	457	454	462	507	476	484
Total costs	911	982	1,101	1,050	955	1,067	1,166	1,119	1,041
Core earnings before loan losses	708	842	816	763	911	891	935	901	1,070
Impairment of loans and guarantees	123	43	57	-16	-53	-1	55	14	15
Core earnings	585	799	759	779	964	892	881	887	1,055
Dividends/associated companies	547	12	74	18	481	3	117	14	649
Net return on financial investments	228	48	28	50	-8	17	-34	-63	-135
One-offs and loss/gain on long-term assets	-11	2	-228	-16	-47	-27	-78	4	-50
Pre tax profit	1,349	860	633	831	1,390	884	886	842	1,518
Taxes	217	203	113	204	252	207	174	201	242
Net profit	1,132	658	520	627	1,137	677	711	642	1,276
Gross loans	259,852	263,088	265,999	269,982	276,790	282,062	286,033	290,530	297,805
Gross loans incl. EBK	346,023	350,523	354,754	359,561	367,928	374,490	380,587	386,671	396,031
Deposits	221,969	222,278	224,395	229,320	242,373	240,914	240,910	247,062	259,109
Equity	36,795	37,452	38,837	39,253	39,918	41,016	41,822	43,245	44,595
Total assets	325,219	325,839	329,784	336,653	350,133	351,073	353,015	361,850	373,733
Total assets incl. EBK	411,390	413,273	418,539	426,232	441,271	443,501	447,569	457,990	471,960
Growth in loans (in %)	1.0 %	1.2 %	1.1 %	1.5 %	2.5 %	1.9 %	1.4 %	1.6 %	2.5 %
Growth in loans incl. EBK (in %)	1.4 %	1.3 %	1.2 %	1.4 %	2.3 %	1.8 %	1.6 %	1.6 %	2.4 %
Growth in deposits (in %)	4.8 %	0.1 %	1.0 %	2.2 %	5.7 %	-0.6 %	0.0 %	2.6 %	4.9 %

Key figures	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Deposit ratio	85.4 %	84.5 %	84.4 %	84.9 %	87.6 %	85.41 %	84.2 %	85.0 %	87.0 %
Deposit over total funding	77.7 %	77.7 %	77.8 %	77.8 %	78.8 %	78.44 %	78.1 %	78.6 %	79.5 %
(Market funding - Liquid assets)/Total assets	3.1 %	4.0 %	3.5 %	3.3 %	1.3 %	2.97 %	3.6 %	3.8 %	2.3 %
Liquid assets/Total assets	16.5 %	15.6 %	15.9 %	16.1 %	17.3 %	15.88 %	15.5 %	14.8 %	15.6 %
Market funds/Total assets	19.5 %	19.6 %	19.4 %	19.5 %	18.6 %	18.86 %	19.1 %	18.6 %	17.9 %
Equity ratio	11.3 %	11.5 %	11.8 %	11.7 %	11.4 %	11.7 %	11.8 %	12.0 %	11.9 %
Common Equity Tier 1 ratio (CET1)	19.2 %	18.9 %	19.3 %	18.9 %	18.7 %	18.7 %	19.7 %	19.1 %	19.7 %
Core capital ratio	20.3 %	20.2 %	20.5 %	20.1 %	19.9 %	19.8 %	20.8 %	20.1 %	20.8 %
Capital ratio	22.1 %	22.0 %	22.2 %	21.8 %	21.7 %	21.6 %	22.6 %	21.8 %	22.5 %
Loan loss provision ratio	0.19 %	0.07 %	0.09 %	-0.02 %	-0.08 %	0.00 %	0.08 %	0.02 %	0.02 %
Loan loss provision/Pre-provision income	8.3 %	4.8 %	6.2 %	-1.9 %	-3.8 %	-0.1 %	5.4 %	1.6 %	0.9 %
Gross problem loans/Gross loans	1.36 %	1.35 %	1.36 %	1.26 %	1.26 %	1.16 %	1.14 %	1.15 %	1.10 %
Net problem loans/Gross loans	1.06 %	1.05 %	1.08 %	0.99 %	0.99 %	0.90 %	0.87 %	0.90 %	0.85 %
Loan loss reserves/Gross loans	0.60 %	0.61 %	0.59 %	0.57 %	0.52 %	0.51 %	0.50 %	0.49 %	0.48 %
Problem loans/(Equity + LLR)	9.2 %	9.1 %	8.9 %	8.3 %	8.4 %	7.7 %	7.5 %	7.5 %	7.1 %
Net interest income/total assets	1.57 %	1.70 %	1.72 %	1.64 %	1.64 %	1.67 %	1.74 %	1.74 %	1.83 %
Net commission incom/total assets	0.45 %	0.53 %	0.61 %	0.53 %	0.52 %	0.56 %	0.63 %	0.51 %	0.45 %
Loss provision ratio	0.19 %	0.07 %	0.09 %	-0.02 %	-0.08 %	0.00 %	0.08 %	0.02 %	0.02 %
Cost/income ratio	38.1 %	52.1 %	54.5 %	55.8 %	40.8 %	53.9 %	53.4 %	56.8 %	39.7 %
Cost/income ratio (adjusted for net finance)	42.1 %	53.5 %	55.3 %	57.4 %	40.7 %	54.4 %	52.6 %	55.0 %	37.7 %
Cost/income ratio (adj. for net finance and dividends)	56.3 %	53.8 %	57.4 %	57.9 %	51.2 %	54.5 %	55.5 %	55.4 %	49.3 %
Net profit in % of total assets	1.41 %	0.81 %	0.63 %	0.75 %	1.32 %	0.77 %	0.81 %	0.72 %	1.39 %
Net profit/average RWA	2.86 %	1.64 %	1.26 %	1.48 %	2.63 %	1.55 %	1.61 %	1.42 %	2.81 %
Pre-provision income/average RWA	3.74 %	2.25 %	2.23 %	1.96 %	3.20 %	2.09 %	2.31 %	1.89 %	3.49 %
Core earnings in % of average RWA	1.46 %	1.99 %	1.81 %	1.82 %	2.21 %	2.04 %	1.98 %	1.94 %	2.34 %
Return on equity	12.4 %	7.1 %	5.5 %	6.4 %	11.5 %	6.7 %	6.9 %	6.0 %	11.6 %

Source: Bank Analyst Eika

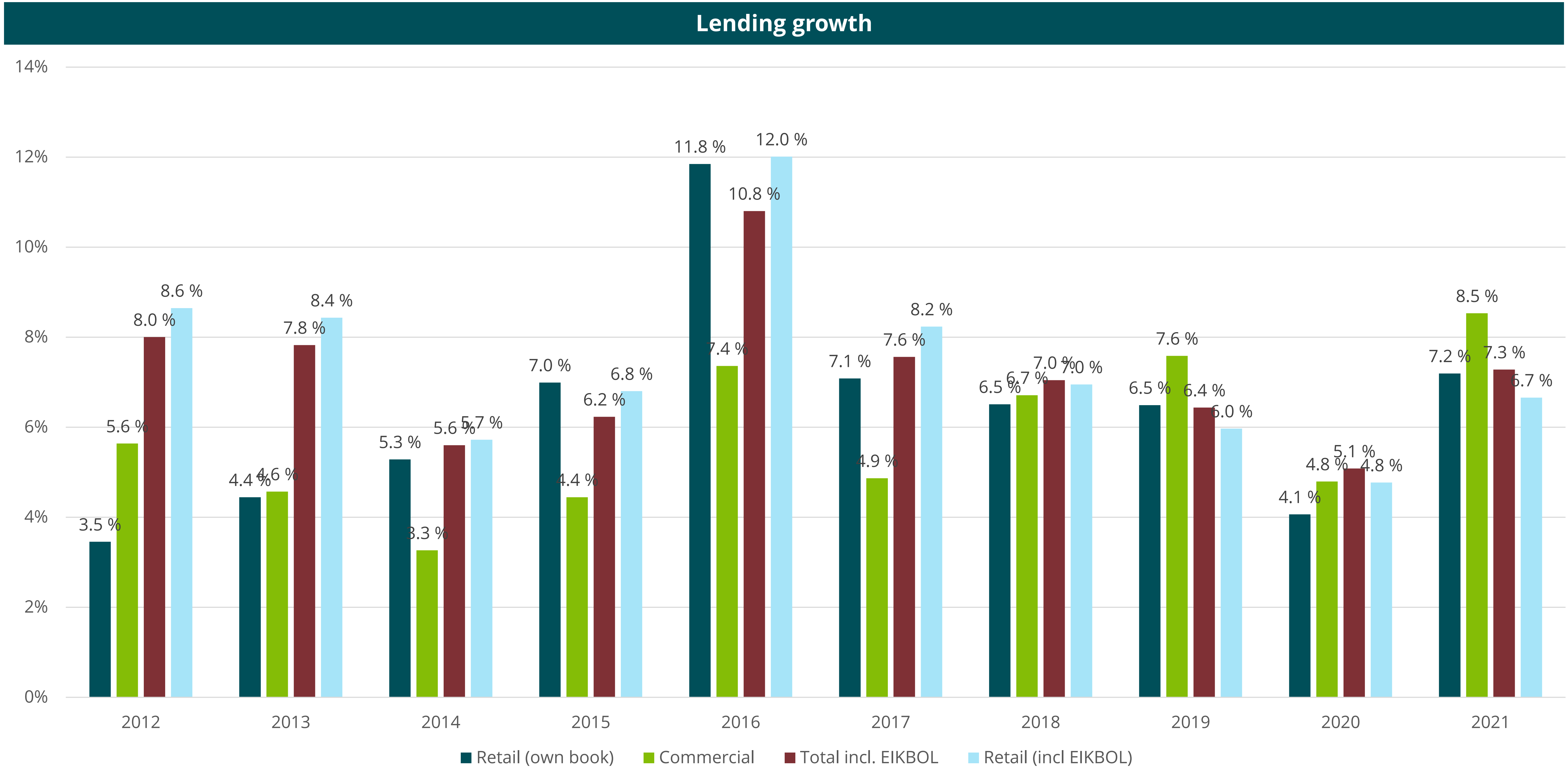
Banks – transfer rate to Cov. Bond companies



Source: Bank Analyst Eika

Appendix

Eika banks - lending growth



Source: Bank Analyst Eika

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