

# Eika Boligkreditt

Investor presentation

*February 2025*



# Executive summary

## • The economy

- Weak GDP-growth of +0.6% for 2024. Growth for 2025 expected to be back to trend
- Strong labour market. Unemployment rate 2.1% (S.A) in January 2025. Expected to increase slightly going forward
- 6.4% growth in house prices in 2024 after +0.9% in 2023
- Inflation of 3.1% and wage growth of 5.7% in 2024
- Policy rates peaked at 4.5% in December 2023. Norges Bank expected to start cutting rates in March 2025

## • Robust, local saving banks

- 3<sup>rd</sup> 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 mortgage 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
- Eika Alliance
- Eika Boligkreditt
- ESG at Eika
- Eika Boligkreditt's Green Bond Framework
- Appendix
- Disclaimer



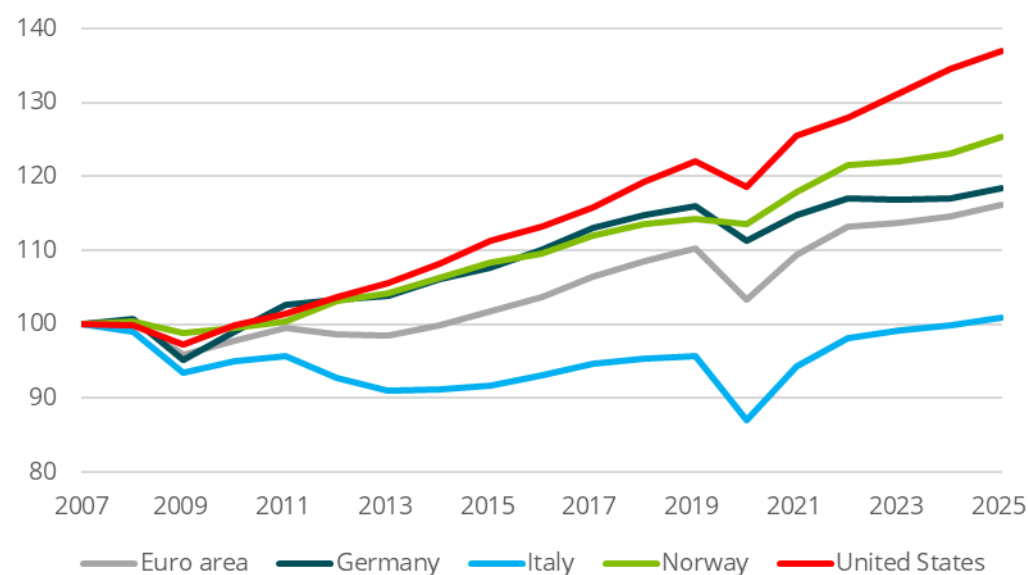
# The Norwegian economy – Key indicators

- Constitutional monarchy; Non-EU member (EEA member); Population of 5.85 million
- Aaa / AAA / AAA rated country (all with stable outlook)
- GDP per capita amongst the highest in the OECD countries – estimated to be 112% higher than the average in EU (27 countries)
- Weak GDP growth in 2024 of 0.6%. A decline in investment in residential and commercial buildings, as well as subdued growth in private consumption was a drag for growth in 2024
- Growth back to trend expected for 2025

	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
GDP growth (Mainland)	1.9 %	2.3 %	-2.8 %	4.5 %	4.3 %	0.6 %	0.9 %	1.8 %	2.3 %	2.2 %
Consumer price inflation	2.7 %	2.2 %	1.3 %	3.5 %	5.8 %	5.5 %	3.2 %	2.7 %	2.5 %	2.4 %
Unemployment	4.0 %	3.9 %	4.7 %	4.4 %	3.2 %	3.6 %	4.0 %	4.1 %	4.1 %	4.0 %
Private Consumption	1.4 %	1.0 %	-6.2 %	5.1 %	7.8 %	-0.9 %	1.1 %	3.1 %	3.4 %	3.2 %
Household savings rate	5.9 %	7.1 %	12.9 %	13.8 %	4.7 %	4.4 %	8.1 %	8.4 %	7.7 %	7.2 %
Houseprices	1.4 %	2.5 %	4.3 %	10.5 %	5.2 %	-0.5 %	2.4 %	4.4 %	4.6 %	4.1 %
Mortgage rate (flexi loans)	2.7 %	3.0 %	2.6 %	2.1 %	2.9 %	5.0 %	6.0 %	5.7 %	5.0 %	4.8 %
Government net lending as % of GDP	7.9 %	6.5 %	-2.6 %	10.3 %	25.5 %	16.6 %	12.6 %	12.7 %	n/a	n/a
Government pension fund / GDP	230 %	280 %	298 %	244 %	218 %	298 %	n/a	n/a	n/a	n/a

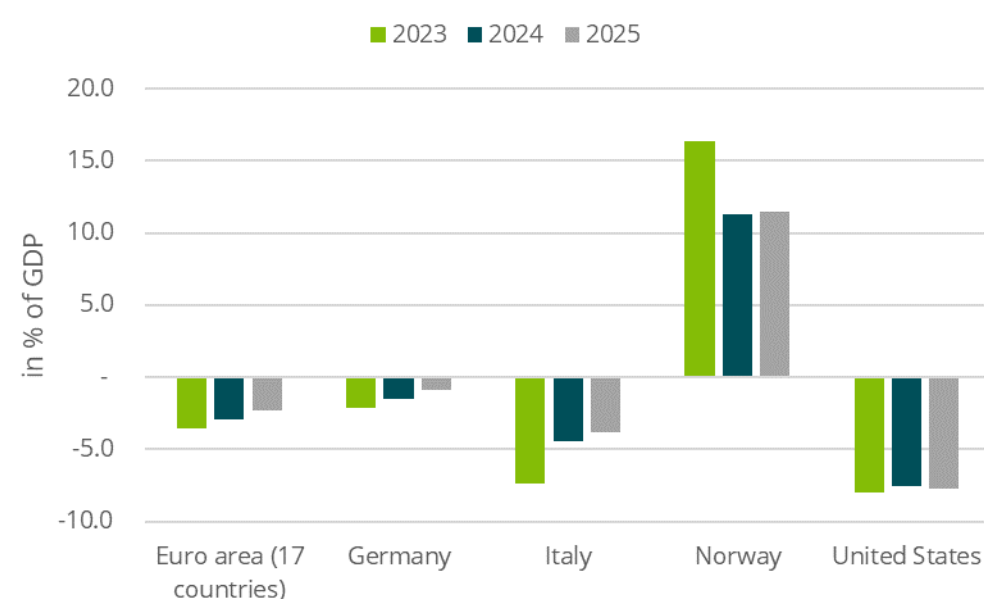
# The Norwegian economy – Relative solid economic situation

Real GDP growth (rebased to 100 in 2007)



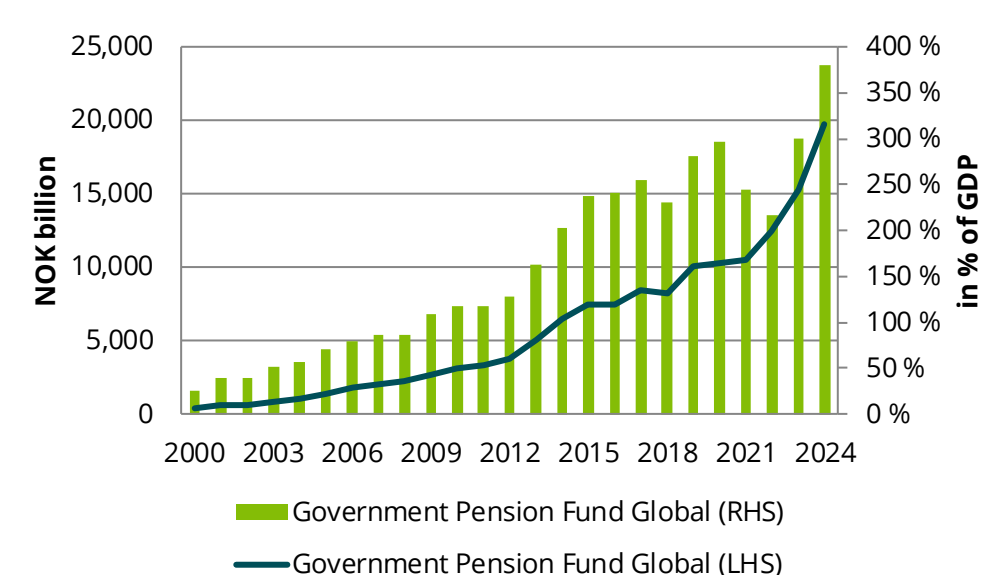
Source: OECD Economic Outlook No. 116 (database), December 2024

Government net lending (% of GDP)



Source: OECD Economic Outlook No. 116 (database), December 2024

Government Pension Fund Global



Source : Norges Bank, Statistics Norway

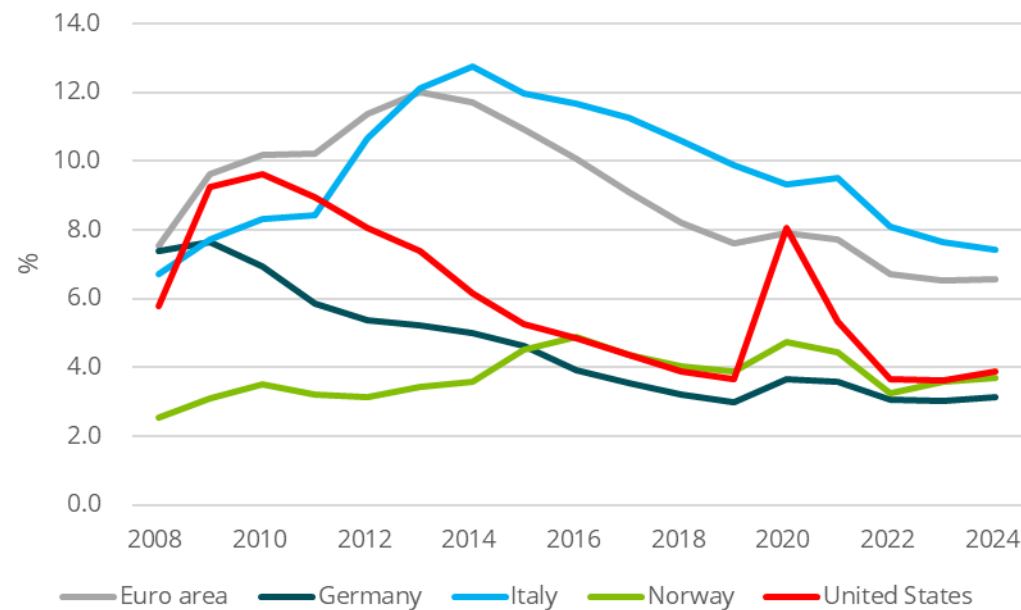
- Economic GDP Mainland growth average of 1.45 p.a. last 10 years
- Strong current account surplus averaging 10.9% of GDP since 2014. +17.7% in 2023.

- Significant positive government net lending expected in 2023-25 due to high energy prices
- The Government Pension Fund is 380% of the size of GDP

- Norway has a strong balance sheet

# The Norwegian economy – Unemployment and inflation

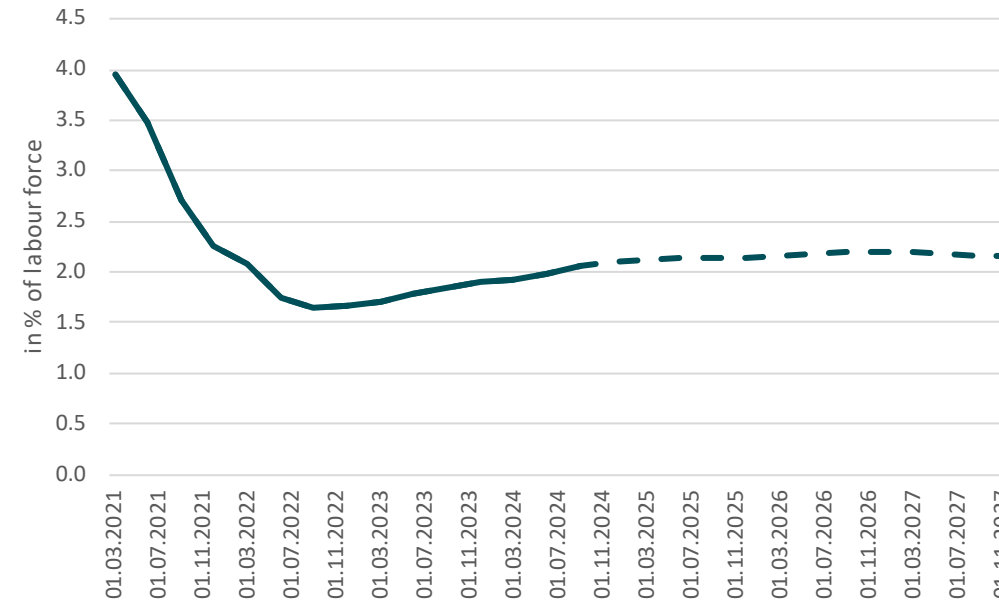
## Norway has consistently low unemployment rate historically



Source: OECD Economic Outlook No. 116 (database), December 2024

- A stable economy has ensured a high rate of employment
- 2.1% unemployment rate seasonally adjusted in January. Unemployment is expected to increase moderately going forward

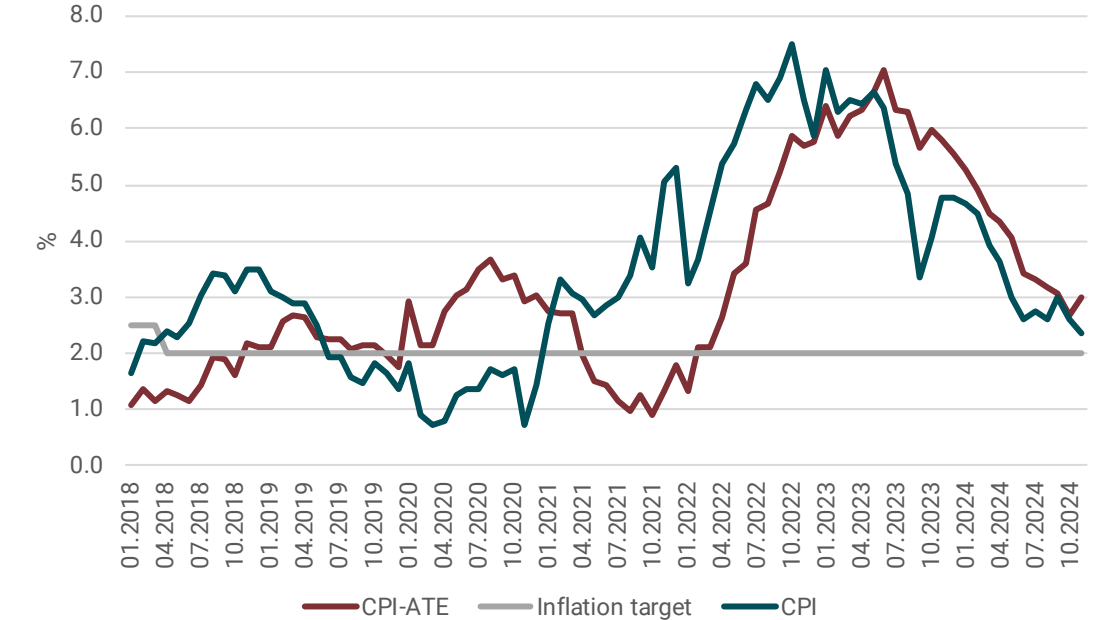
## Unemployment rate



Source: NAV, Norges Bank, MPR 4/24

- CPI +3.1% in 2024 versus + 5,5% in 2023
- CPI was 2.3% YoY and +0.2% MoM in January. Core inflation was 2.8% YoY and +0.1% MoM. Inflation is expected to overshoot the inflation target of 2.0% in 2025
- Food prices up by 5.0% YoY and rents up by 4.2% YoY

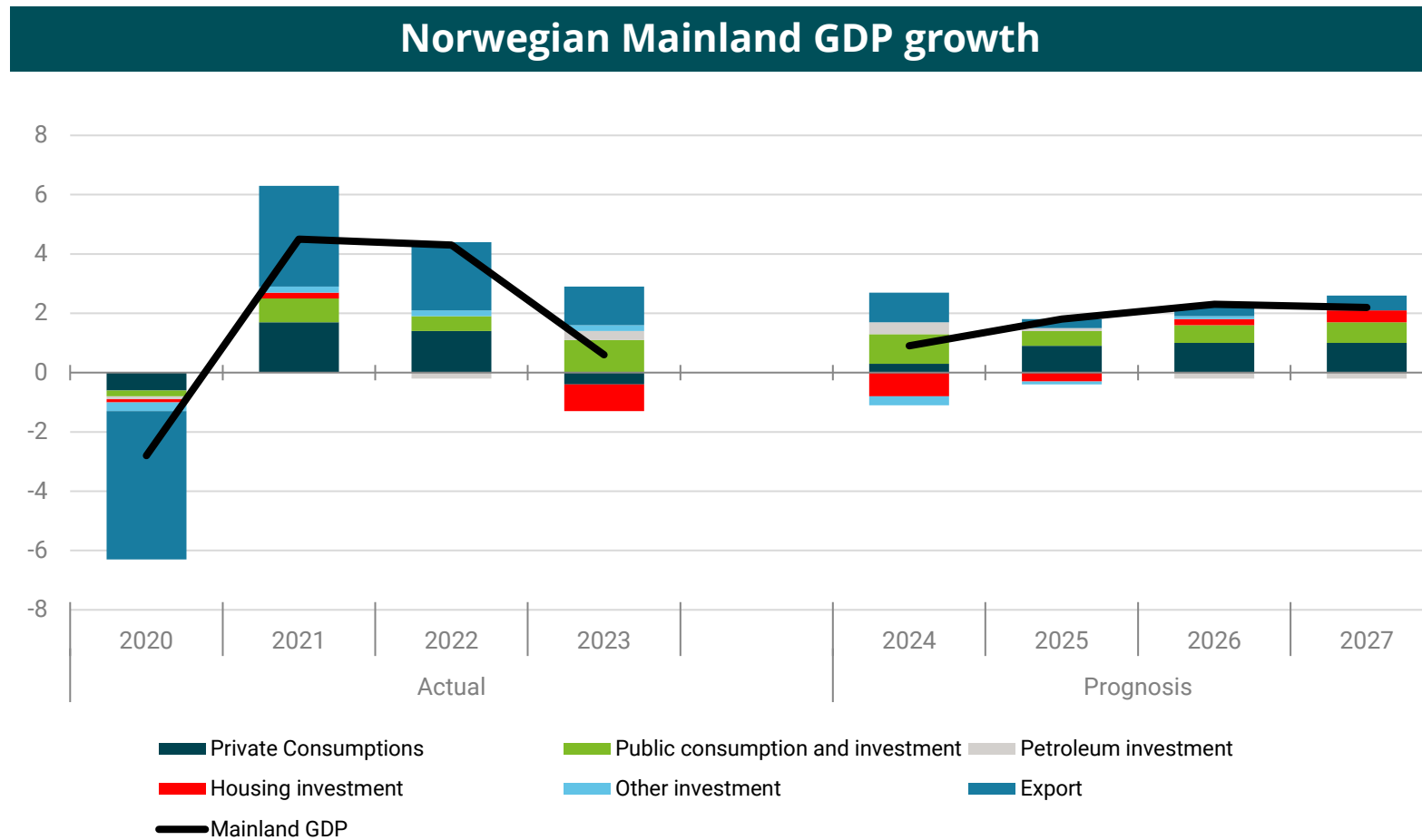
## Inflation & inflation target



Source: Statistics of Norway & Norges Bank MPR 4/24

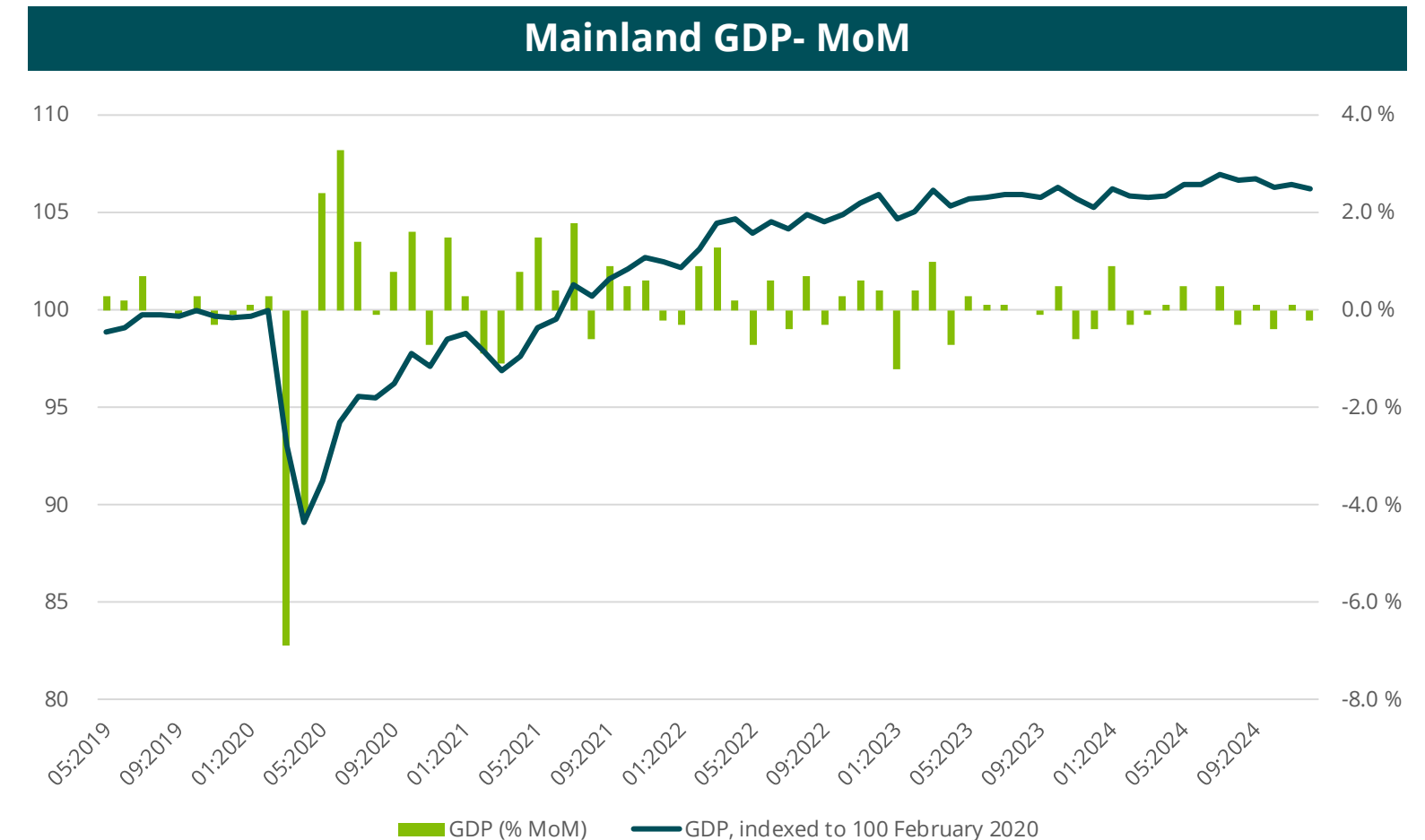
- A strong welfare system provides significant income protection: unemployment benefit is 62.4% of salary (capped at NOK 744,168) for a maximum of 104 weeks

# The Norwegian economy – GDP



Source: Statistics Norway, Konjunkturtendensene 4/2024

- GDP growth has been moderate since mid 2022 due to higher interest rates, high inflation and weak foreign demand. Going forward we expect increased activity
- Lower interest rates and clear wage growth will see household consumption increase
- Economic activity will also pick up because of higher public spending and an increase in housing investment



Source: Statistics Norway, December 2024

- Mainland Norway's GDP increased 0.6 per cent in 2024.
- Demand from central and local government, high petroleum investment, and growth in mainland exports pulled up the mainland economy.
- A decline in investment in residential and commercial buildings, as well as subdued growth in private consumption, pulled in the opposite direction

# The housing market characteristics in Norway

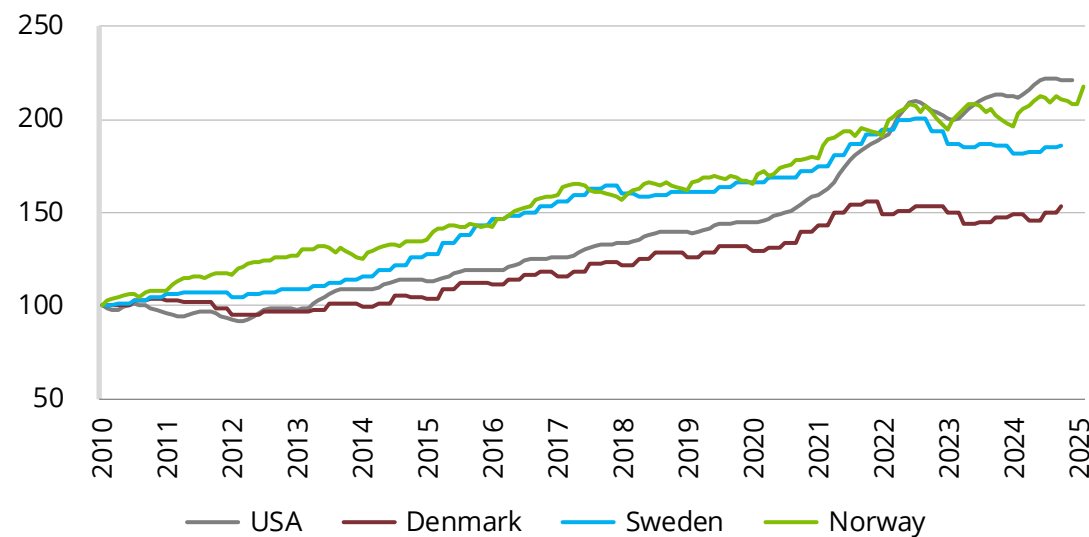
<b>Home ownership</b>	<ul style="list-style-type: none"><li>• Among the highest in the world – <b>76.8%</b> are owner-occupied households</li><li>• Total size of the mortgage market NOK <b>3,300 bn</b> (EUR 320 bn)</li></ul>	<b>Personal liability</b>	<ul style="list-style-type: none"><li>• Borrowers <b>personally liable</b> for their debt – also following foreclosures and forced sales</li><li>• Prompt and <b>efficient foreclosure</b> process upon non-payment</li><li>• Strong incentives to <b>service debt</b> reflected in low arrears</li><li>• Transparent <b>and reliable information</b> about borrowers available to the lenders</li></ul>
<b>MoF lending regulation*</b>	<ul style="list-style-type: none"><li>• Mortgages maximum LTV <b>90%</b></li><li>• Mortgages with an LTV &gt; <b>60%</b> are required to be amortizing</li><li>• Debt service ability is stress tested for a <b>3%</b> - points increase in mortgage rates, minimum 7.0 % mortgage rate</li><li>• Total debt over gross income less than <b>5</b></li><li>• Flexibility quota per quarter <b>10%</b> (8% in Oslo)</li></ul>	<b>Mortgage lending</b>	<ul style="list-style-type: none"><li>• Typical legal maturity 25-30 years, on average <b>22-23 years</b></li><li>• <b>95.7%</b> of residential mortgages have variable interest rate (Q4 2023)</li><li>• Lenders may <b>adjust interest</b> rates with an eight weeks' notice</li><li>• <b>No “sub-prime”</b> market in Norway</li><li>• Limited <b>buy-to-let market</b></li></ul>
<b>Tax incentives</b>	<ul style="list-style-type: none"><li>• All interest expenses are tax deductible in Norway at capital gains tax rate (<b>22%</b>)</li><li>• Preferential treatment of properties when calculating the wealth tax (<b>1.0%</b>)</li><li>• Capital gain on a dwelling tax-free after <b>one year</b> of occupancy by the owner</li></ul>		

\* December 12<sup>th</sup>, 2024, the Ministry of Finance decided to continue the current mortgage regulation with a change for maximum LTV with effect from January 1<sup>st</sup> 2025. The regulation expires December 31<sup>st</sup>, 2026

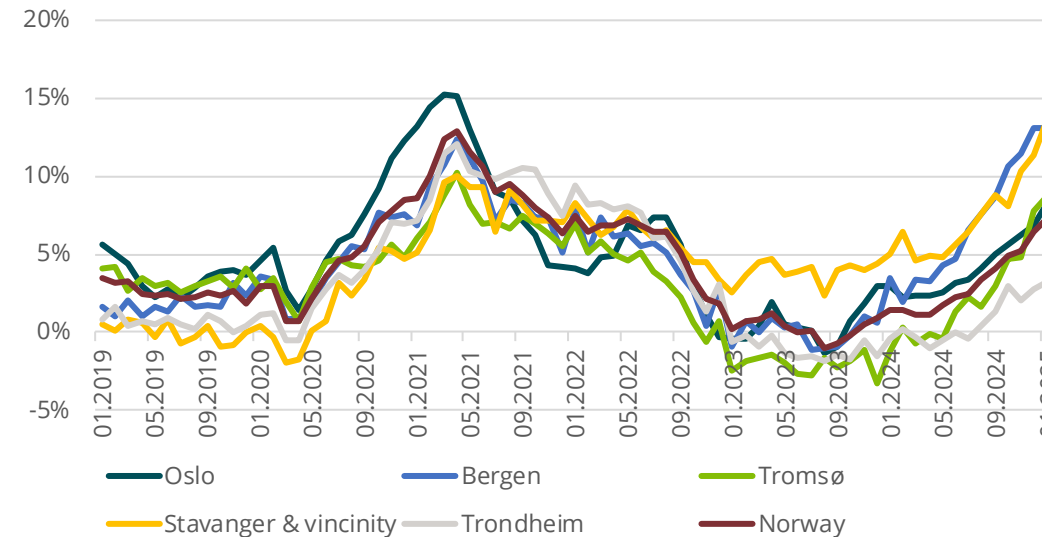


# The housing market – Price development

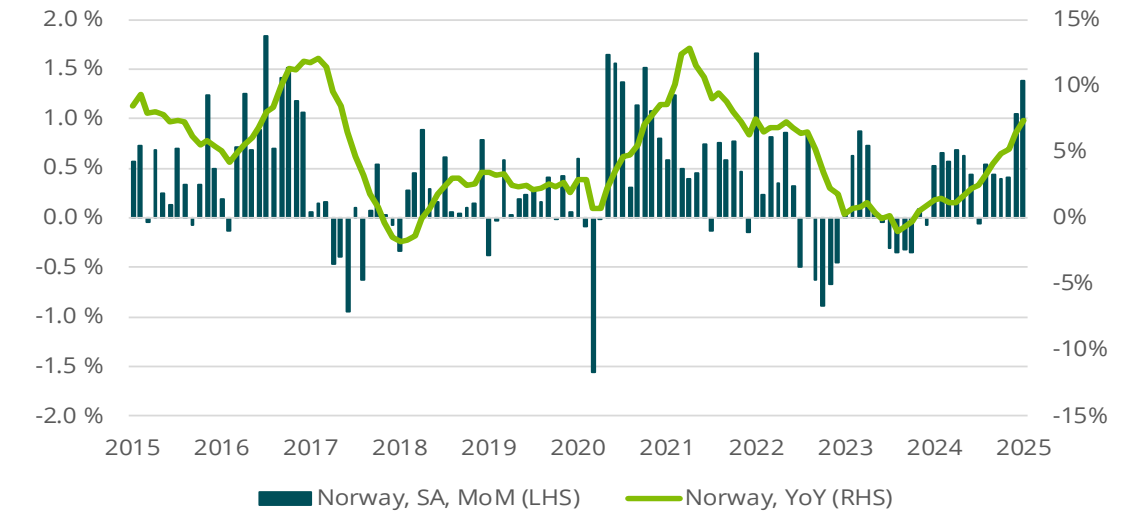
Nominal house price development



House prices larger cities (twelve-month change)



House prices (monthly and twelve-month change)



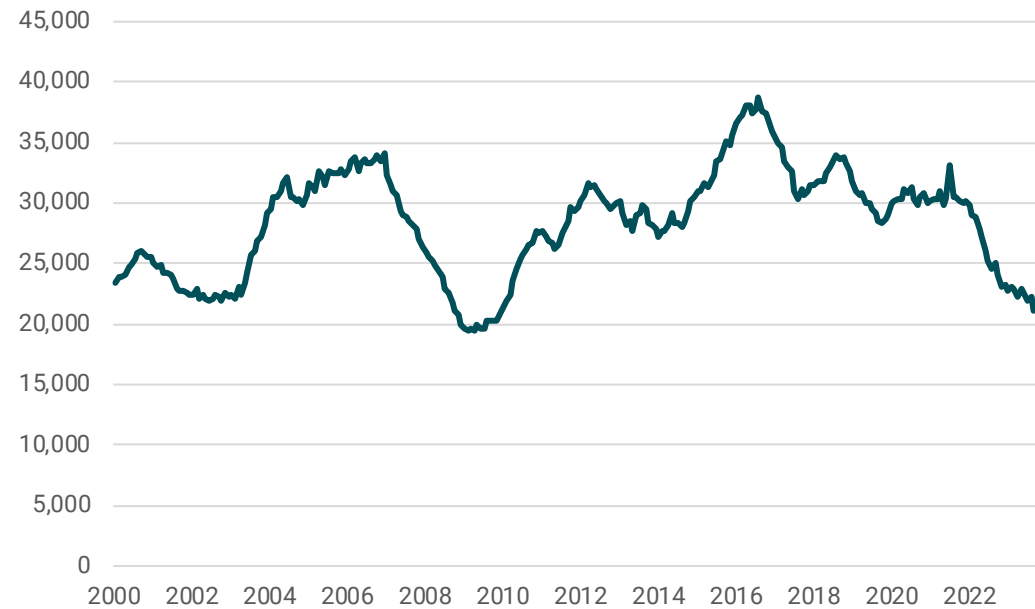
- Nominal house prices in Norway have increased by an average of 5.3% per annum since 2010
- Nominal house prices increased by 6.4% in 2024 after 0.9% in 2023

- Expectations of lower mortgage rates in 2025, positive development real disposable income in 2024/25, low unemployment, population growth and low supply of new buildings going forward will lead to higher housing prices

- Median house price (last 6 months) in Norway is NOK 3.89 million (€330 thousand), median house price in Oslo is NOK 5.4 million (€458 thousand)
- Average m<sup>2</sup> price last 6 months in Norway is NOK 51 thousand (€4.33 thousand) and NOK 94 thousand (€7.95 thousand) in Oslo

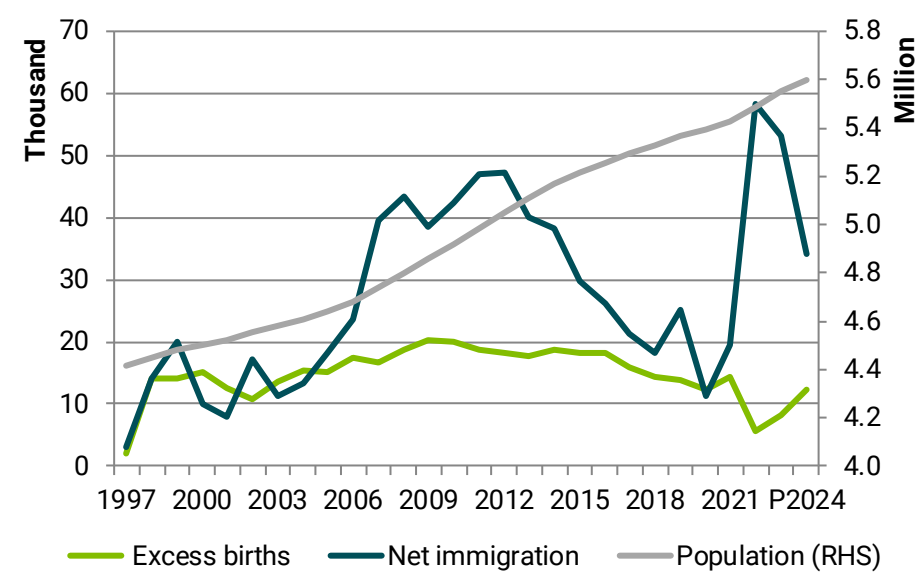
# The housing market – Drivers of the housing market

Housing starts (twelve-month change)



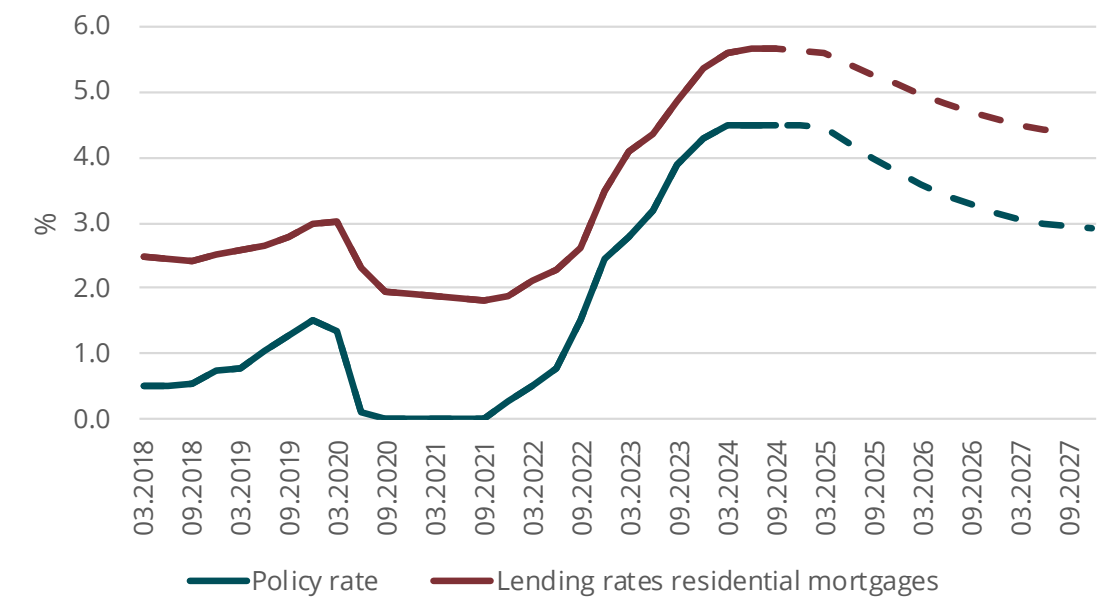
Source: Statistics Norway, November 2024

Population growth



Source: Statistics Norway, Q3 2024

Interest rates



Source: Norges Bank, MPR 4/24

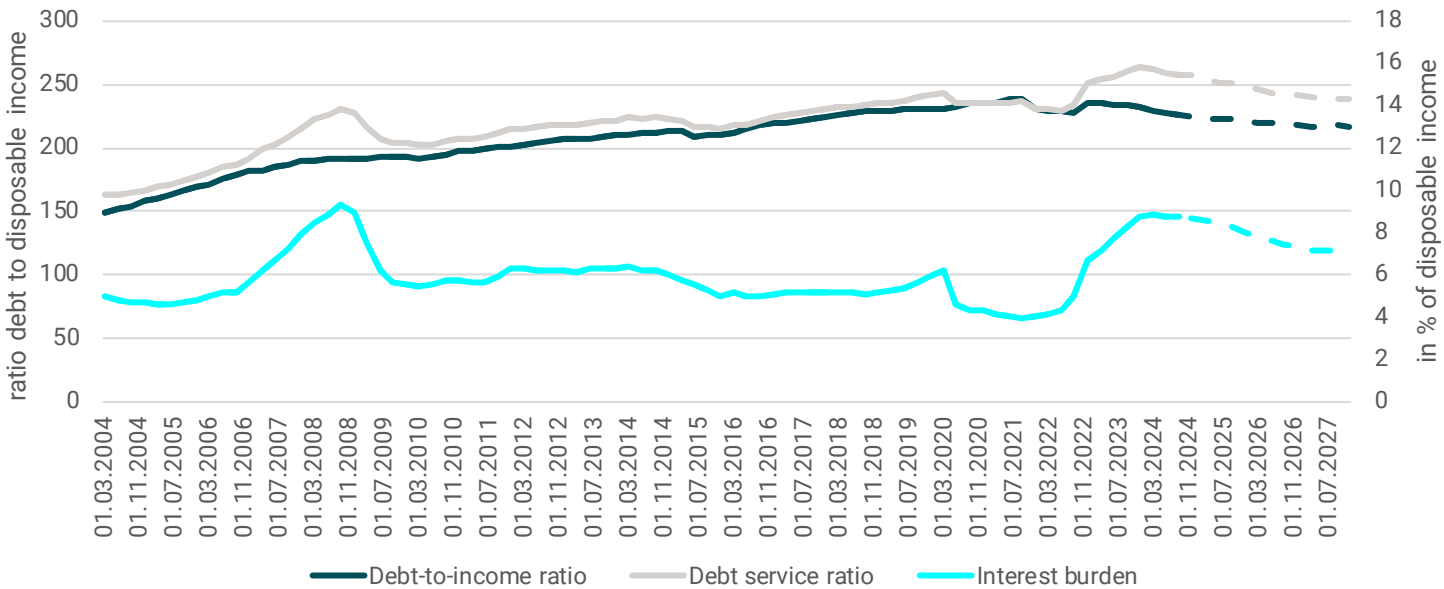
- #Housings starts YtD 2024 are 18 042, down 13,8% compared to same period in 2023. #Housing starts were 22 778 in 2023, down by 23.4 % compared to 2022 and lowest since 2010
- Housing investments -21% for 2023 due to higher construction and material costs and lower housing starts. Statistics Norway expect a further reduction in housing investments of 20% in 2024.
- Housing investment are expected to pick up from 2. half of 2025

- Net immigration down from above 47,000 in 2011/12 to 11,000 in 2020, increased to 20,000 in 2021 and sharply up to 58 000 in 2022 and 53 000 in 2023. Net births increased in 2021 compared to 2020 but sharply lower in 2022 and somewhat higher again in 2023. Immigration sharply up in 2022 and 2023 mainly due to immigration from Ukraine being 2<sup>nd</sup> largest immigration group after Poland
- The population growth of 0.9% p.a. since 1997 has been driven both by excess birth rate (36%) and net immigration (64%)

- Average variable mortgage rates was 5.77% in December. Average deposits rates was 3.17% and average mortgage loan margins was 0.83%.

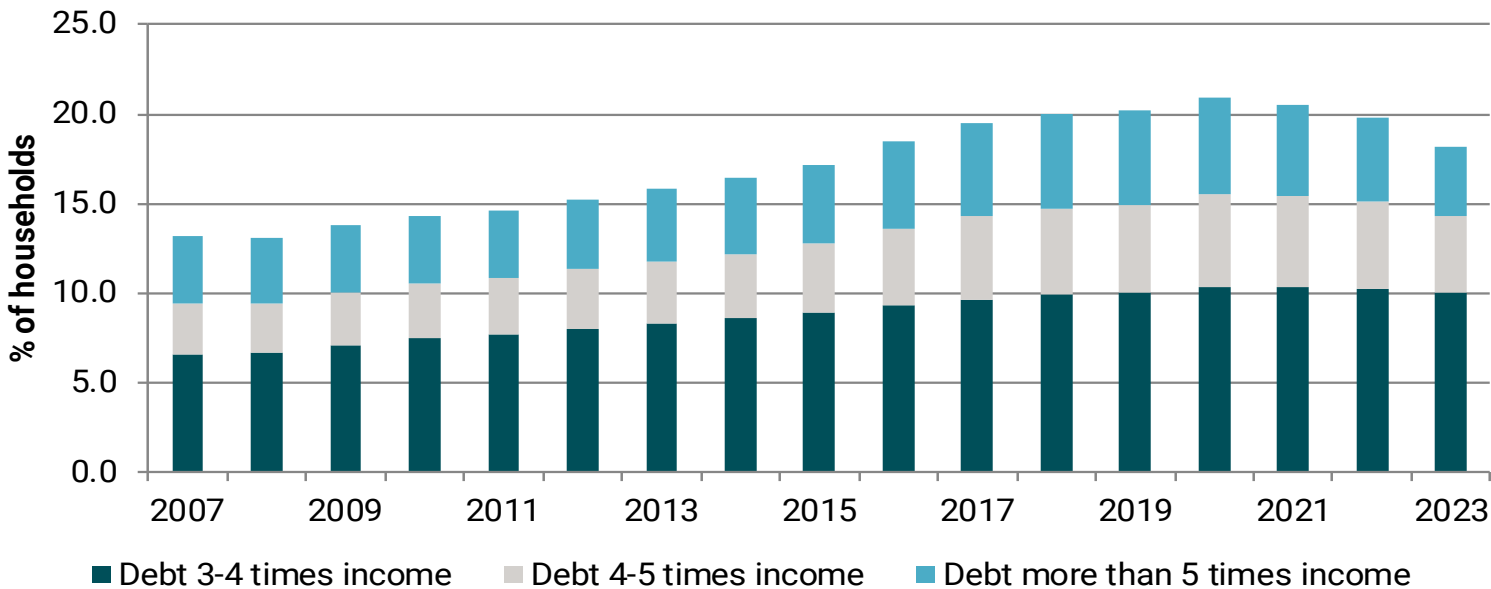
# Households financial position

Household interest burden and debt-to-income ratio



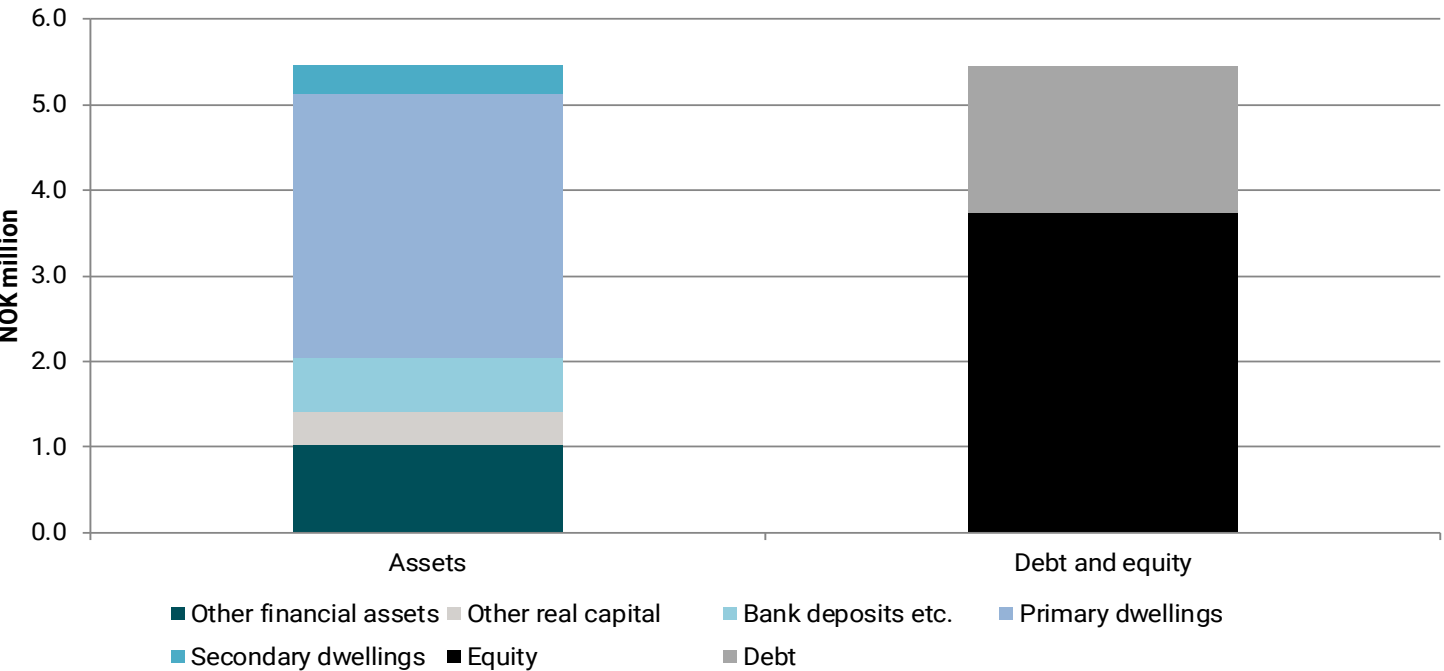
Source: Statistics Norway and Norges Bank, MPR 4/24

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



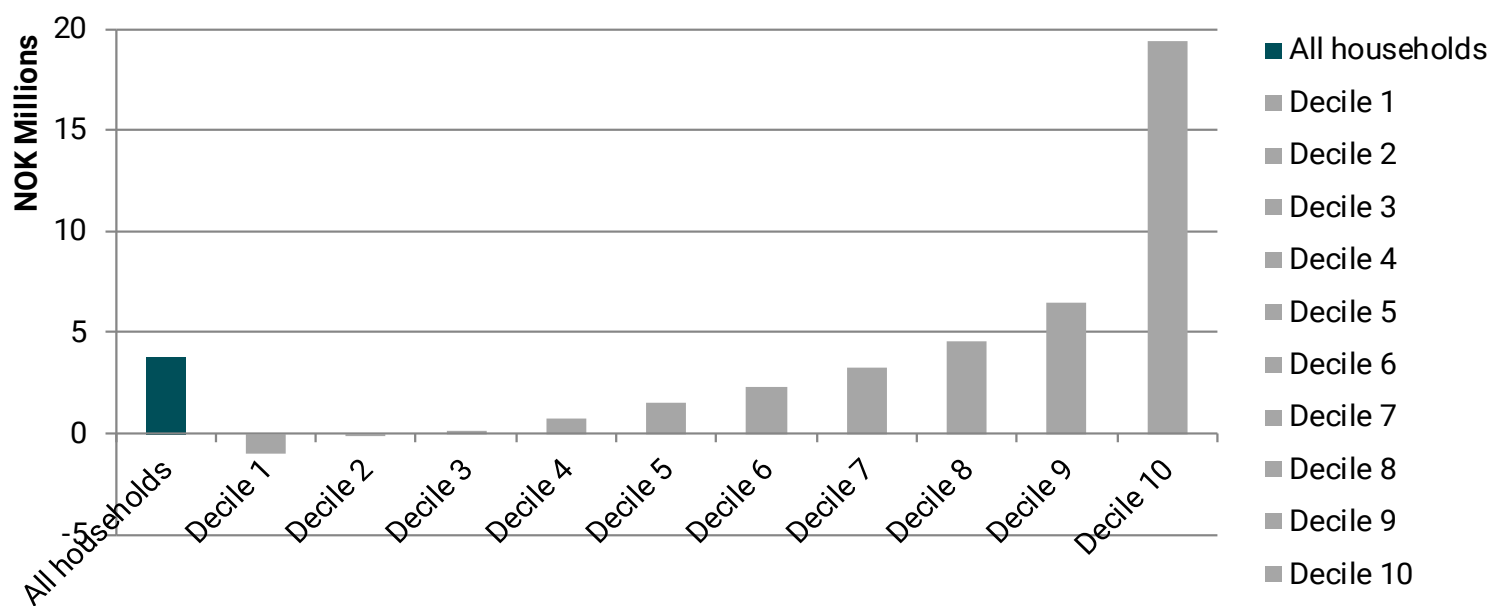
Source: Statistics Norway, Updated 2023

Household balance sheet



Source: Statistics Norway Updated 2023

Norwegian households net wealth (in NOK)



Source: Statistics Norway, Updated 2023

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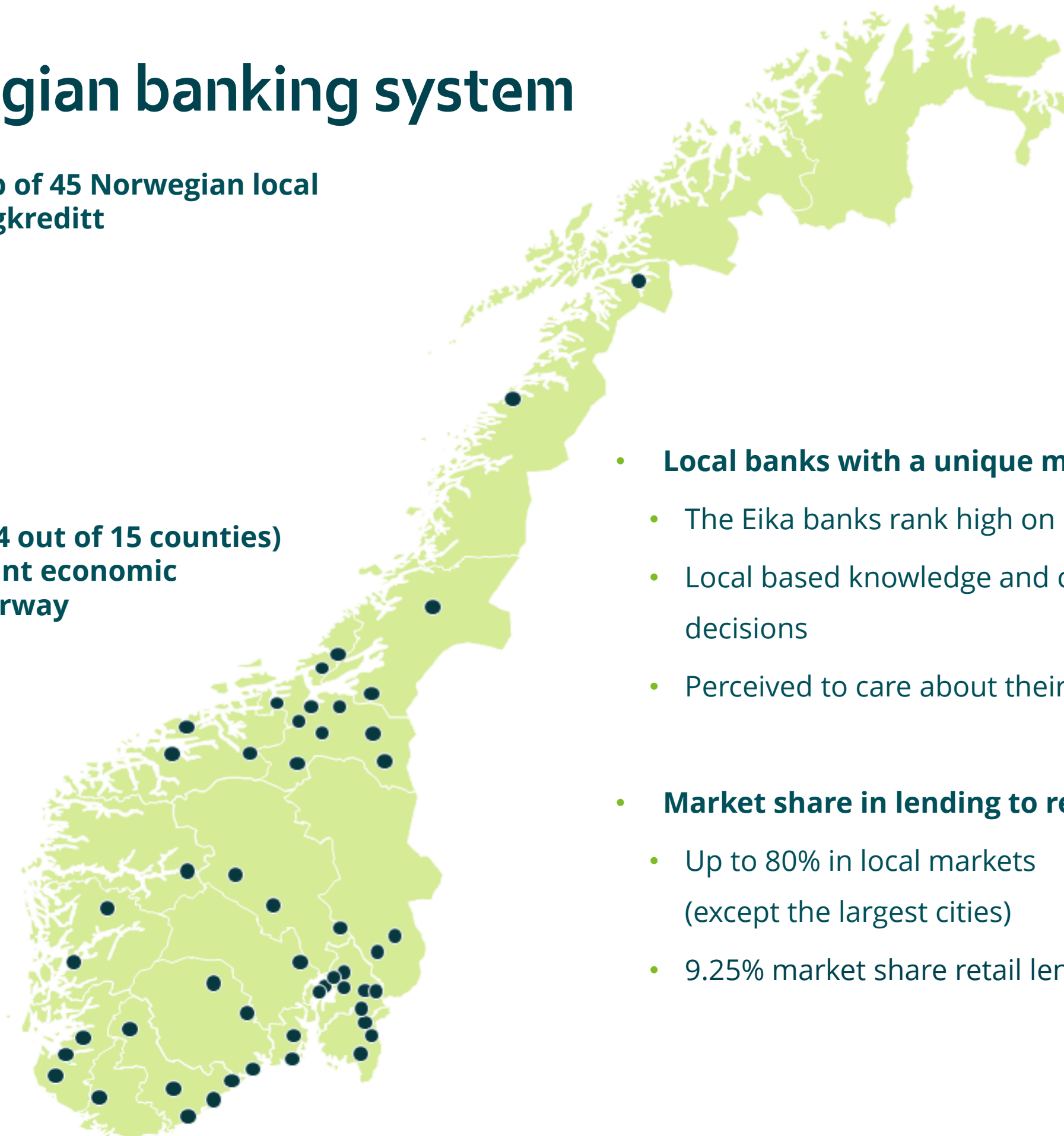


# 3<sup>rd</sup> largest Norwegian banking system

- **The Eika Alliance consist of a group of 45 Norwegian local banks, Eika Gruppen and Eika Boligkreditt**

- Total assets NOK 500 bn
- 750 000 customers
- 2,600 employees
- 198 branch offices

- **The banks have a wide geographical reach (presence in 14 out of 15 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 rank 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)
- 9.25% market share retail lending in Norway YE 2023

# The Eika Alliance



### Eika Boligkreditt AS

Covered Bond Funding

### Eika Gruppen AS

Provides products and services to bank clients

Provide services to banks

Infrastructure / IT

Strategy and Lobbying

Haugesund Sparebank is currently only shareholders in Eika Gruppen AS. The 10 banks (marked with an \*) that left The Alliance are only shareholders in Eika Boligkreditt AS. These banks have transferred 5.9% of the portfolio in Eika Boligkreditt as of December 31<sup>st</sup>, 2024. Eika Boligkreditt have terminated the distribution agreement with effect from January 1<sup>st</sup>, 2022. Totens Sparebank left The Alliance due to the merger with Sparebank1 Østland November 1<sup>st</sup>, 2024. Sparebank1 Østlandet has transferred 2.9% of the portfolio in Eika Boligkreditt as of December 31<sup>st</sup>, 2024. Eika Boligkreditt has given notice of termination of the distribution agreement with effect from July 1<sup>st</sup> 2026. See appendix for a description of the effect of cancellation of the distribution agreement.

# 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

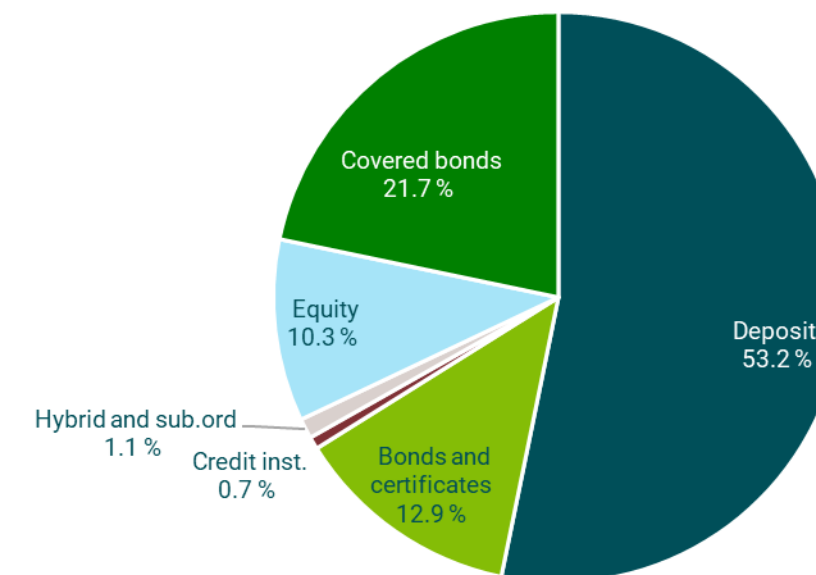
### Efficiency

- 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 YE 2023

# Focus on retail customers

- Retail lending accounts for 79.9% of Eika banks' total lending including transferred to Eika Boligkreditt
- Eika banks have a higher share of retail lending compared to the other Norwegian banks
- 97.7% of the bank retail lending YE 2023 is mortgage collateralized housing loans
- Low average LTV of 60.9% in mortgage portfolio YE2023

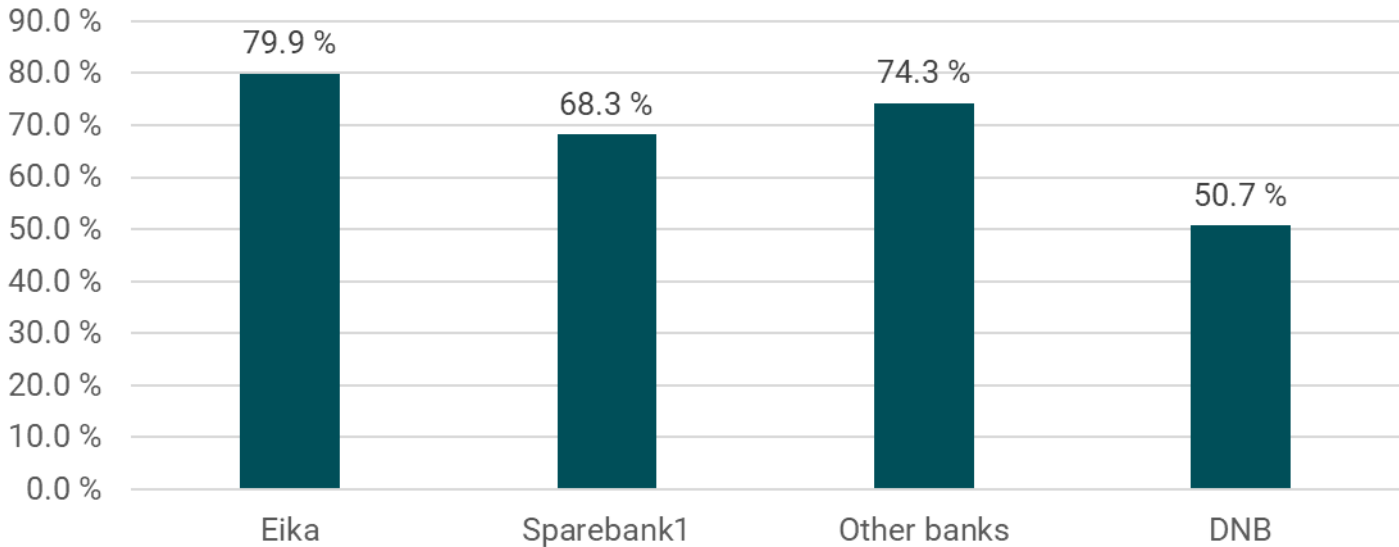
## Local market focus

- 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 entity



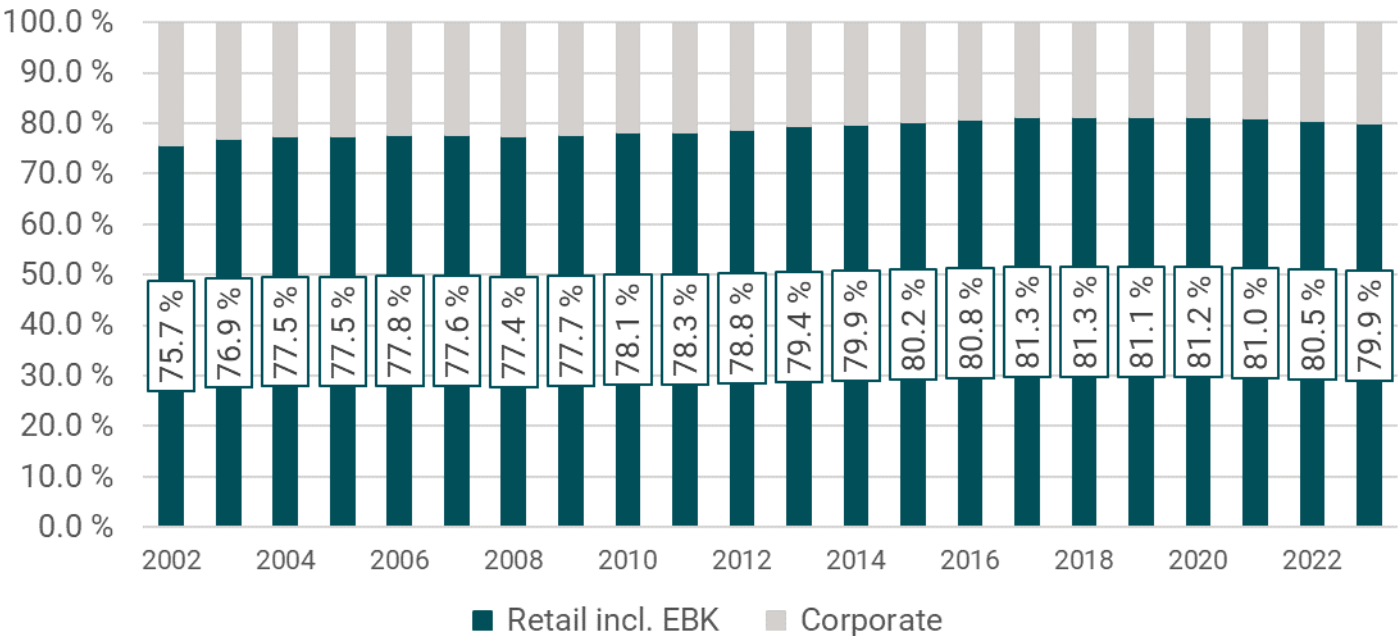
Separate legal entities and a common support brand

## Retail share - Eika vs. peers



Source: Bank analyst Eika as of YE2023

## Breakdown of the Eika banks lending



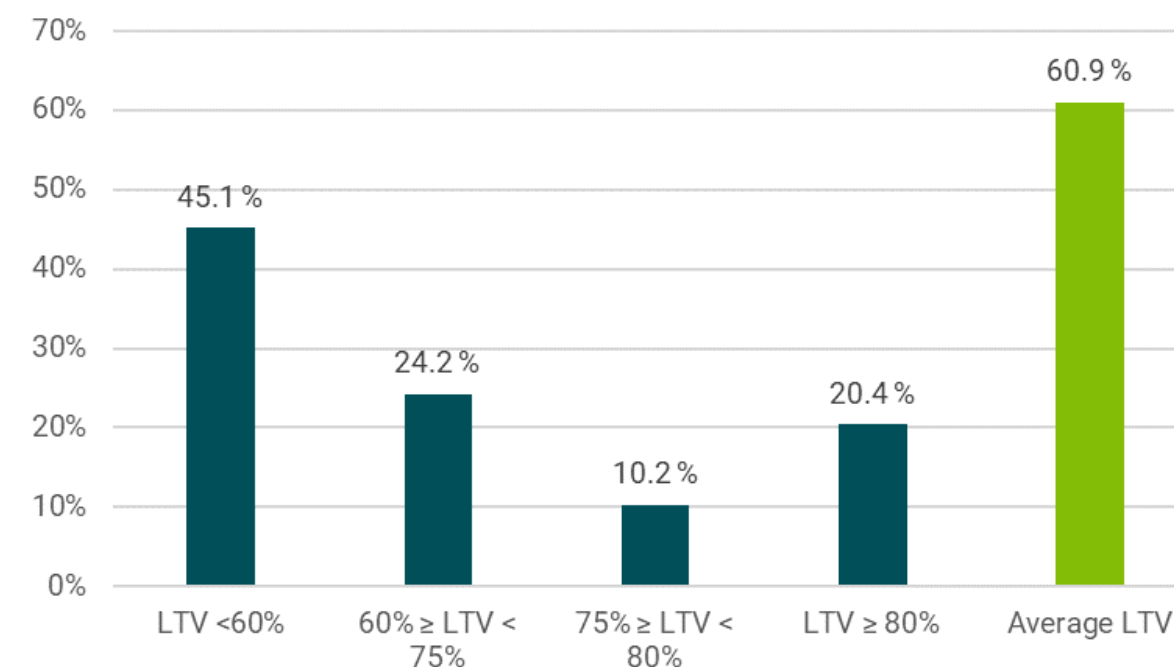
Source: Bank analyst Eika as of YE 2023



# High asset quality

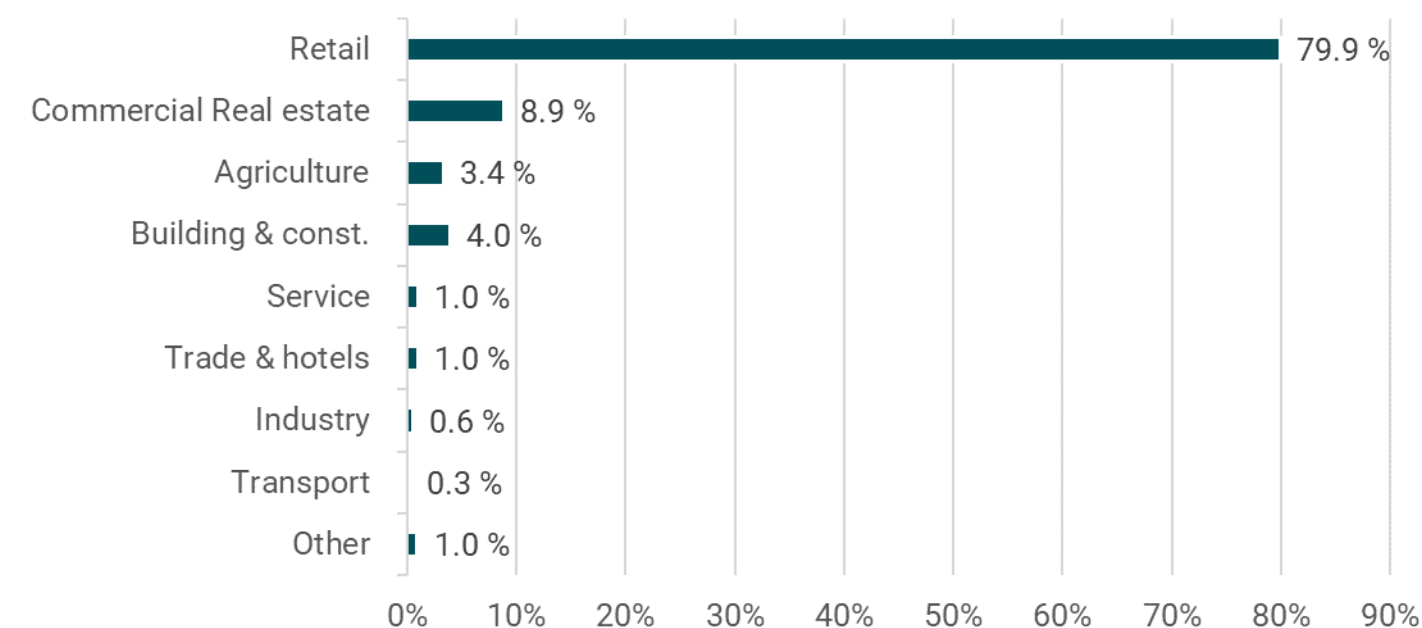
- Conservative risk profile for the lending portfolios
- Eika banks have low exposure to the corporate sector with no lending to shipping, oil sector and relatively low exposure to commercial real estate
- Few non-performing and doubtful loans:
  - Gross non-performing loans in Q2 constitute 0.70% of gross loans (0.63% YE 2023) compared to 0.48% for sector
  - Gross doubtful loans constitute 0.93% of gross loans (0.89% YE 2023) compared to 0.86% for sector
  - Provisioning ratio on problem loans in Q2 of 31.0% (33.0% YE 2023)
- Gross problem loans relative to equity + loan loss reserves was 10.0 % Q2 2024, up from 9.3 % YE 2023
- Loan loss provision ratio was +0.13% in Q2 2024 after +0.08% in Q1 2024. Full year 2023 loss provision ratio was 0.14%. The average for the last 10 years is 0.10% whereas the average for the sector the last 10 years is 0.16%

## Low LTV in mortgage portfolio (bank book)



Source: Eika Boligkreditt YE 2023

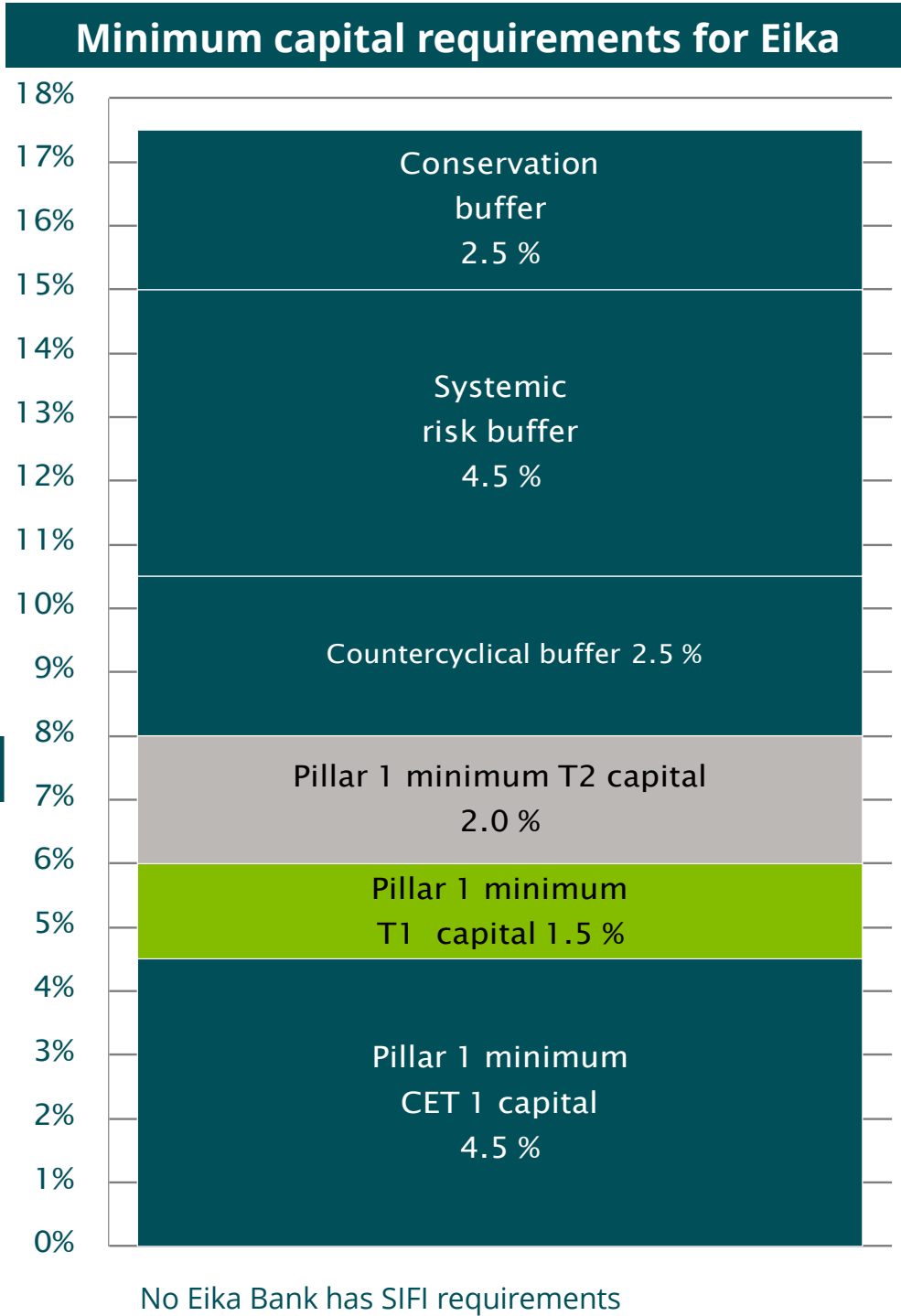
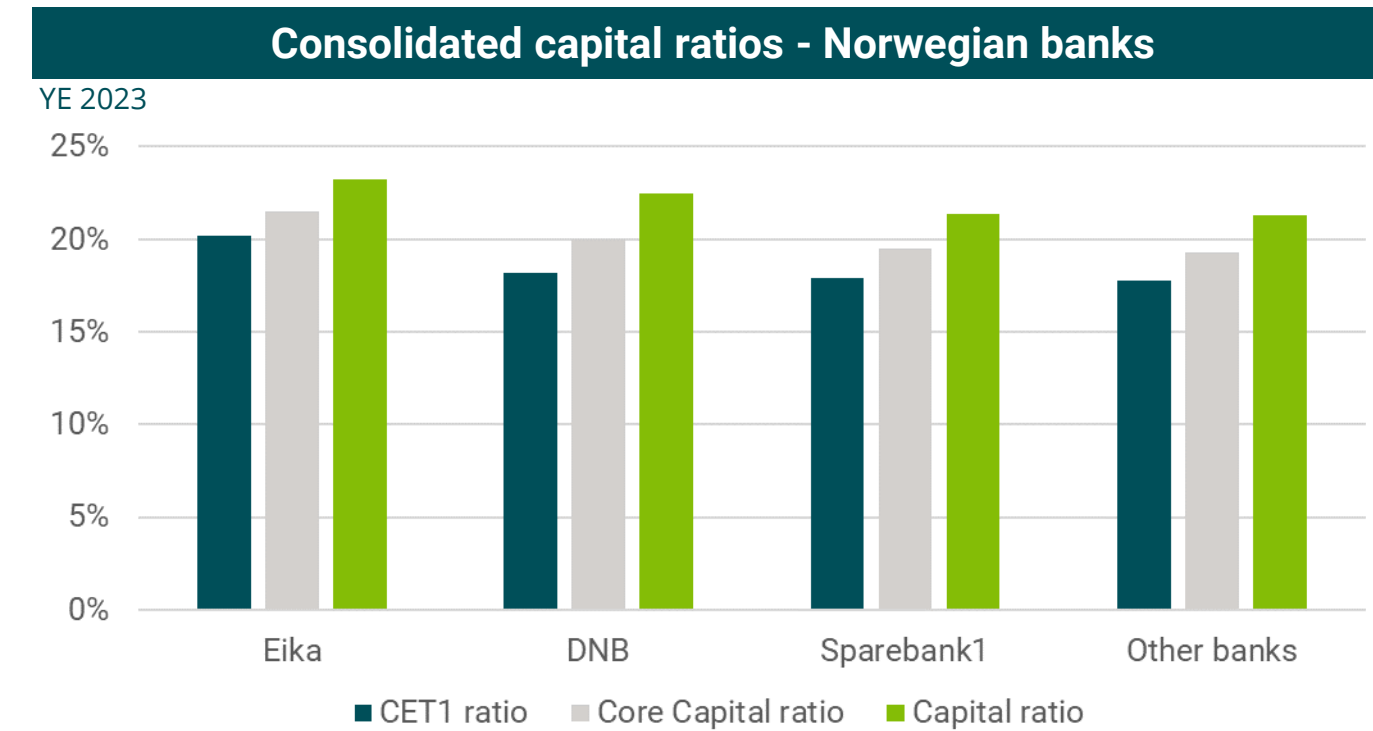
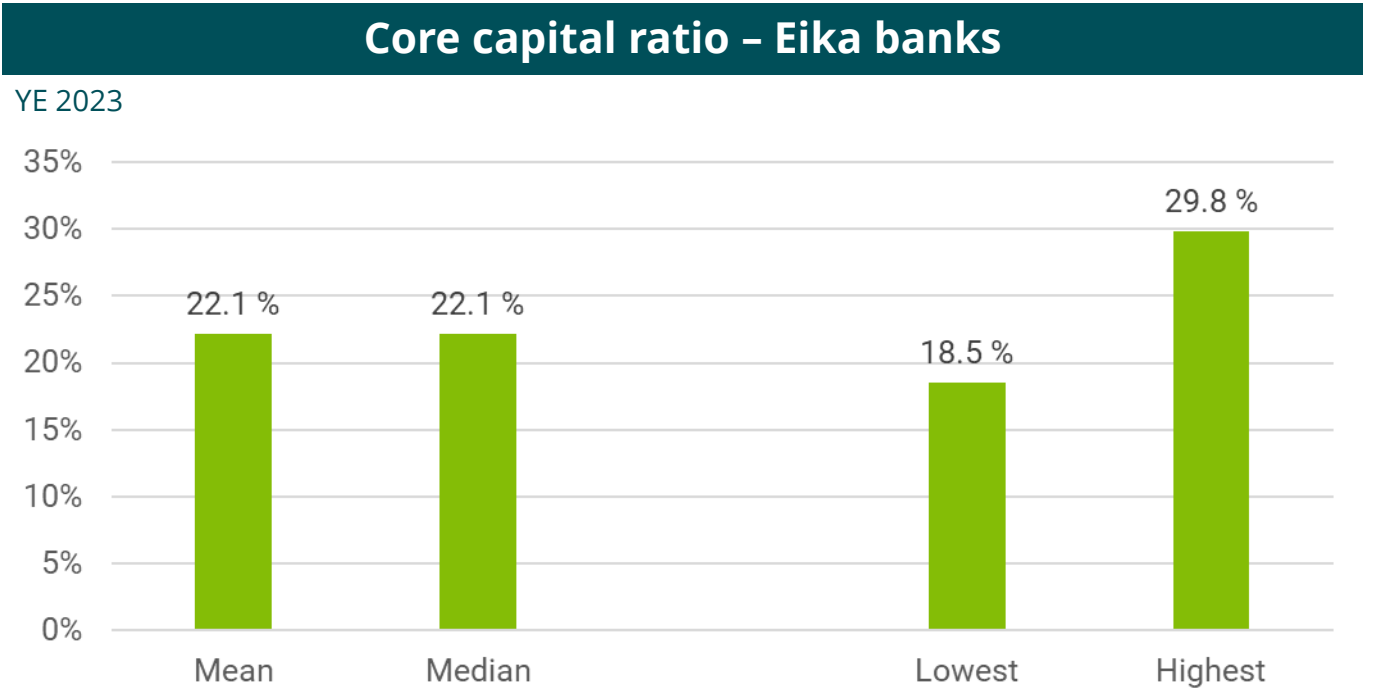
## Sector breakdown of the loan book (incl.EBK)



Source: Bank analyst Eika YE 2023

# Strong capitalization

- Strong capital ratios – YE 2023
  - Common equity ratio (CET1): 20.8%
  - Core capital ratio: 22.1%
  - Capital ratio: 23.6%
  - Equity ratio (Equity/Total assets): 13.1%
- All Eika banks are well capitalized (core capital ratio)
  - Lowest: 18.5%
  - Highest: 29.8%
- 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 ratio YE 2023 are estimated to be 27.7% and 29.6%



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# Norwegian covered bonds

## I. Norway's covered bonds legislation

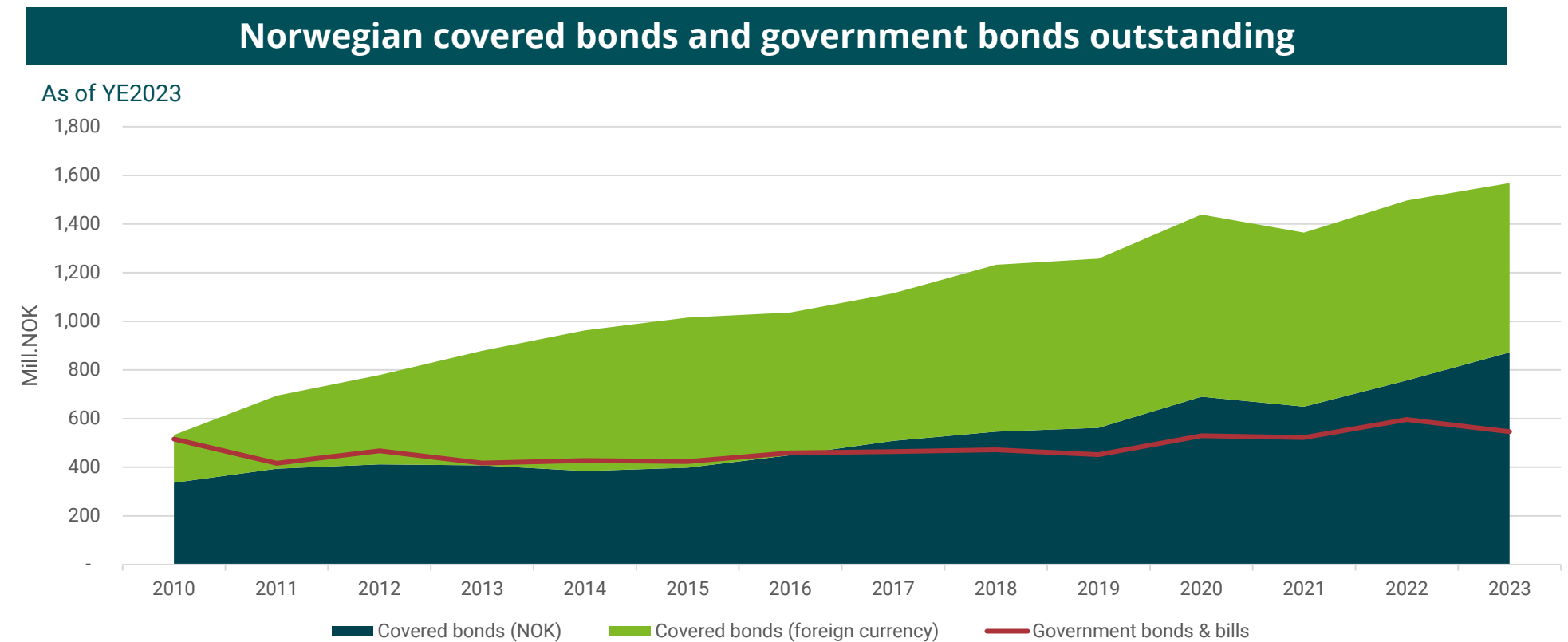
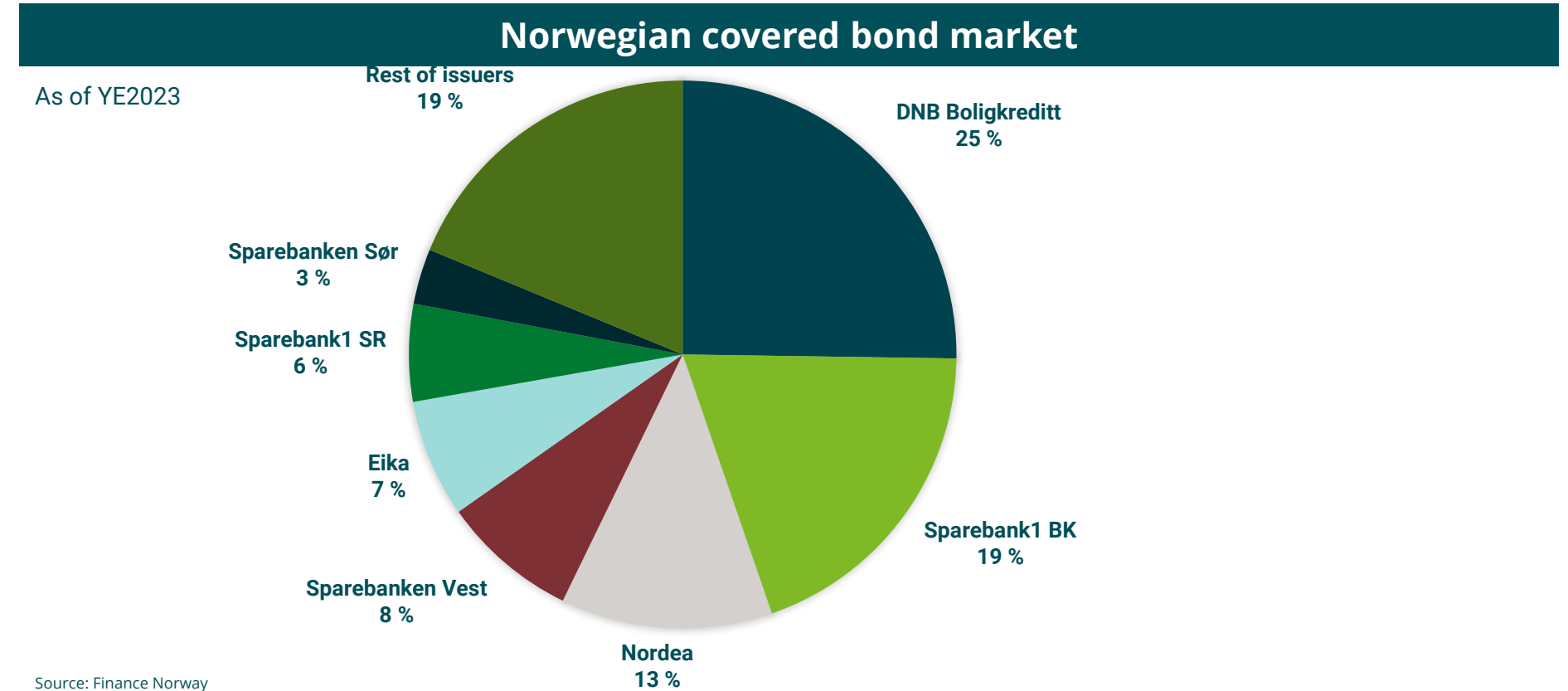
- Specialist banking principle, ring fencing of assets and transparency
- EU harmonized covered bond framework from July 2022
- More information in ECBC summary of framework\*

## 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](http://www.coveredbondlabel.com))
- EIKBOL covered bonds are rated **Aaa** by Moody's
- Issued by Eika Boligkreditt AS with a A3 long-term issuer rating (stable outlook), A2 Counterparty Risk Rating
- Committed minimum OC of 5%\*\*
- 12 month soft-bullet on all CBs





# Eligibility criteria for mortgages in the cover pool

## I. Customer categories

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

## 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
- 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

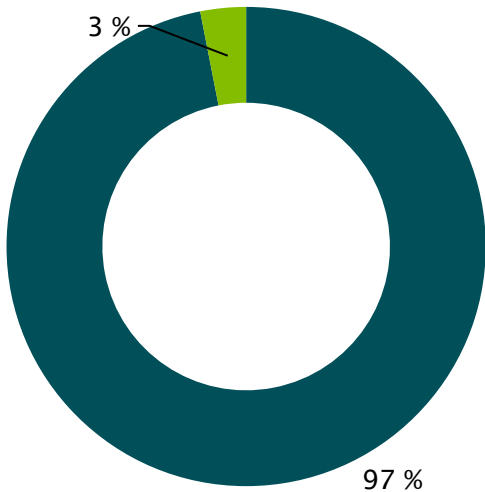
- **The Note Purchase Agreement** (NPA) is structured to ensure that EIKBOL has liquidity, at all times, sufficient to pay the Final Redemption Amount of any series of Notes. The NPA is capped at 20% of total outstanding notes of Covered bonds
- **The Shareholders' Agreement** is structured to ensure 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 no longer eligible for inclusion in the asset coverage test due to exceeding the maximum LTV limit for the collateral.



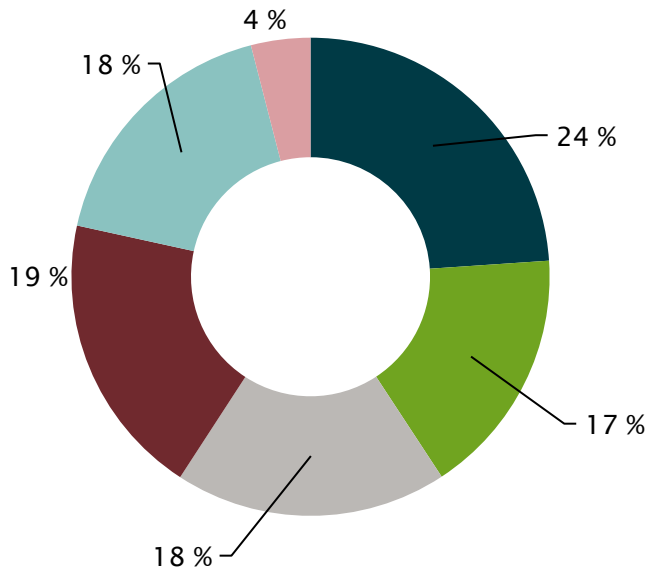
# Summary of the mortgages in the cover pool

Nominal value	EUR 8.8 bn
Number of loans	53,862
Arithmetic average loan (nominal)	EUR 163,718
WA LTV (indexed)	53.9 %
WA seasoning (months)	34.5
Doubtful loans in % of gross loans	0.01 %
Estimated overcollateralization *	8.9 %

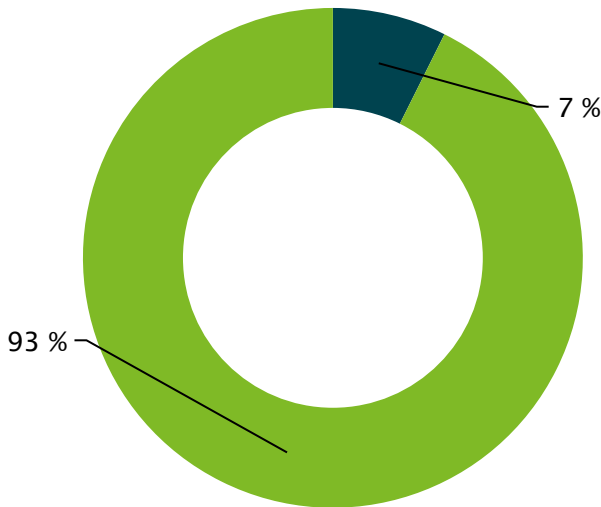
Type of collateral



Indexed LTV distribution



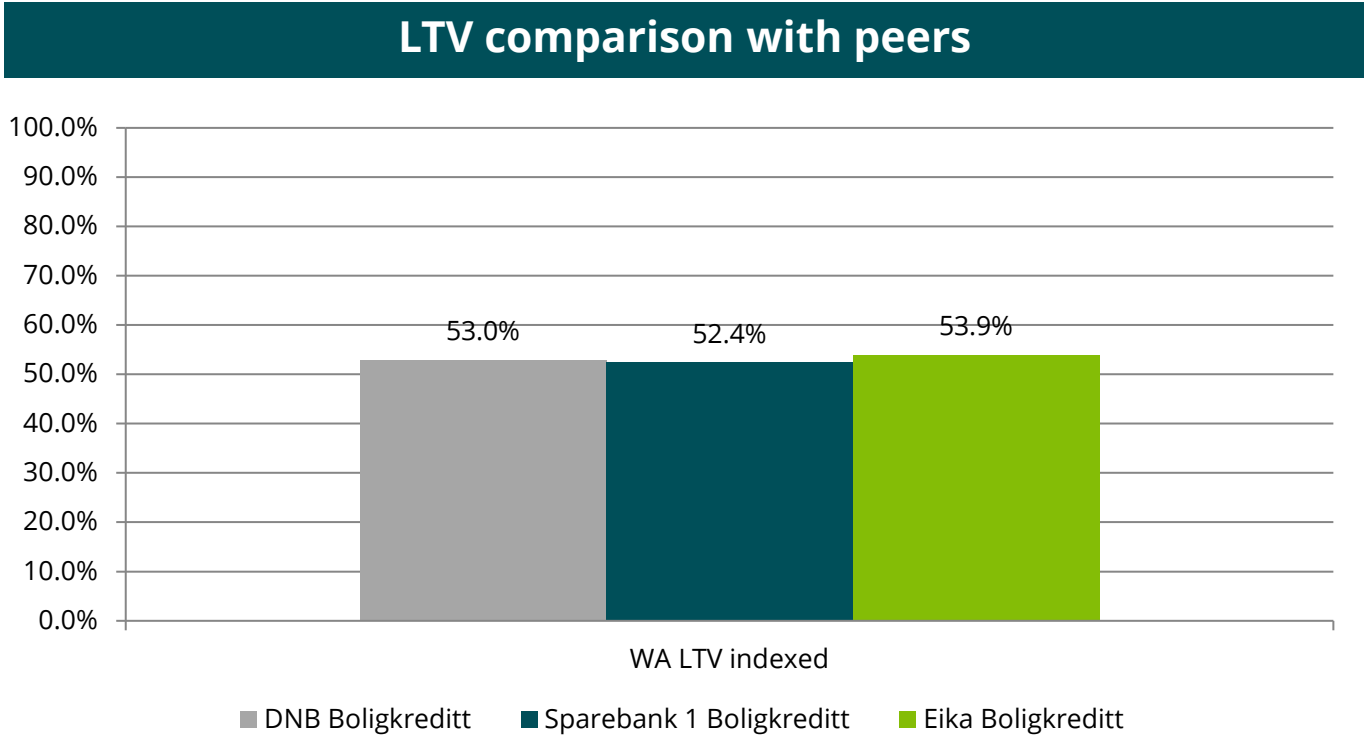
Variable vs fixed rate



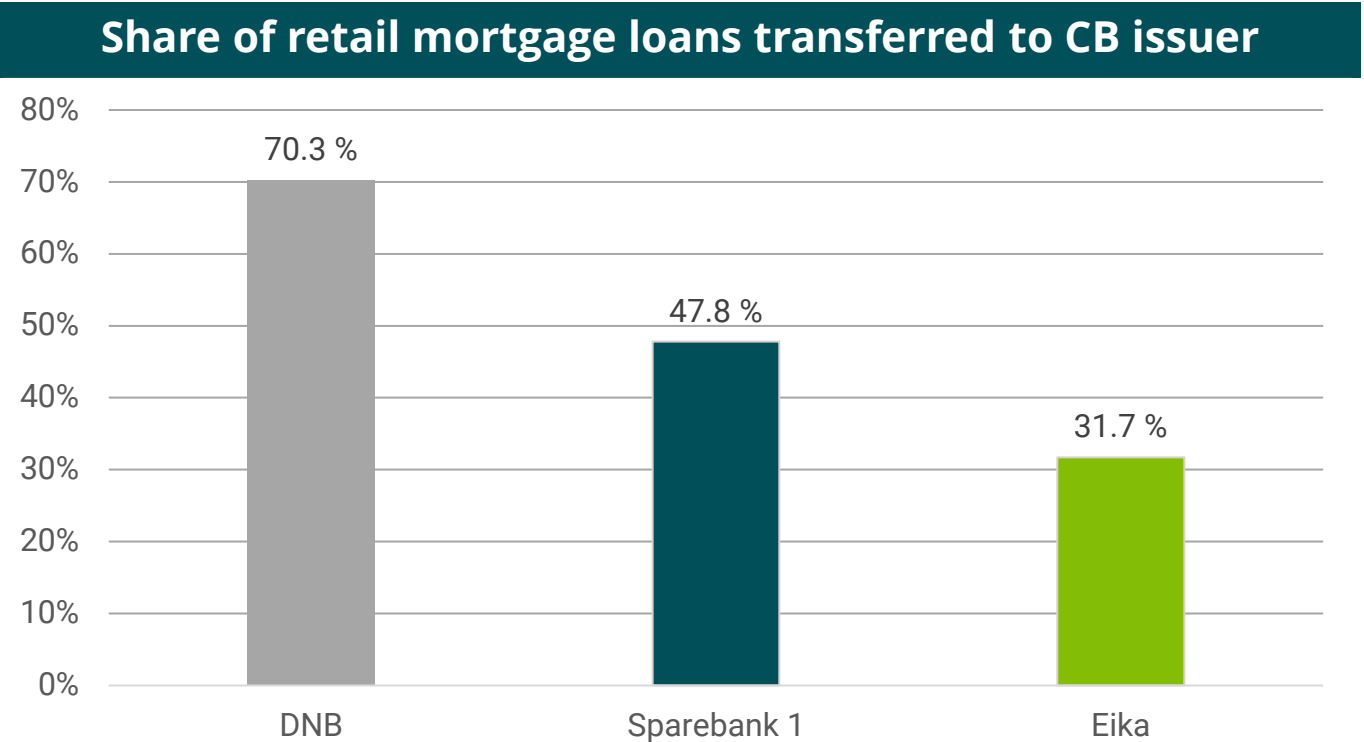
■ Residential (stand-alone) ■ Residential (cooperative housing) ■ 0 <= 40 ■ 40 < LTV <= 50 ■ 50 < LTV <= 60 ■ 60 < LTV <= 70 ■ 70 < LTV <= 80 ■ 80 < LTV ■ Fixed ■ Variable

Data as of 31.12.2024. EURNOK 11.7818  
\* OC is calculated as regulatory reported; estimated based on nominal values excluding doubtful loans, part of mortgages with LTV exceeding 80% and liquidity used for LCR.

# Cover pool comparison and stress test



Source: Cover pool information as of Q4 2024 for Eika, DNB, and Q3 for Sparebank 1.



Source: Bank Analyst Eika, YE 2023

## 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	8,816	8,679	8,437	8,024
Part of mortgages exceeding 80% LTV	2.2	139	381	794
Share of mortgage portfolio >80% LTV	0.0 %	1.6 %	4.3 %	9.0 %
Estimated over-collateralization*	8.9 %	6.5 %	3.9 %	-0.7 %

Data as of 31.12.2024. EURNOK 11.7818  
\* OC is calculated as regulatory reported; estimated based on nominal values excluding doubtful loans, part of mortgages with LTV exceeding 80% and liquidity used for LCR.



# Current funding

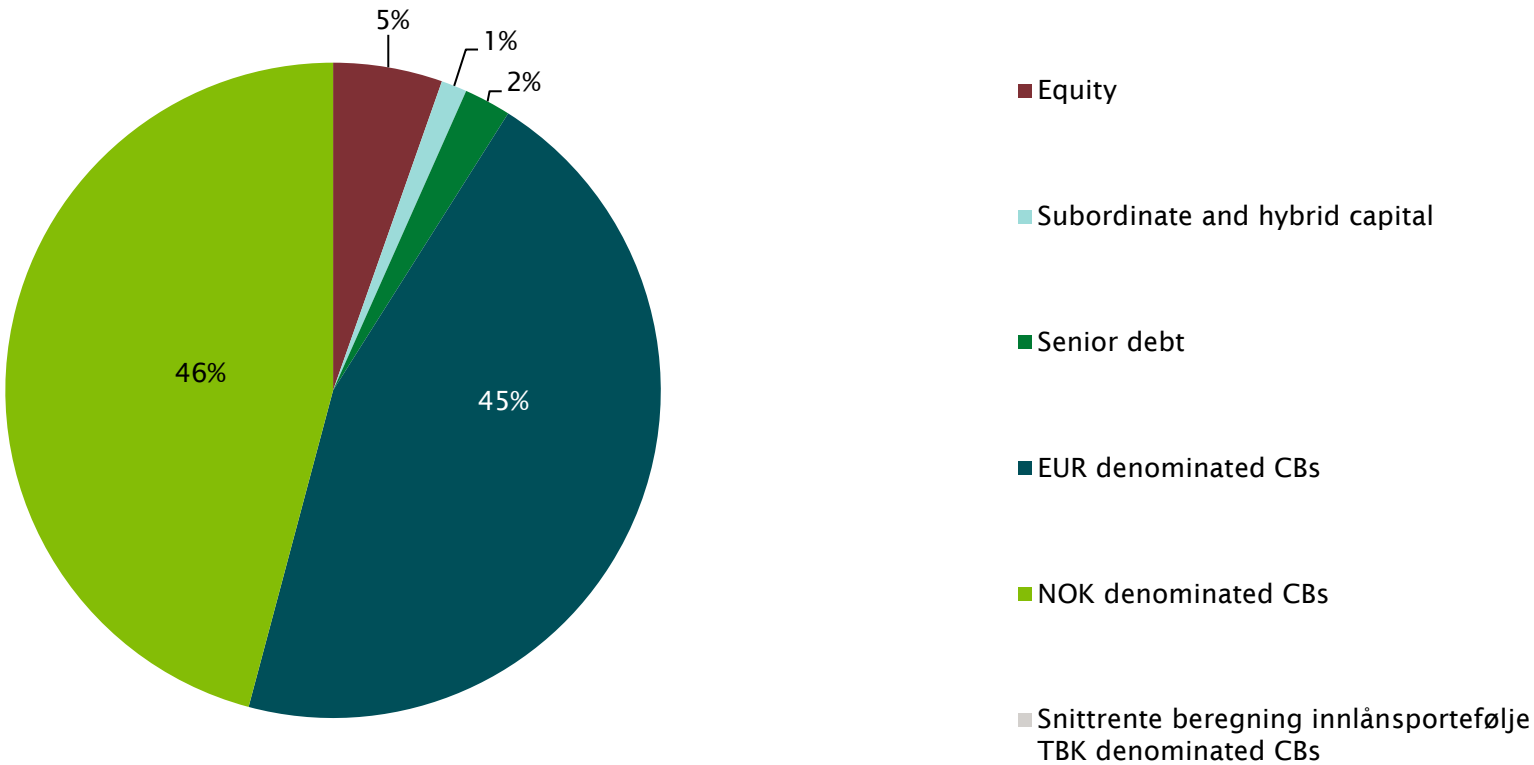
- EIKBOL has the objective to be a frequent benchmark issuer in both EUR and NOK covered bond markets
- Redemptions within any future 12-month rolling period should not exceed 25% of the gross funding at the time of redemption
- Targeting a level of liquidity covering redemptions the next 12 months
- Balance sheet hedged to 3M NIBOR on both asset and liability side

## Outstanding EUR benchmark transactions

ISIN	Issue date	Volume (EUR mio)	Maturity date
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
XS2787826382	2024-03-12	500	2029-03-19
XS2482628851	2022-05-19	500	2030-05-19
XS2353312254	2021-06-16	500	2031-06-16
XS2636611332	2023-06-14	500	2033-06-14

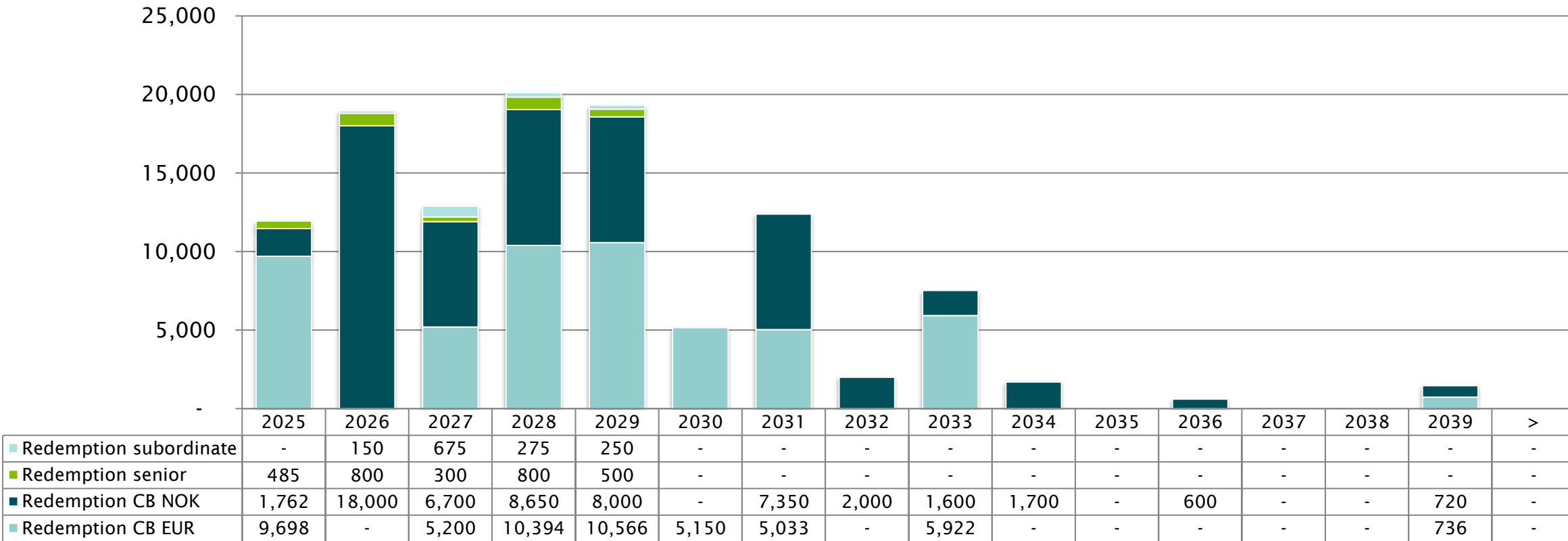
## Funding mix EIKBOL

As of 2025-01-31



## Maturity profile of funding (in million NOK)

As of 2025-01-31

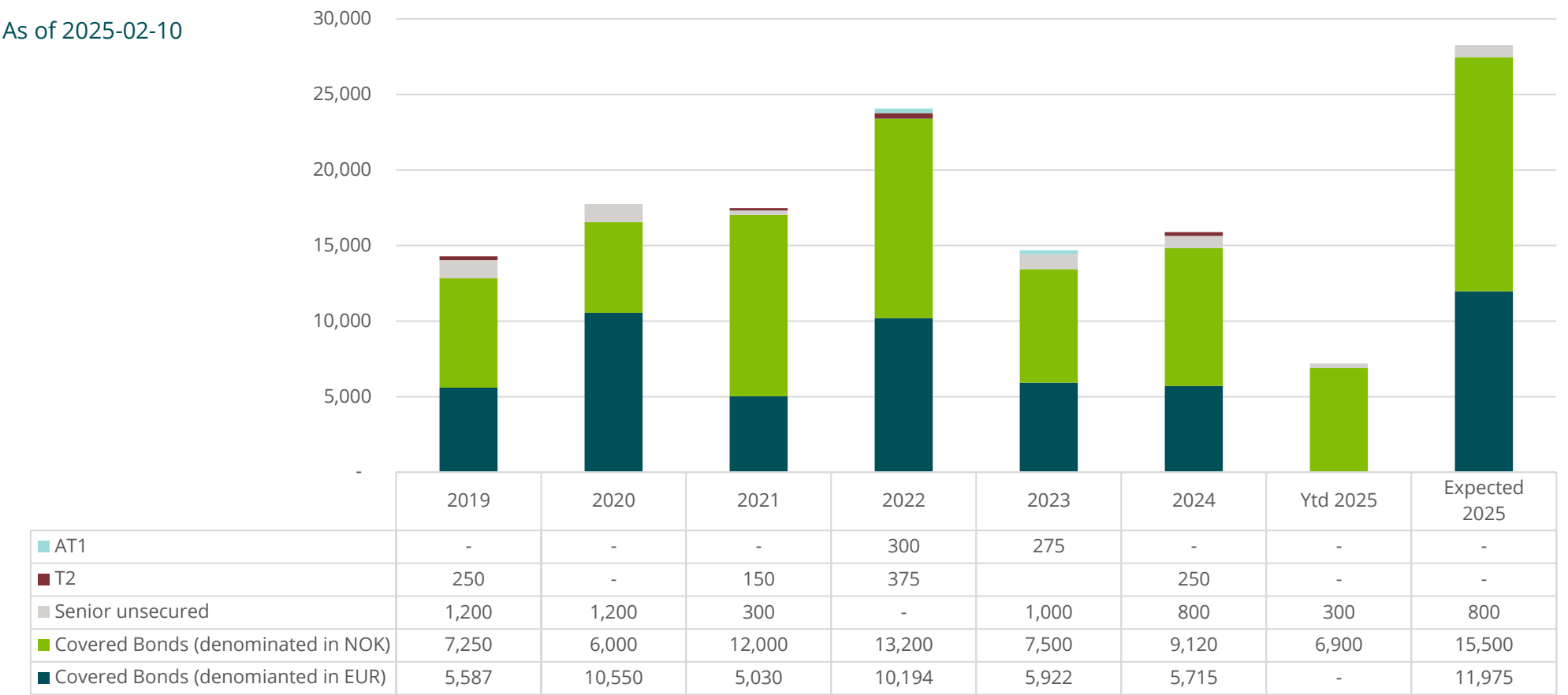


# Planned long term funding

- Budget for gross long-term funding in 2025 is NOK-equivalent of 28.3bn (EUR 2.4bn)
  - NOK-equivalent of 27.5 bn in covered bonds (EUR 2.3bn)
- Budget for gross long-term funding in 2024 was NOK-equivalent of 12.3bn, down from 20.7 bn (EUR 1.75 bn) at the beginning of the year
  - NOK-equivalent of 11.7 bn in covered bonds
  - Funding plans were revised down due to a one time adjustment of the level of liquidity
- 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

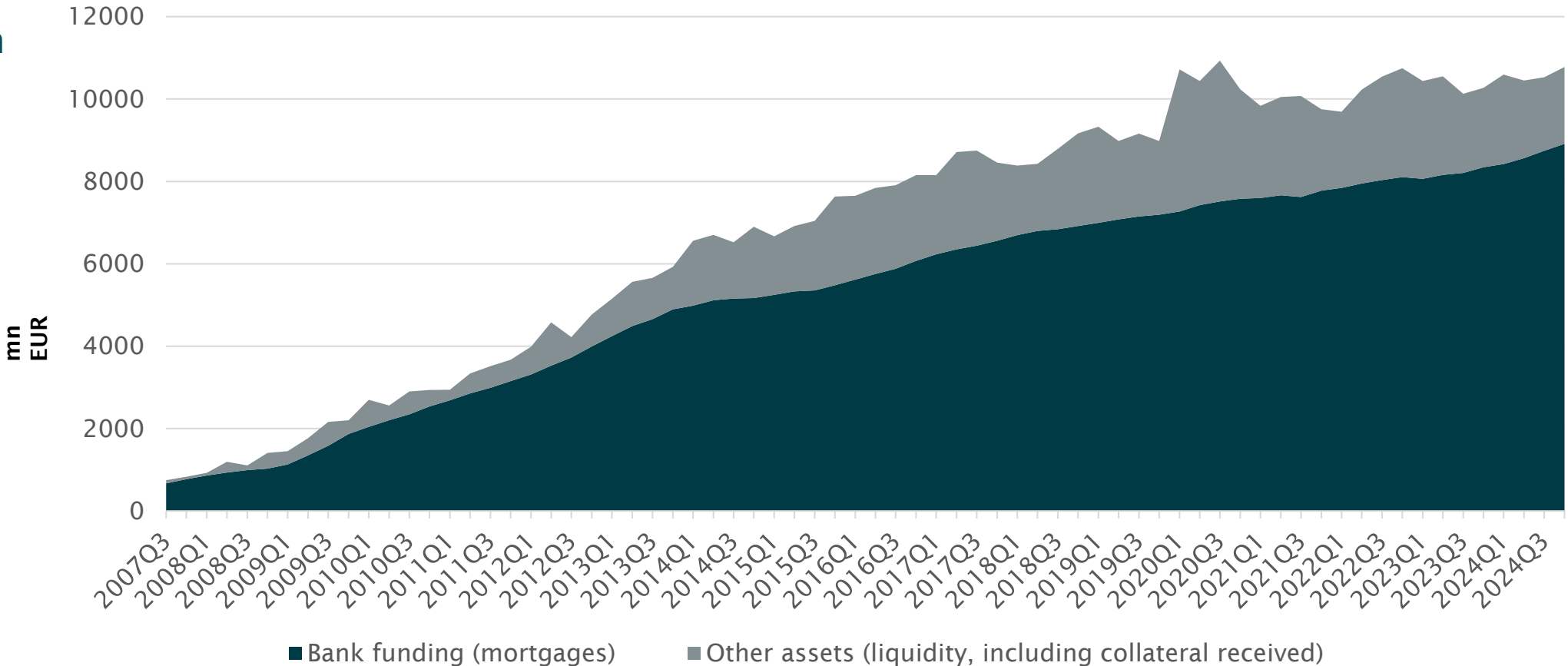
Actual and planned long term funding (in NOK million)

As of 2025-02-10



EIKBOL development in mortgages and AUM (in million €)

As of 2024Q4



# Agenda

- The Norwegian economy
- Eika Alliance
- Eika Boligkreditt
- ESG at Eika
- Eika Boligkreditt's Green Bond Framework
- Appendix
- Disclaimer

# 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**



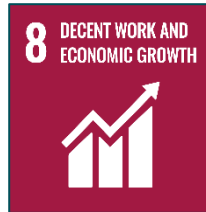
- 1 Be an initiator for sustainable local growth, development and green readjustment through credit decisions and advisory services**
  - **Ambition:** Be the local strategist for local businesses and an initiator for sustainable, local growth and readjustment
- 2 Strengthen communication about and continuing 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

Net Zero Ambition 🌱

In 2024 all Eika Alliance banks have set Net Zero Ambitions on the portfolio level and will set sub goals and action plans during 2025

# Eika's main UN SDG and other initiatives

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



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



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



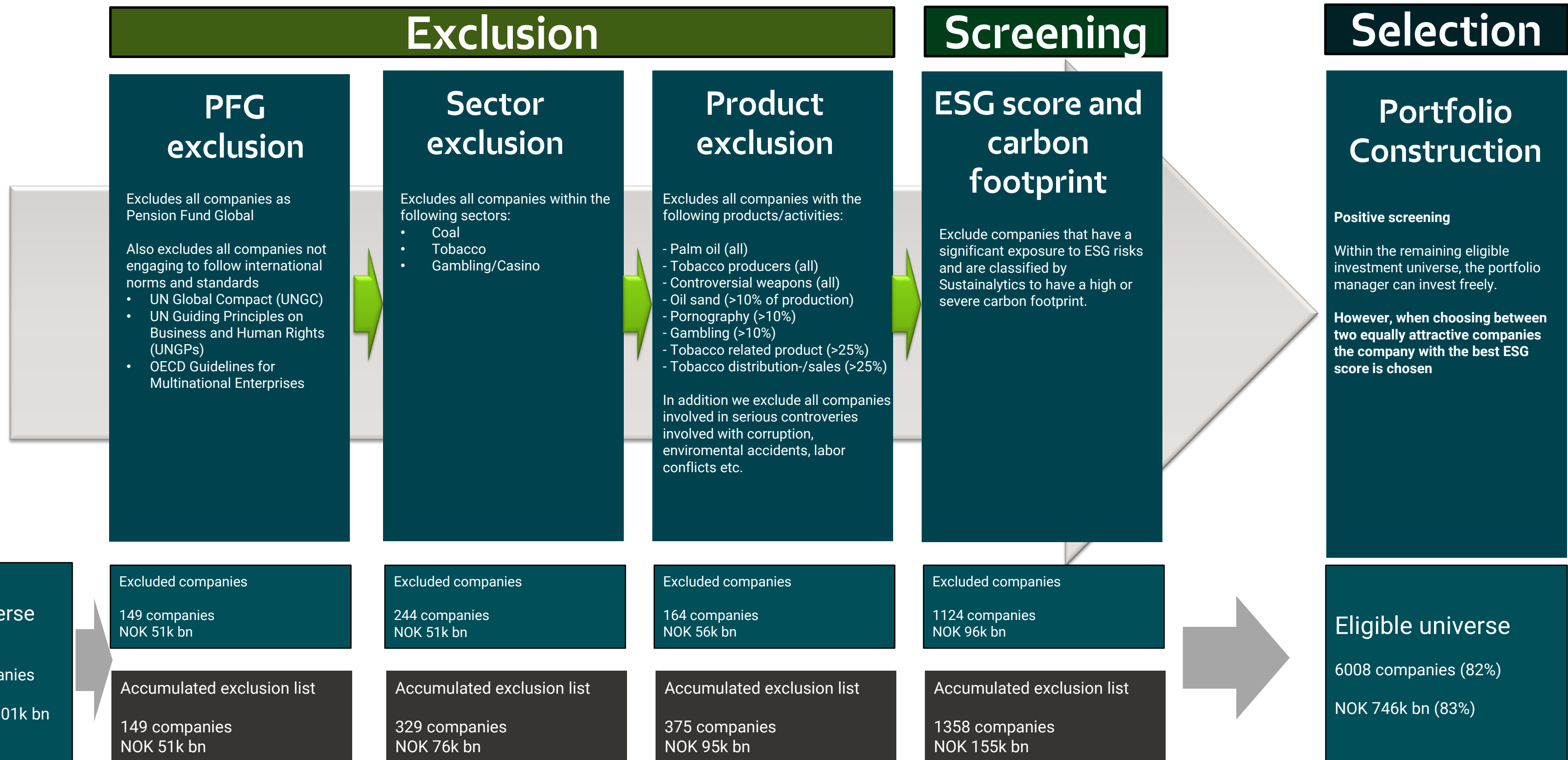
Take urgent action to combat climate change and its impacts

**Eika draws on the following initiatives:**

1. UN Sustainable Development Goals (SDGs)
2. UN Principles for Responsible Investment (PRI)
3. UN Global Compact
4. Eco-Lighthouse
5. Guide against Greenwashing
6. Women in Finance Charter
7. Roadmap for green competitiveness in the Norwegian financial sector



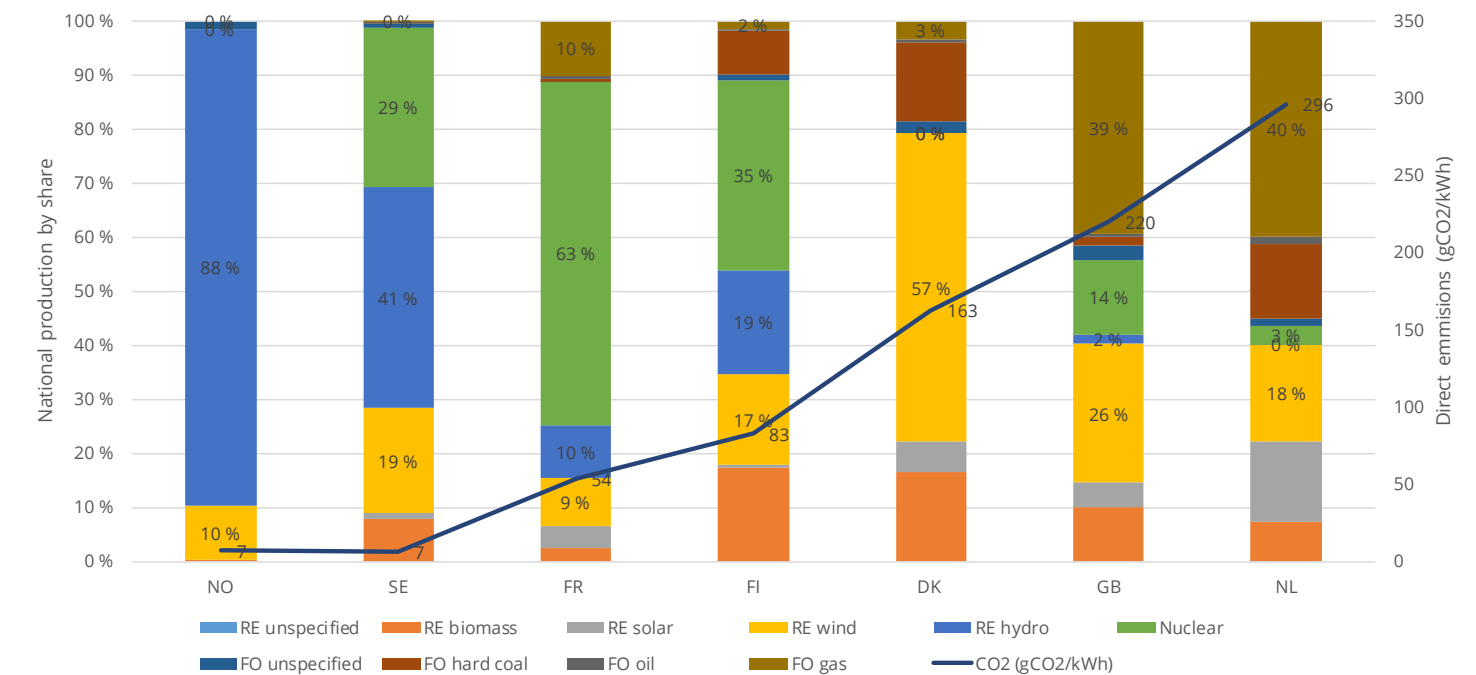
# ESG screening for all investments – a four step process



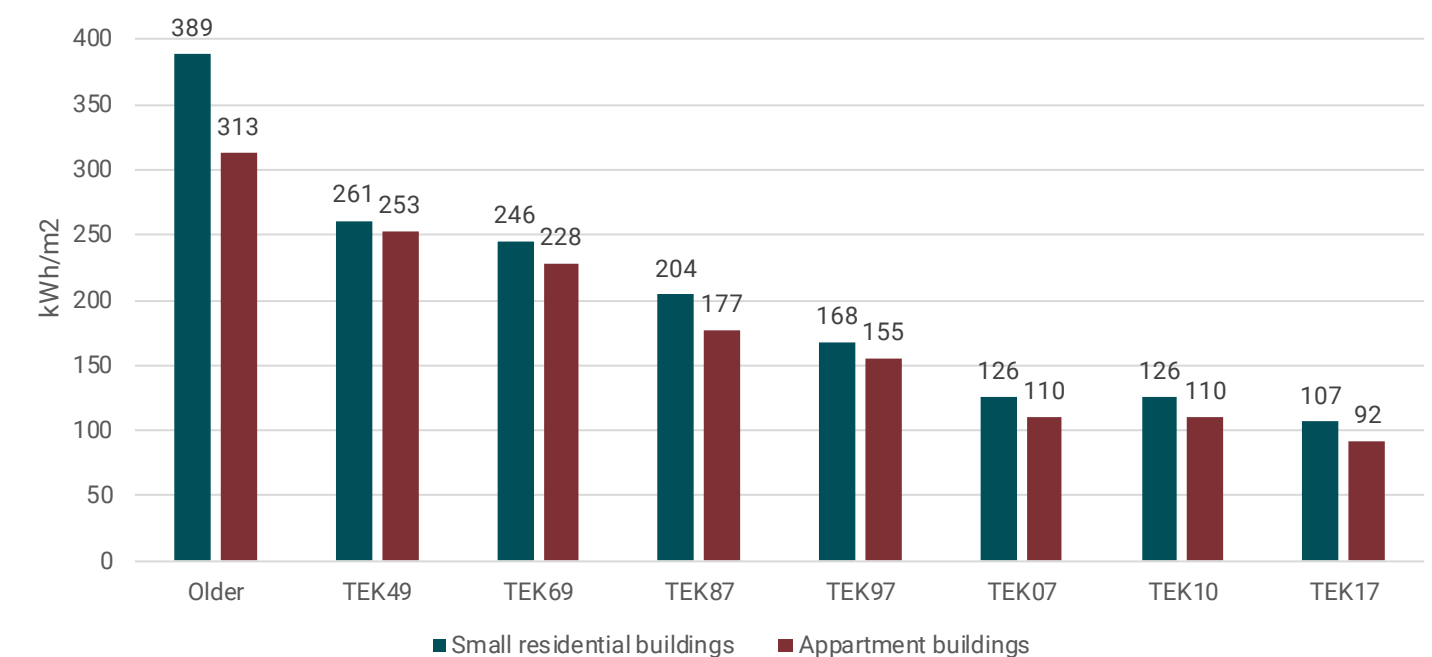
# CO2 Footprint Analysis of the Cover Pool – Background

- Norwegian buildings are predominantly heated with electricity
- Norway has one of the greenest energy source mix for electricity (>98% renewable energy, 88% Hydro & 10% wind)
- The carbon intensity for the lifetime of a Norwegian residential building = 115g CO<sub>2</sub>/KWh, this compares to much higher carbon intensities for other European countries<sup>1</sup>
- 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 about 50% of all buildings)
- With each new building code, energy efficiency standards for buildings have improved over time
- Multiconsult has estimated the CO<sub>2</sub> footprint of the entire Eika cover pool on this basis

National electricity production mix (2022)



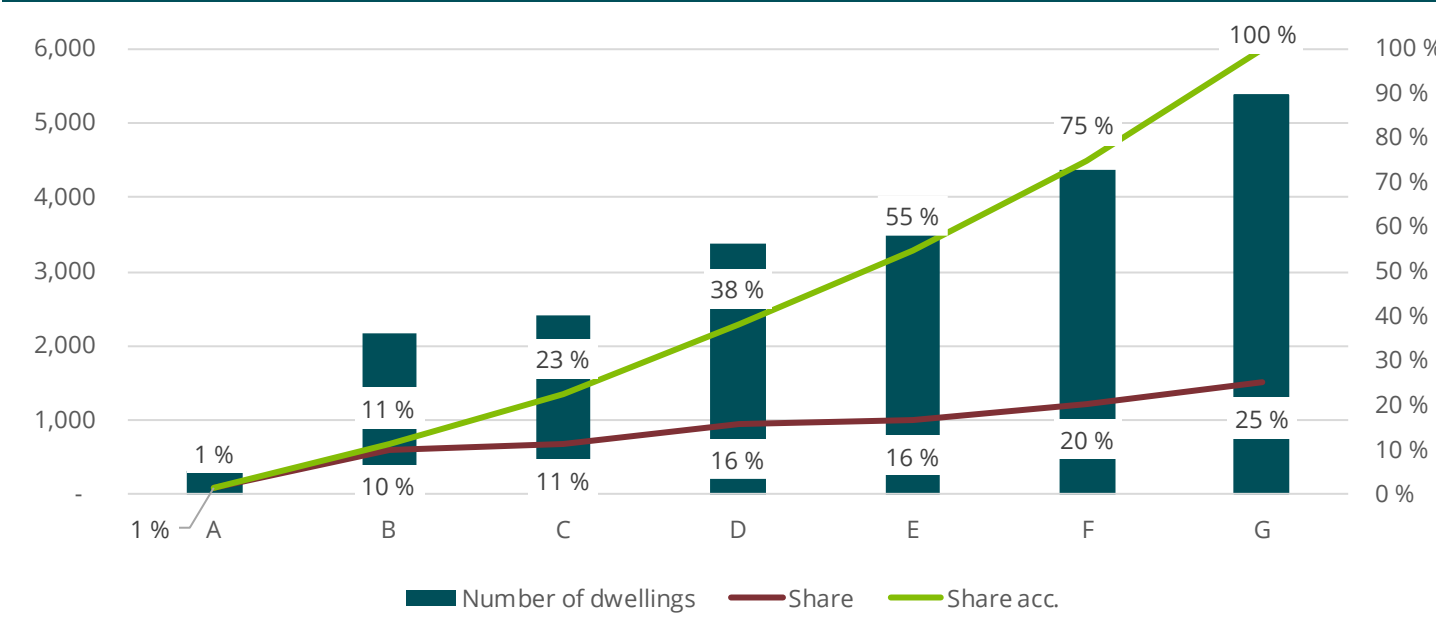
Development in calculated specific net energy demand by building code



# CO2 Footprint Analysis of the Cover Pool – 2023

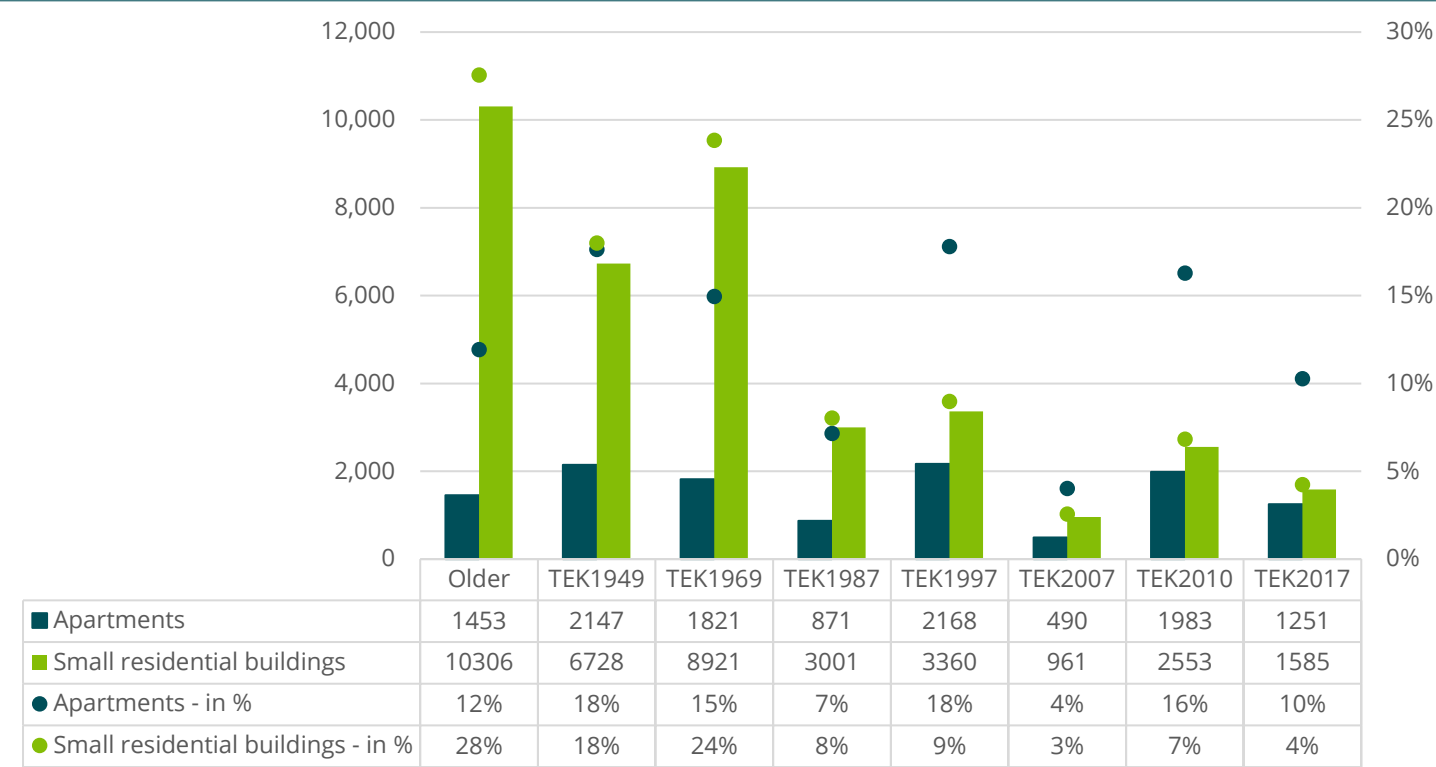
- As part of our ‘Strategic Framework for Sustainability’, Eika values increased disclosure in terms of scope 3 carbon impact
- The current portfolio, as of December 31<sup>st</sup> 2023, represents:
  - Yearly energy demand of 930 GWh (973 GWh in 2022) for Eika funded share of collateral
  - Portfolio emission intensity (kg CO<sub>2</sub> –eq/m<sup>2</sup>) of 4.6 based on NVE Physically delivered electricity

Distribution of the Eika cover pool by EPC label YE2023<sup>2</sup>

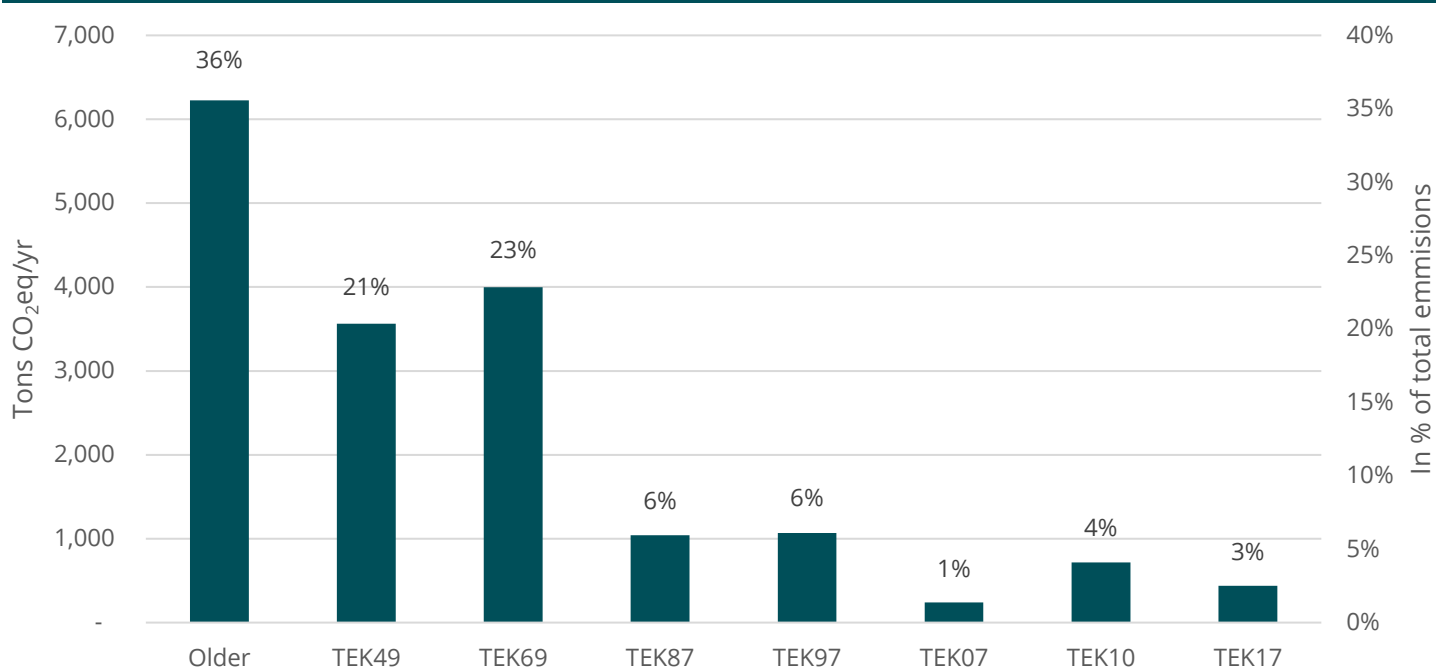


<sup>2</sup> EPC labels represent only 42% of the Eika cover pool, hence this is not fully representative of the entire cover pool

Distribution of the Eika cover pool by building code and building type YE2023



Eika cover pool CO2 footprint YE2023 <sup>3</sup>



<sup>3</sup> Based on NVE Physically delivered electricity



# Mitigation of physical climate risk within Eika cover pool

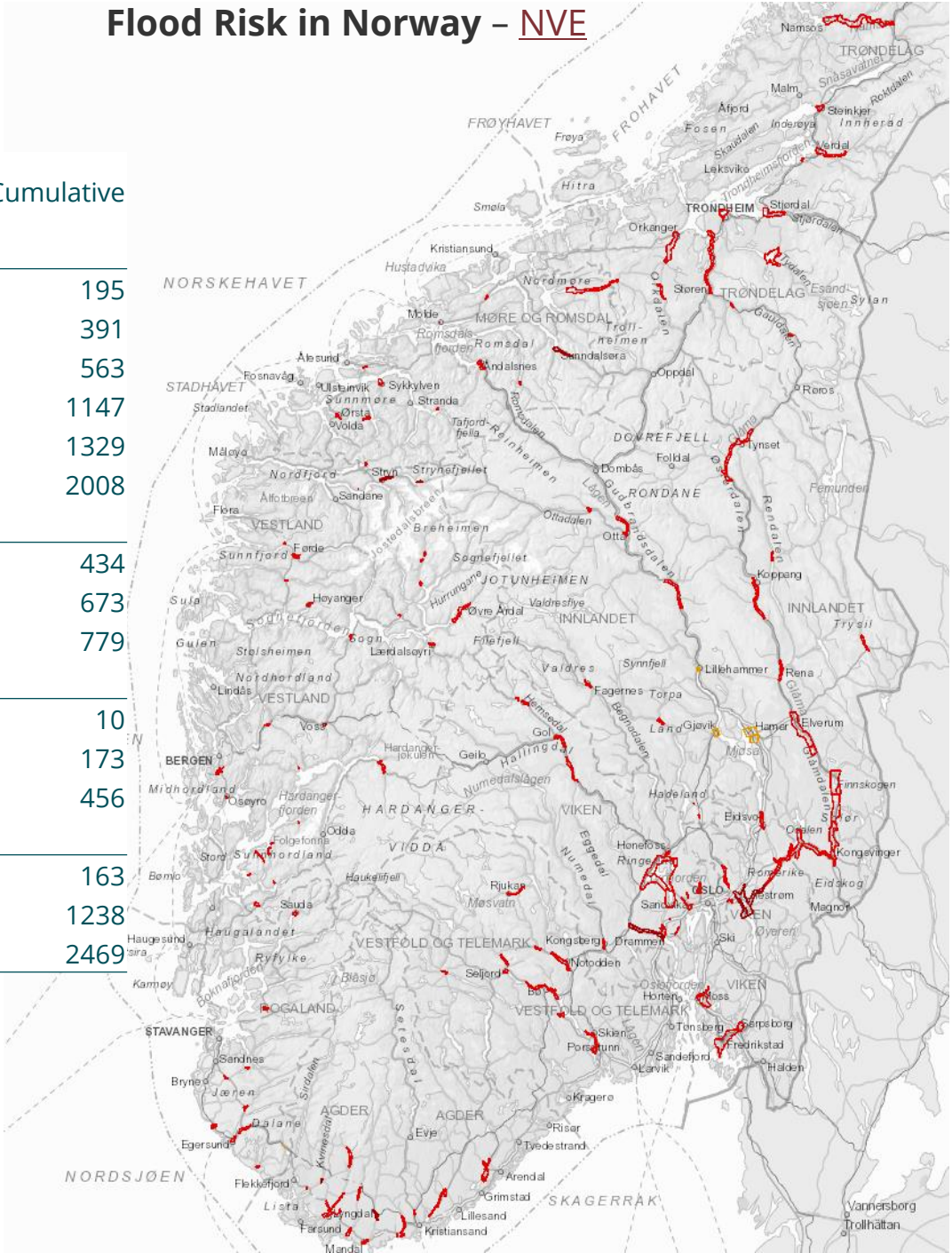
- Every quarter, the residential mortgage portfolio is run against Eiendomsverdi’s energy and climate risk data registers to update market values for the residential mortgage portfolio, as well as data on energy class, area, TEK standard and selected environmental factors
- To identify the vulnerability 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<sup>1</sup>) 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

→ 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.

Physical Risk of Eika cover pool; probability distribution<sup>2</sup> (NOKm impact)

Physical climate risk (figures in NOK million)	2023	Cumulative
Flood zone	2009	2009
Flood zone 20-year	195	195
Flood zone 50-year	196	391
Flood zone 100-year	172	563
Flood zone 200-year	584	1147
Flood zone 500-year	182	1329
Flood zone 1 000-year	679	2008
Storm surge	779	779
Storm surge 20-year	434	434
Storm surge 200-year	239	673
Storm surge 1 000-year	106	779
Landslide	456	456
Rock hazard zone 100-year	10	10
Rock hazard zone 1 000-year	163	173
Rock hazard zone 5 000-year	283	456
Quick clay	2469	2469
High hazard	163	163
Medium hazard	1075	1238
Low hazard	1231	2469

Flood Risk in Norway – NVE



<sup>1</sup> 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).  
<sup>2</sup> Where years are specified, these refer to how frequently buildings in the relevant zone are likely to be affected by the relevant risk.

# Green mortgage products



## 1. Green Mortgages (Construction or Purchase)

### 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)

### 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

- AAA (scale AAA-CCC)
- Last update Nov. 2024



Sustainalytics

- 24.6 risk rating
- Medium risk
- Last update May 2024



ISS ESG

- C (scale A+ - D-; best bank = C+)
- Status: Prime
- 2nd decile ranking
- Last update Nov. 2024



Norwegian Client Experience Index (CEI)

- 67.3 (range 0-100)
- #2 rank out of 6 banks
- #33 rank out of 155 across 30 sectors
- Last update June 2024

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



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

# Agenda

- ESG at Eika
- Eika Boligkreditt's Green Bond Framework
- Contact
- Disclaimer

# Eika Boligkreditt Green Bond Framework 2024



## 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 and refurbished residential buildings  
Eligibility criteria aligned with EU Taxonomy Substantial Contribution criteria for Climate Change Mitigation

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## Process for Project Evaluation and Selection:

A dedicated Green Bond Committee (GBC) has been established and will meet at least annually. The GBC is responsible for: evaluating eligible green loans, reviewing the content of the framework, observation and compliance with standards and regulation, ensuing external documents are updated, allocation/impact reporting and risk mitigation

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## 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

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## Reporting:

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

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## External Review:

ISS-ESG has provided a Second-Party Opinion (including on EU Taxonomy alignment) on Eika Boligkreditt's Green Bond Framework. Eika Boligkreditt may request a limited assurance on the Allocation Report

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# Use of Proceeds Criteria

## Eligibility criteria: Green Residential Buildings


### 1. Residential buildings in Norway

- **Buildings built ≥2021:** Buildings complying with the relevant NZEB-10% threshold<sup>1</sup>
- **Buildings built <2021:** EPC A label or within the top 15% low carbon buildings in Norway<sup>2</sup>

### 2. Refurbished residential buildings in Norway

- Leading to a reduction of primary energy demand (PED) of at least 30%<sup>3</sup> or comply with the applicable requirements for major renovations

## Alignment with international initiatives & involved parties:

ICMA GBP category	UN SDG	EU Taxonomy Climate Change Mitigation Substantial Contribution	EU Taxonomy Do No Significant Harm & Minimum Social Safeguards	Consultants & Third Parties
Green Buildings	 	<ul style="list-style-type: none"><li>• NZEB-10% for buildings built from end 2020</li><li>• Top 15% approach for buildings built up until end 2020</li><li>• ≥30% improvement in Primary Energy Demand for refurbishments</li></ul>	<ul style="list-style-type: none"><li>• Compliance with international, national and local Regulation and monitoring of environmental and social risks (including physical climate risks)</li><li>• Minimum Social Safeguards for mortgages to households 'not applicable'<sup>4</sup></li></ul>	Multiconsult ISS ESG




<sup>1</sup> In accordance with the EU Taxonomy Climate Delegated Act, buildings built from 1 January 2021 onwards should meet the 'NZEB -10%' criterion. In Norway, NZEB definitions were announced on 31 January 2023. Compliant buildings are assessed against the respective NZEB threshold published by the Norwegian Ministry, expressed as specific energy demand in kWh/m2. At the time of writing all Norwegian buildings with EPC labels of A and some EPC B labels are compliant with NZEB-10%. The full methodology and selection approach used for NZEB-10% compliant buildings will be published in a technical report from a specialized external consultant (Multiconsult). In addition, model estimates from Eiendomsverdi for PED may be used, as outlined in Eiendomsverdi's [report](#).

<sup>2</sup> Qualifying building codes and/or EPC labels will be determined with the support of a specialised external consultant and may take into account guidance from the Norwegian Ministry and may use model estimates from Eiendomsverdi for PED where EPCs are missing. The Norwegian residential buildings under building codes TEK10 and TEK17 and EPC label A or B are within the top 15% as of FY23 statistics

<sup>3</sup> Qualifying buildings will be determined with the support of a specialised external consultant. The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method, and validated through an Energy Performance Certificate. The 30% improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account), and can be achieved through a succession of measures within a maximum of three years

<sup>4</sup> As per guidance laid out in the [Final Report on Minimum Safeguards](#) from the EU Commission

# EU Taxonomy Assessment – performed by ISS-Corporate<sup>1</sup>


Eika Green Bond Portfolio Alignment Q3 2024		100% aligned (NOK 21.4bn total Green Eligible Assets)		
EU Enviro. Objective	EUT Economic Activity: 7.7 Acquisition & Ownership of Buildings			
	 EUT Criteria		 Eika Green Bond 	Alignment
1. Mitigation	Substantial Contribution	<div><div>i.</div><div>ii.</div></div> <div>Built &lt;2021: EPC A or Top 15% approach Built ≥2021: NZEB –10%</div>	<div><div>•</div><div>•</div></div> <div><b>Buildings built ≥2021:</b> Buildings complying with the relevant NZEB-10% threshold <sup>2</sup> <b>Buildings built &lt;2021:</b> EPC A label or within the top 15% low carbon buildings in Norway <sup>3</sup></div>	Aligned
2. Adaptation	Do No Significant Harm	<div><div>i.</div><div>ii.</div><div>iii.</div></div> <div>Reducing material physical climate risks Supporting system adaptation Monitoring adaptation results</div>	<div><div>i.</div><div>ii.</div><div>iii.</div></div> <div>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 Green buildings do not increase the risks of adverse climate impact on other stakeholders and align with national adaptation efforts Adaptation results can be monitored and measured ➔ <u>TEK10 &amp; TEK17 Building Code Regulation</u> (= Eika Green Bond Criteria) ensures new buildings are not prone to significant Physical Climate Risks e.g. Flooding; Storm Surges, Landslides ➔ <u>Eika Boligkreditt quarterly assessment of physical climate risks associated with properties in the cover pool</u></div>	Aligned
-	Minimum Social Safeguards	<div><div>i.</div><div>ii.</div><div>iii.</div></div> <div>OECD Guidelines on Multinational Enterprises UN Guiding Principles on Business and Human Rights ILO Core Labour Conventions</div>	➔ Minimum Social Safeguards for mortgages to households ‘not applicable’ <sup>4</sup>	Aligned

1 While the Final Delegated Acts for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis."

2 In accordance with the EU Taxonomy Climate Delegated Act, buildings built from 1 January 2021 onwards should meet the 'NZEB -10%' criterion. In Norway, NZEB definitions were announced on 31 January 2023. Compliant buildings are assessed against the respective NZEB threshold published by the Norwegian Ministry, expressed as specific energy demand in kWh/m2. At the time of writing all Norwegian buildings with EPC labels of A and some EPC B labels are compliant with NZEB-10%. The full methodology and selection approach used for NZEB-10% compliant buildings will be published in a technical report from a specialized external consultant (Multiconsult). In addition, model estimates from Eiendomsverdi for PED may be used, as outlined in Eiendomsverdi's [report](#).

3 Qualifying building codes and/or EPC labels will be determined with the support of a specialised external consultant and may take into account guidance from the Norwegian Ministry and may use model estimates from Eiendomsverdi for PED where EPCs are missing. The Norwegian residential buildings under building codes TEK10 and TEK17 and EPC label A or B are within the top 15% as of FY23 statistics

4 As per guidance laid out in the [Final Report on Minimum Safeguards](#) from the EU Commission





# Project Evaluation and Selection

## Process for Project Evaluation and Selection



This Framework & Green Assets are managed by a dedicated Green Bond Committee (GBC). The committee consists of: CEO, CFO and CCO in Eika Boligkreditt as issuer, and the Executive Vice President in Eika Gruppen's department for bank governance.

The GBC 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 and [Eiendomsverdi](#).

Information regarding building year, EPC label (actual/estimated) and energy demand data (actual/estimated) is 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, local laws & 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

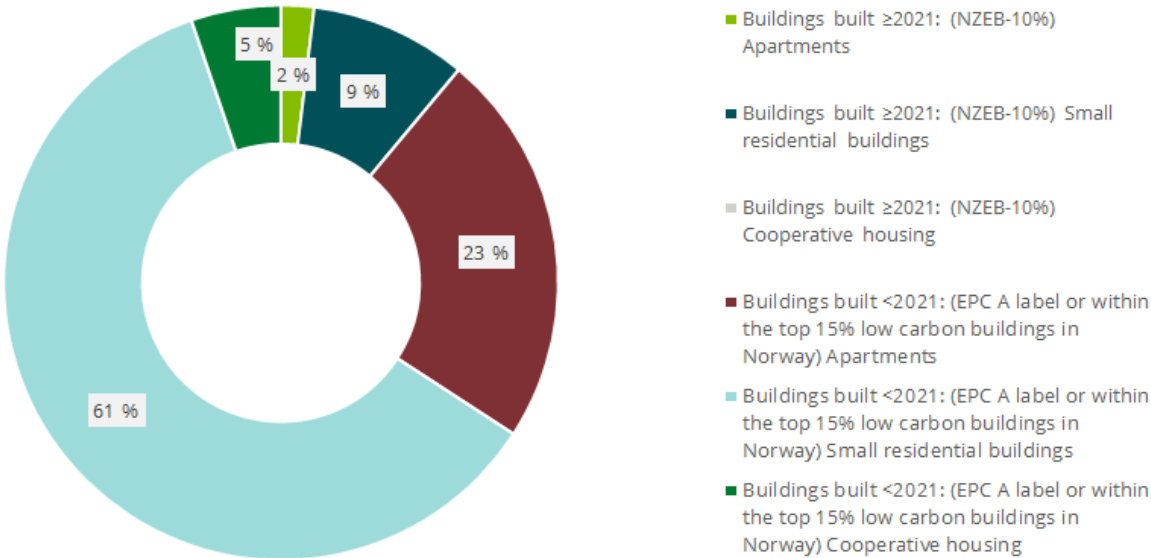
- Sufficient Eligible Green Loans will be designated to the Eligible Green Loan Portfolio to ensure that the size of the Eligible Green Loan Portfolio matches or exceeds the total balance of all outstanding Green Bonds
- Additional Eligible Green Loans will be added to the Eligible Green Loan Portfolio 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. Eika intends to allocate at least a portion of unallocated proceeds towards ESG orientated assets.

## Eika Boligkreditt Green Bond Allocation Report

### Green Portfolio as of 2024-9-30



Criterion	Type of dwelling	Number of objects	Area total [m2]	Area financed by EBK total [m2]	Portfolio size [MNOK]
Buildings built ≥2021: (NZEB-10%)	Apartments	177	13,655	6,326	410
	Small residential buildings	521	100,573	57,260	1,959
	Cooperative housing				
Buildings built <2021: (EPC A label or within the top 15% low carbon buildings in Norway)	Apartments	2,817	216,529	96,688	4,939
	Small residential buildings	5,472	981,802	468,602	12,955
	Cooperative housing	42	66,700	24,628	1,122
Total		9,029	1,379,259	653,504	21,385

### Green Instruments

Instrument (ISIN)	Issuance Date	Due Date	Amount (NOK m)
XS2353312254	16.06.2021	16.06.31	5,872
XS2536806289	22.09.2022	20.09.28	5,872
Total			11,745

# Impact Reporting FY23<sup>1</sup>



## Impact Reporting

Portfolio date: 31 December 2023

Eligible Project Category	Eligible portfolio (NOK bn)	Share of <u>Total Financing</u>	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	21.57	100%	100%	84	9,620
Total	21.57	100%	100%	84	9,620

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

## Multiconsult

Impact - Average specific energy demand per m2 (kWh)



- Eika green bond portfolio has an estimated average energy consumption of less than 50 per cent of the Norwegian average
- Estimated avoided CO<sup>2</sup> emissions (entire pool) = 9,620 tons CO<sup>2</sup>/year based on European mix and 1,490 tons CO<sup>2</sup>/year based on Norwegian mix on Eika funded share of collateral**

<sup>1</sup> Impact figures relate to the Green Bond Portfolio as of FY23 under the 2020 Green Bond Framework eligibility criteria. The next iteration of the impact report will be published with FY24 Green Bond Portfolio data and updated in line with the 2024 Green Bond Framework eligibility criteria.

# External Review

Second Party Opinion 2024 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, this includes:
  - Assessment of alignment with Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
  - Assessment of alignment of the Green Bond Framework with the EU Taxonomy. Technical screening criteria for substantial contribution, do no significant harm & minimum social safeguards have been taken into account for EU economic activities 7.2 & 7.7 with respect to EU Environmental Objective: Climate Mitigation

*"The Issuer has defined a formal concept for its green bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. **This concept is in line with the Green Bond Principles**"*

*"Eika Boligkreditt's project characteristics, due diligence processes and policies have been assessed against the requirements of the EU Taxonomy (Climate Delegated Act of June 2023), on a best efforts basis.<sup>1</sup> The nominated project categories are considered to be:*

- Aligned with the Climate Change Mitigation Criteria**
- Aligned with the Do No Significant Harm Criteria, except for 7.2 Renovation of Existing Buildings**
- Not applicable for the Minimum Safeguards requirements"**



## ASSESSMENT SUMMARY

SPO SECTION	EVALUATION
Part I: Alignment with GBP	✓ <b>Aligned</b>
Part II: Sustainability quality of the selection criteria	✓ <b>Positive</b>
Part III: Alignment with EU Taxonomy	<b>Aligned,</b> except DNSH for 7.2
Part IV: Consistency of green bonds with Eika Boligkreditt's sustainability strategy	<b>Consistent with Issuer's sustainability strategy</b>

### SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Green Buildings	Contribution	 

44 1 While the Final Delegated Acts for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis."

# Contacts



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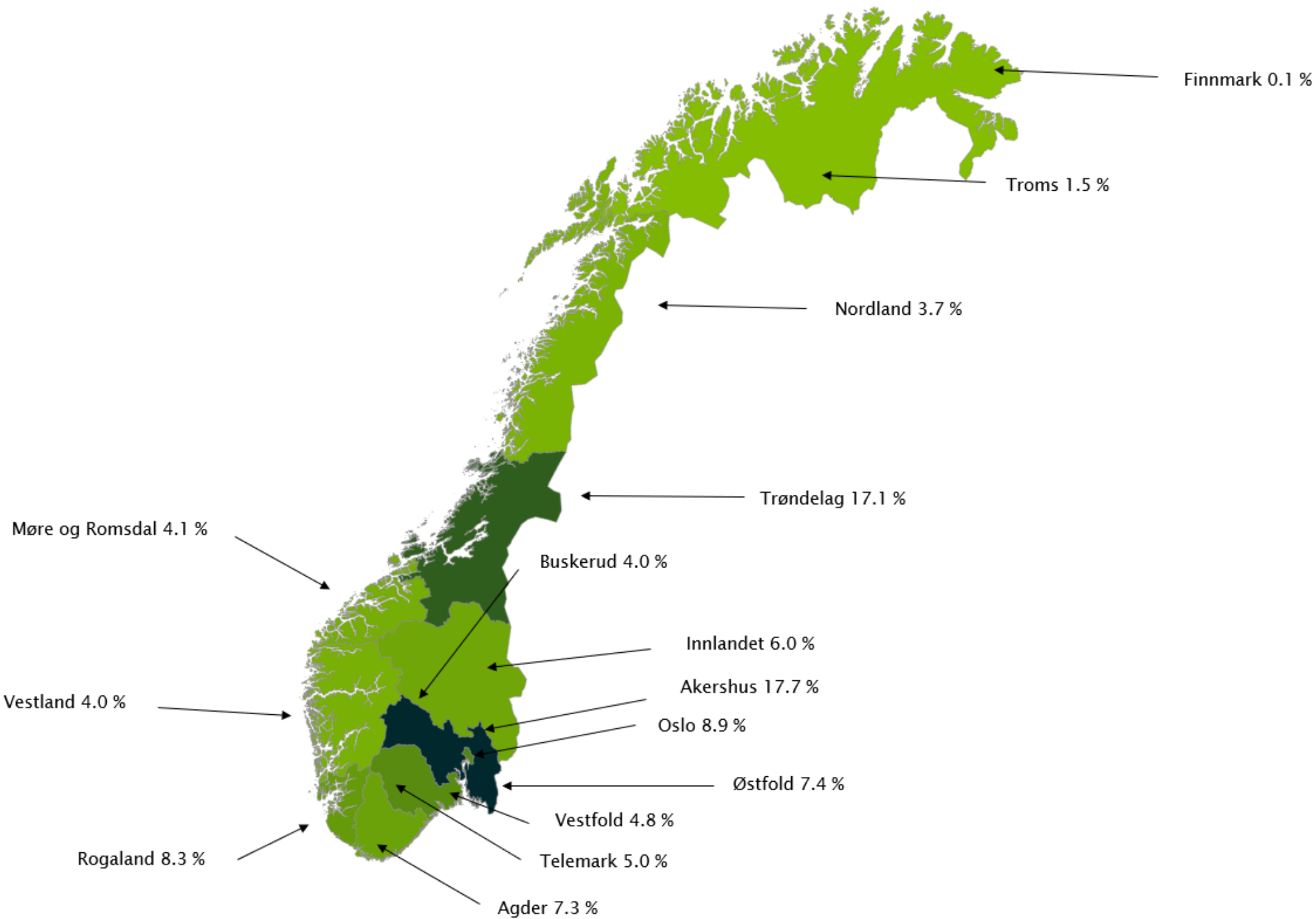
More information may be found on <https://eikbol.no>

# Agenda

- The Norwegian economy
- Eika Alliance
- Eika Boligkreditt
- ESG at Eika
- Eika Boligkreditt's Green Bond Framework
- Appendix
- Disclaimer



# Mortgage lending - Strong geographical diversification

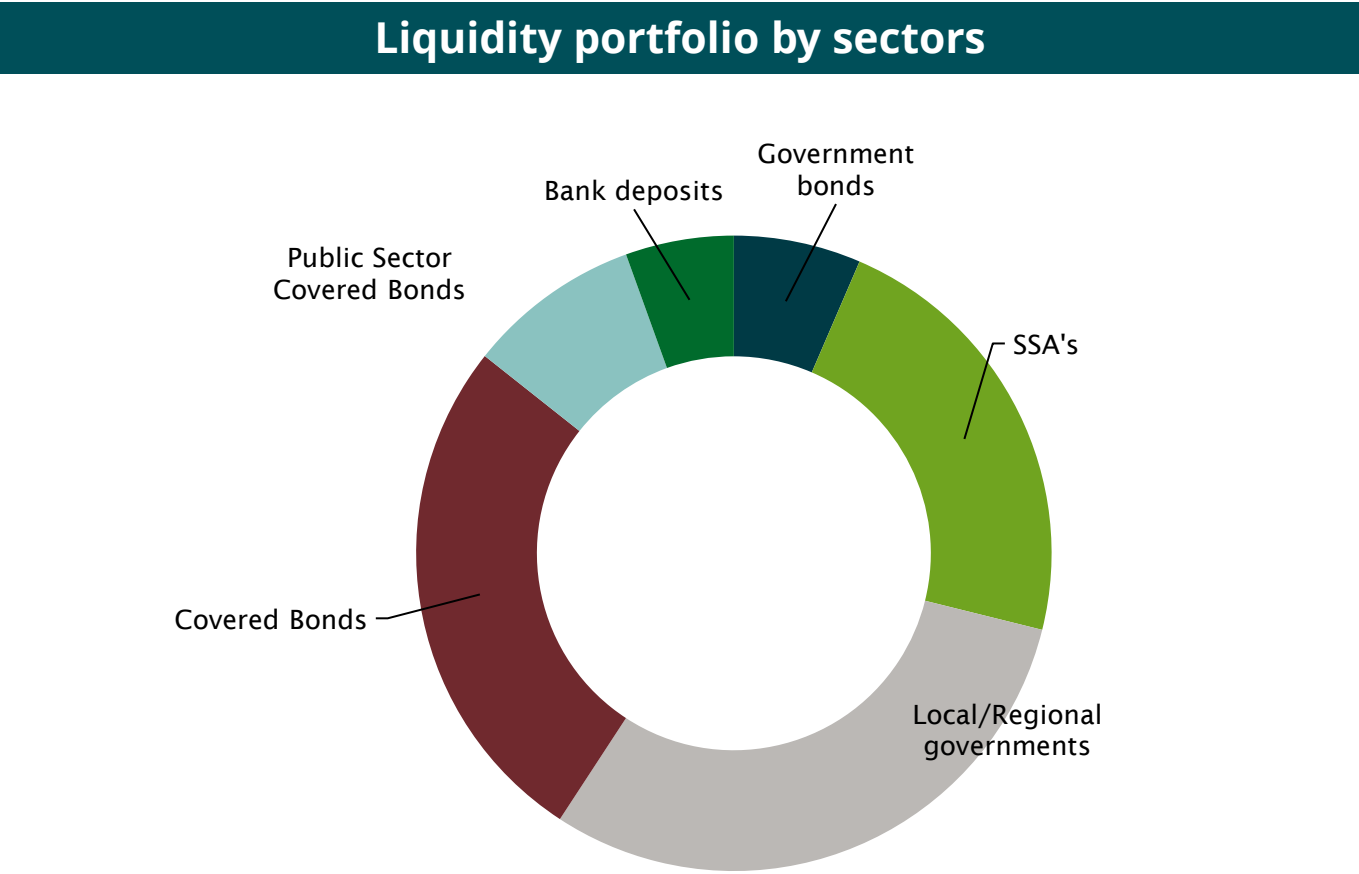


# Liquidity portfolio

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

Sectors and tenors			
Sector	Market values (EUR)	In % of portfolio	TtM
Government bonds	61,887,714	6 %	1.04
SSA's	214,154,116	22 %	1.55
Local/Regional governments	290,149,938	30 %	0.24
Covered Bonds	252,772,777	26 %	3.41
Public Sector Covered Bonds	84,380,515	9 %	2.93
Bank deposits	52,702,226	6 %	0.00
Total portfolio	956,047,286	100 %	1.65

- **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 2.5 years
  - Rated AA-/Aa3 or better if the maturity exceeds 100 days, or A-/A3 if the maturity less than 100 days
  - Weighted average portfolio interest rate duration of less than 0.3 years, and individual securities less than 1 year



# 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](http://ec.europa.eu/finance/investment/legal_texts/index_en.htm)
  - The exposures to institutions in the cover pool meet the conditions laid down in Article 129(1)(c) and in Article 129(1) last subparagraph of CRR
  - Eika Boligkreditt AS gives the information required in Article 129(7) of CRR to its investors:  
<http://eikabk.no/investorrelations/coverpool>
  - Covered bonds issued by Eika Boligkreditt AS are assigned a credit assessment by a nominated ECAI which is at least credit quality step 1 in accordance with Article 129(4) of CRR, and the equivalent credit quality step in the event of short term credit assessment
  - Eika Boligkreditt AS’ EMTCN Programme requires a level of overcollateralization higher than the 2% needed for LCR level 1 classification

# Eika Boligkreditt - P&L

Amounts in NOK Million	2019	2020	2021	2022	2023	2024
Total interest income	2 624	2 230	1 831	2 974	5 575	6 726
Total interest expenses	1 976	1 418	996	2 446	4 974	5 950
Net interest income	648	812	835	528	601	776
Income from portfolio sale	-	-	23	-	5	-
Income from shares classified in associated company	19	13	13	17	16	19
Total gains and losses on financial instruments at fair value	(6)	43	31	(138)	8	19
Commission costs	490	647	774	386	432	631
Total salaries and administrative expenses	51	51	52	79	74	75
Depreciation	4	4	4	4	4	4
Other operating expenses	15	14	15	4	4	4
Losses on loans and gurantees	-	-	-	-	-	-
PROFIT/(LOSS) BEFORE TAXES	102	153	56	(65)	116	101
Taxes	14	29	5	(29)	12	8
PROFIT/(LOSS) FOR THE PERIOD	89	124	51	(36)	104	93
Net gains and losses on bonds and certificates	7	8	(9)	(20)	28	(1)
Net gains and losses on basis swaps	53	99	63	245	(262)	(419)
Taxes on other comprehensive income	(15)	(27)	(13)	(56)	59	105
COMPREHENSIVE INCOME FOR THE PERIOD	133	204	91	133	(71)	(222)

## Eika Boligkreditt AS – Report Q4 2024:

Eika Boligkreditt showed a profit of NOK 93.1 million in 2024, compared with a profit of NOK 104.3 million in 2023. Net gains and losses on basis swaps came to negative NOK 419 million in 2024 (2023: negative at NOK 262.4 million), net gains and losses on bonds and certificates came to negative NOK 1.3 million and taxes on other comprehensive income came to NOK 105.1 million, so that the comprehensive income for the period including such changes came to a loss of NOK 222.1 million.

The full report is available on: [eikbol.no](http://eikbol.no)

# Eika Boligkreditt - Balance sheet and key figures

Amounts in NOK Million	2019	2020	2021	2022	2023	2024
<b>Balance sheet development</b>						
Lending to customers	84 719	89 269	91 327	95 971	98 261	104 638
Debt from issuing securities	94 300	106 127	103 648	112 435	109 876	113 554
Subordinated loans	889	724	724	813	779	779
Equity*	5 777	5 851	5 774	6 726	6 576	6 603
Equity in % of total assets*	5.5	4.9	5.0	5.3	5.4	5.2
Average total assets	107 506	120 881	117 692	120 065	122 256	123 987
Total assets	105 835	120 563	114 861	126 571	121 039	126 566
<b>Rate of return / profitability</b>						
Fee and commission income in relation to average total assets, annualised (%)	0.5	0.5	0.7	0.3	0.4	0.5
Sum operating expenses in relation to average lending to customers (%)	0.083	0.079	0.079	0.093	0.085	0.080
Return on equity, annualised (%)	2.2	3.0	1.1	(1.2)	2.0	1.6
Total assets per full-time position	5 345	6 345	6 045	7 032	6 370	6 328
<b>Financial strength</b>						
Core tier 1 capital	5 074	5 099	5 109	5 992	5 978	6 389
Total tier 1 capital	5 648	5 673	5 684	6 684	6 553	6 964
Total primary capital (tier 2 capital)	6 372	6 397	6 409	7 493	7 327	7 738
Risk-weighted assets	34 074	37 222	37 296	38 758	38 644	39 918
Core tier 1 capital ratio	14.9	13.7	13.7	15.5	15.5	16.0
Total tier 1 capital ratio	16.6	15.2	15.2	17.2	17.0	17.4
Capital adequacy ratio	18.7	17.2	17.2	19.3	19.0	19.4
Doubtful loans in % of gross loans	-	-	0.05	0.02	0.02	0.01
Loss in % of gross loans	-	-	-	-	-	-
<b>Staff</b>						
Number of full-time positions at end of period	19.8	19.0	19.0	18.0	19.0	20.0

\*Including AT1 capital

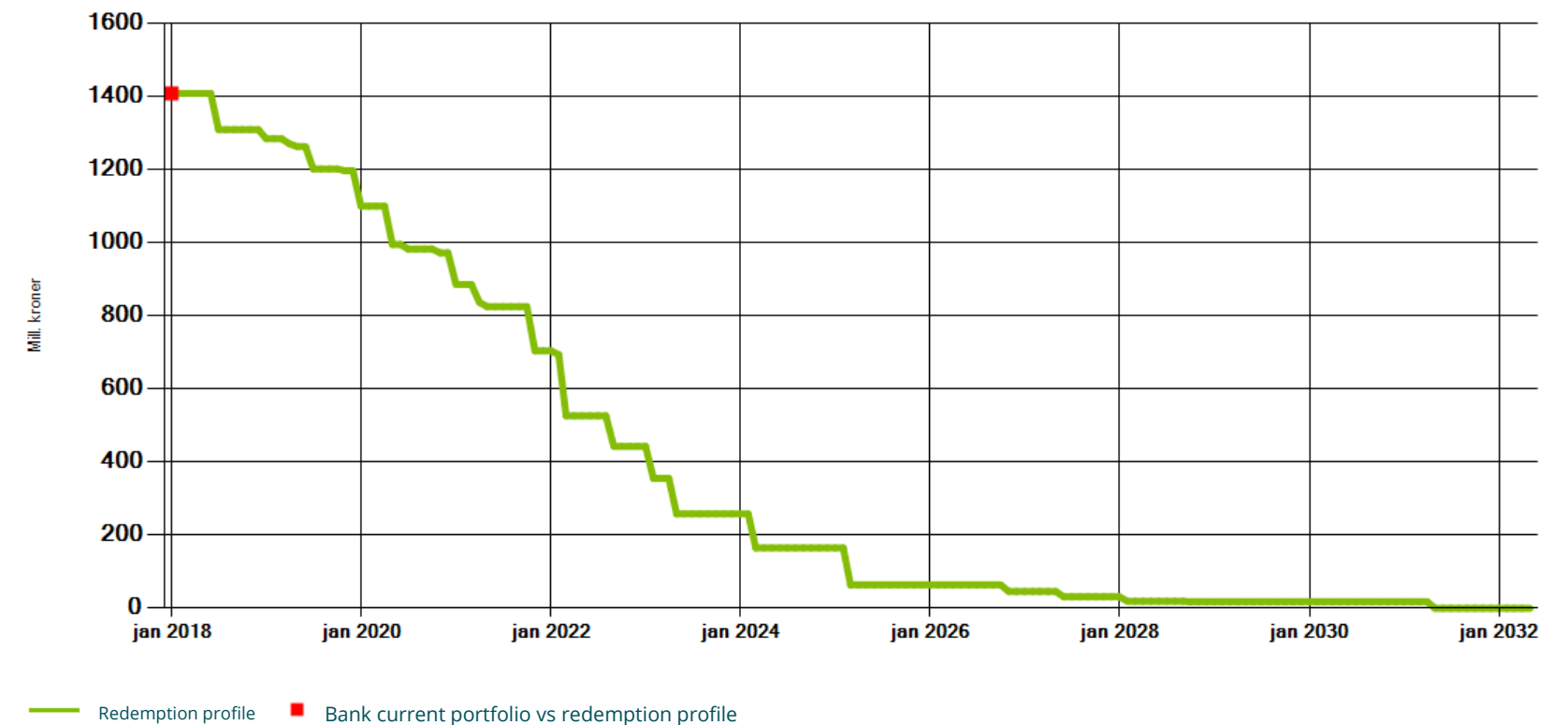
Source: EBK quarterly reports



# Cancellation of distribution agreement

- An EKBOL Distributor (**EBKD**) can terminate the distribution agreement with EKBOL with 3 months notice
- EKBOL 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 EKBOL
  - The EBKD is required to uphold its mortgage portfolio in line with the redemptions of EKBOL'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 2023/24

## Andebu Sparebank, Larvikbanken and Skagerrak Sparebank

- February 17<sup>th</sup> , 2023, the boards in the banks approved an agreement to merge the banks
- March 27<sup>th</sup> , 2023, the general meetings/boards of trustees approved the agreement to merge the banks
- December 19<sup>th</sup>, 2023, Finanstilsynet approved the merger
- The merger took effect February 1<sup>st</sup>, 2024
- All three banks are members in the Eika Alliance
- Andebu and Larvikbanken will be merged into Skagerrak Sparebank with Skagerrak Sparebank as the continuing bank.
- Jan Kleppe, currently CEO in Skagerrak Sparebank, will be CEO in the merged bank and Are Stokstad, currently chair of the board in Larvikbanken, will be 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

## Tysnes Sparebank and Haugesund Sparebank

- November 2<sup>nd</sup>, 2023, the boards in the banks approved an agreement to merge the banks
- December 11<sup>th</sup> , 2023, the general meetings/boards of trustees approved the agreement to merge the banks
- July 4<sup>th</sup>, 2024, Finanstilsynet approved the merger
- The merger is planned to take effect June 2<sup>nd</sup>, 2025
- Tysnes is a member in The Eika Alliance while Haugesund Sparebank was a collaborating partner in DSS (dssbank.no) consisting of 8 saving banks on the south/west coast of Norway
- Haugesund Sparebank have joined the Eika Alliance and owns 4.45% of the shares in Eika Gruppen AS
- Haugesund Sparebank will issue Equity Certificates as part of the merger process to be listed on Oslo Stock Exchange
- Bente Haraldson Syre, CEO in Haugesund Sparebank, will be CEO in the merged bank
- Combined total assets, including transferred to Eika and Verd Boligkreditt, of NOK 22.1 billion
- Rationales for the merger are to have a stronger local bank in the common interest for clients, employees, owners and the local communities in Haugalandet and Sunnhordland

## Sandnes Sparebank and Hjelmeland Sparebank

- December 7<sup>th</sup>, 2023, the boards in the banks approved an agreement to merge the banks
- January 15<sup>th</sup> , 2024, the general meetings/boards of trustees approved the agreement to merge the banks
- June 16<sup>th</sup>, 2024, Finanstilsynet approved the merger
- The merger took effect August 1<sup>st</sup>, 2024
- Both banks are members in the Eika Alliance
- The merged bank owns 9.84% of the shares in Eika Gruppen AS
- The name of the merged bank is Rogaland Sparebank
- Trine Karin Stangeland, CEO in Sandnes Sparebank, is CEO and Harald Espedal, chair of board in Sandnes Sparebank, is chair in the merged bank
- Combined total assets, including transferred to Eika and Sandnes Boligkreditt, of almost NOK 39 billion
- Rationales for the merger are to be the leading local bank in Rogaland, improve profitability, attractiveness as an employer and preconditions for regulatory compliance going forward

# Mergers Eika banks in 2024

## Totens Sparebank and Sparebank1 Østlandet

- January 3<sup>rd</sup>, 2024, the boards in the banks approved an intention agreement to merge the banks
- January 15<sup>th</sup>, 2024, the boards in the banks approved the agreement to merge the banks
- February 22<sup>nd</sup>, 2024, the general meetings/boards of trustees approved the agreement to merge the banks
- August 4<sup>th</sup>, 2024, Finanstilsynet approved the merger
- The merger took effect November 1<sup>st</sup>, 2024
- Sparebank1 Østlandet is a member in The Sparebank1 Alliance while Totens Sparebank was a member in the Eika Alliance
- Totens Sparebank was merged into Sparebank1 Østlandet as the acquiring bank
- The merged bank is a member of the Sparebank1 Alliance
- Klara-Lise Aasen is CEO in Sparebank1 Østlandet
- The rationale for the merger was to have a strong regional bank in Innlandet to benefit clients and the region

## Skue Sparebank and Hjartdal og Gransherad Sparebank

- January 11<sup>th</sup>, 2024, the boards in the banks announced starting negotiations with the intention to merge the banks
- February 14<sup>th</sup>, 2024, the boards in the banks approved the agreement to merge the banks
- March 20<sup>th</sup>, 2024, the general meetings/boards of trustees approved the agreement to merge the banks
- June 17<sup>th</sup>, 2024, Finanstilsynet approved the merger
- The merger took effect August 1<sup>st</sup>, 2024
- Both banks are members in the Eika Alliance
- The merged bank owns 6.6% of the shares in Eika Gruppen AS
- The name of the merged bank is Skue Sparebank
- Hans Kristian Glesne, CEO in Skue Sparebank, is CEO and Barbro Ternsten, former chair of board in Hjartdal og Gransherad Sparebank, will become future chair in the merged bank when George H.Fulford, currently chair of board in Skue Sparebank, become detach at the general assembly in 2025
- Combined total assets, including transferred to Eika Boligkreditt, above NOK 25 billion
- Rationales for the merger are to create a stronger local bank for the benefit for the clients, employees and the local communities

## Eidsberg Sparebank and Marker Sparebank

- March 19<sup>th</sup>, 2024, the boards in the banks announced starting negotiations with the intention to merge the banks
- March 22<sup>nd</sup>, 2024, the boards in the banks approved the agreement to merge the banks
- April 29<sup>th</sup>, 2024, the general meetings/boards of trustees approved the agreement to merge the banks
- December 9<sup>th</sup>, 2024, Finanstilsynet approved the merger
- The merger took effect February 3<sup>rd</sup>, 2025
- Both banks are members in the Eika Alliance
- The name of the merged bank is Marker og Eidsberg Sparebank
- Glen Malcom Haglund, former CEO in Eidsberg Sparebank, is CEO and Rune Iversen, former CEO in Marker Sparebank, is chair in the merged bank
- Combined total assets, including transferred to Eika Boligkreditt, about NOK 17 billion
- Rationales for the merger was to create a stronger local bank for the benefit for the clients and the local communities

# Mergers Eika banks in 2024

## Sunndal Sparebank and Romsdal Sparebank

- September 10<sup>th</sup>, 2024, the boards in the banks announced starting negotiations with the intention to merge the banks
- November 14<sup>th</sup>, 2024, the boards in the banks approved the agreement to merge the banks
- December 19<sup>th</sup>, 2024, the general meetings approved the agreement to merge the banks
- Both banks are members in the Eika Alliance and the banks owns 3.4% of the shares in Eika Gruppen AS
- The merger is planned to take effect June 2<sup>nd</sup>, 2025
- The name of the merged bank will be Møre og Romsdal Sparebank
- Jonny Engdahl, currently CEO in Sunndal Sparebank, will be CEO and the general meeting in Romsdal Sparebank will propose the chair in the merged bank
- Combined total assets, including transferred to Eika Boligkreditt, about NOK 18 billion
- Rationales for the merger are to create a stronger local bank for the benefit for the local communities, cost synergies and more effective handling of regulatory requirements

# New banks joining the Eika Alliance

## Skudenes & Aakra Sparebank

- May 15<sup>th</sup>, 2024, Skudenes & Aakra Sparebank and Eika Gruppen AS signed an agreement for the bank to join The Eika Alliance
- The agreement is pending approval from Finanstilsynet
- Skudenes & Aakra will enter the Eika Alliance in 2025
- Skudenes & Aakra Sparebank is a collaborating partner in DSS (dssbank.no) consisting of 7 saving banks on the south/west coast of Norway. This is the second bank leaving for Eika over the last 6 months
- Skudenes & Aakra Sparebank is a local saving bank in Haugalandet on the west coast
- Skudenes & Aakra Sparebank will be owner 3,10% of the shares in Eika Gruppen AS
- Combined total assets, including transferred to Verd Boligkreditt, of NOK 14.4 billion
- Rationales for switching from DSS to Eika is to improve client solutions and achieve economies of scale in technology and product solutions

## KLP Banken

- February 6<sup>th</sup>, 2025, KLP Banken and Eika Gruppen AS signed an agreement for the bank to join The Eika Alliance
- KLP Banken is owned by KLP. KLP is the pension company for Norwegian Municipalities/Counties and Health care sector in Norway
- KLP Banken is a digital bank focused on serving employees & retirees in the owners of KLP
- KLP Banken owns 0,16% of the shares in Eika Gruppen AS
- KLP Banken will continue to distribute KLP mutual funds and insurance products
- Total assets in KLP Banken of NOK 20.2 billion and NOK 51,8 billion in KLP Banken Group including KLP Boligkreditt and KLP Kommunekreditt
- Rationales to join Eika is to improve client solutions and achieve economies of scale in technology and infrastructure solutions



# Eika Banks - P&L & Balance sheet

<i>P&amp;L &amp; balance sheet (in million NOK)</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net interest income	4,101	4,205	4,482	4,868	5,054	5,711	5,558	5,772	7,228	9,214
Net commission income	1,297	1,235	1,170	1,330	1,388	1,539	1,694	1,933	1,678	1,768
Other income	39	37	38	34	32	27	28	31	34	46
<b>Total income</b>	<b>5,436</b>	<b>5,478</b>	<b>5,689</b>	<b>6,232</b>	<b>6,474</b>	<b>7,278</b>	<b>7,280</b>	<b>7,737</b>	<b>8,940</b>	<b>11,028</b>
Personnel (and adm. to 2019) expenses	2,450	2,628	2,736	2,867	2,865	2,975	2,023	2,126	2,336	2,573
Depreciation	107	114	128	136	136	151	157	207	212	226
Other costs and adm. (from 2020)	593	653	672	689	710	755	1,849	1,907	2,063	2,269
<b>Total costs</b>	<b>3,151</b>	<b>3,395</b>	<b>3,535</b>	<b>3,692</b>	<b>3,711</b>	<b>3,882</b>	<b>4,028</b>	<b>4,241</b>	<b>4,611</b>	<b>5,068</b>
Core earnings before loan losses	2,286	2,083	2,154	2,540	2,763	3,396	3,252	3,496	4,329	5,960
Impairment of loans and guarantees	311	234	229	193	174	163	518	-19	189	447
<b>Core earnings</b>	<b>1,975</b>	<b>1,849</b>	<b>1,925</b>	<b>2,347</b>	<b>2,589</b>	<b>3,234</b>	<b>2,734</b>	<b>3,515</b>	<b>4,139</b>	<b>5,513</b>
Dividends/associated companies	232	342	391	414	414	566	649	618	716	541
Net return on financial investments	128	-189	179	145	44	79	41	26	-83	206
One-offs and loss/gain on long-term assets	178	217	312	-11	165	-5	-247	-169	-224	-481
<b>Pre tax profit</b>	<b>2,513</b>	<b>2,219</b>	<b>2,806</b>	<b>2,895</b>	<b>3,212</b>	<b>3,874</b>	<b>3,177</b>	<b>3,990</b>	<b>4,548</b>	<b>5,779</b>
Taxes	613	542	572	657	695	853	627	840	919	1,287
<b>Net profit</b>	<b>1,900</b>	<b>1,677</b>	<b>2,234</b>	<b>2,238</b>	<b>2,517</b>	<b>3,022</b>	<b>2,550</b>	<b>3,151</b>	<b>3,630</b>	<b>4,493</b>
Gross loans	178,891	190,203	210,532	224,279	238,996	255,161	265,999	286,036	305,115	323,114
Gross loans incl. BK	234,013	248,598	275,458	296,291	317,175	337,592	354,754	380,590	408,003	432,701
Deposits	154,063	162,046	175,189	184,518	194,416	207,234	224,395	240,910	256,150	268,461
Equity	21,932	23,261	25,786	28,375	31,001	34,214	38,837	41,822	47,655	52,070
Total assets	220,301	227,766	249,787	267,870	285,653	306,286	329,784	353,015	374,533	398,450
Total assets incl. BK	275,424	286,161	314,713	339,882	363,831	388,717	418,539	447,569	477,421	508,038
Growth in loans (in %)	4.7 %	6.3 %	10.7 %	6.5 %	6.6 %	6.8 %	4.2 %	7.5 %	6.7 %	5.9 %
Growth in loans incl. BK (in %)	5.6 %	6.2 %	10.8 %	7.6 %	7.0 %	6.4 %	5.1 %	7.3 %	7.2 %	6.1 %
Growth in deposits (in %)	7.9 %	5.2 %	8.1 %	5.3 %	5.4 %	6.6 %	8.3 %	7.4 %	6.3 %	4.8 %

Source: Bank Analyst Eika

# Eika banks - Key figures

Key figures	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deposit ratio	86.1 %	85.2 %	83.2 %	82.3 %	81.3 %	81.2 %	84.4 %	84.2 %	84.0 %	83.1 %
Deposit over total funding	78.5 %	80.1 %	79.0 %	77.8 %	77.1 %	76.9 %	77.8 %	78.1 %	79.1 %	78.3 %
(Market funding - Liquid assets)/Total assets	3.0 %	4.0 %	5.8 %	6.1 %	6.8 %	6.7 %	3.5 %	3.6 %	3.8 %	4.2 %
Liquid assets/Total assets	16.2 %	13.7 %	12.9 %	13.6 %	13.5 %	13.6 %	15.9 %	15.5 %	14.2 %	14.5 %
Market funds/Total assets	19.2 %	17.7 %	18.7 %	19.7 %	20.3 %	20.3 %	19.5 %	19.1 %	18.0 %	18.7 %
Equity ratio	10.0 %	10.2 %	10.3 %	10.6 %	10.9 %	11.2 %	11.8 %	11.8 %	12.7 %	13.1 %
Common Equity Tier 1 ratio (CET1)	17.0 %	17.5 %	17.8 %	18.1 %	18.2 %	19.6 %	19.3 %	19.6 %	20.5 %	20.8 %
Core capital ratio	18.3 %	18.5 %	18.9 %	19.3 %	19.6 %	20.9 %	20.5 %	20.8 %	21.7 %	22.1 %
Capital ratio	18.9 %	19.2 %	20.0 %	20.8 %	21.4 %	22.9 %	22.2 %	22.6 %	23.4 %	23.6 %
Loan loss provision ratio	0.18 %	0.13 %	0.11 %	0.09 %	0.07 %	0.07 %	0.20 %	-0.01 %	0.06 %	0.14 %
Loan loss provision/Pre-provision income	11.8 %	10.5 %	8.4 %	6.2 %	5.4 %	4.0 %	13.1 %	-0.5 %	3.8 %	6.7 %
Gross problem loans/Gross loans	1.55 %	1.39 %	1.13 %	0.97 %	1.01 %	1.33 %	1.36 %	1.14 %	1.08 %	1.54 %
Net problem loans/Gross loans	1.14 %	1.02 %	0.84 %	0.72 %	0.78 %	1.07 %	1.08 %	0.88 %	0.84 %	1.28 %
Loan loss reserves/Gross loans	0.79 %	0.74 %	0.64 %	0.59 %	0.55 %	0.52 %	0.59 %	0.50 %	0.47 %	0.51 %
Problem loans/(Equity + LLR)	11.9 %	10.8 %	8.8 %	7.3 %	7.4 %	9.6 %	8.9 %	7.5 %	6.7 %	9.3 %
Net interest income/total assets	1.92 %	1.88 %	1.88 %	1.88 %	1.83 %	1.93 %	1.75 %	1.69 %	1.99 %	2.38 %
Net commission incom/total assets	0.61 %	0.55 %	0.49 %	0.51 %	0.50 %	0.52 %	0.53 %	0.57 %	0.46 %	0.46 %
Loss provision ratio	0.18 %	0.13 %	0.11 %	0.09 %	0.07 %	0.07 %	0.20 %	-0.01 %	0.06 %	0.14 %
Cost/income ratio	54.4 %	60.3 %	56.5 %	54.4 %	53.5 %	49.0 %	50.5 %	50.6 %	48.2 %	43.0 %
Cost/income ratio (adjusted for net finance)	55.6 %	58.3 %	58.1 %	55.5 %	53.9 %	49.5 %	50.8 %	50.8 %	47.8 %	43.8 %
Cost/income ratio (adj. for net finance and di	58.0 %	62.0 %	62.1 %	59.2 %	57.3 %	53.3 %	55.3 %	54.8 %	51.6 %	46.0 %
Net profit in % of total assets	0.89 %	0.75 %	0.94 %	0.86 %	0.91 %	1.02 %	0.80 %	0.92 %	1.00 %	1.16 %
Net profit/average RWA	1.62 %	1.37 %	1.74 %	1.63 %	1.72 %	1.99 %	1.59 %	1.82 %	2.02 %	2.38 %
Pre-provision income/average RWA	2.25 %	1.83 %	2.13 %	2.25 %	2.20 %	2.67 %	2.46 %	2.40 %	2.76 %	3.56 %
Core earnings in % of average RWA	1.68 %	1.51 %	1.50 %	1.71 %	1.77 %	2.13 %	1.70 %	2.03 %	2.30 %	2.92 %
Return on equity	9.0 %	7.4 %	9.1 %	8.3 %	8.5 %	9.3 %	7.0 %	7.8 %	8.1 %	9.0 %

Source: Bank Analyst Eika



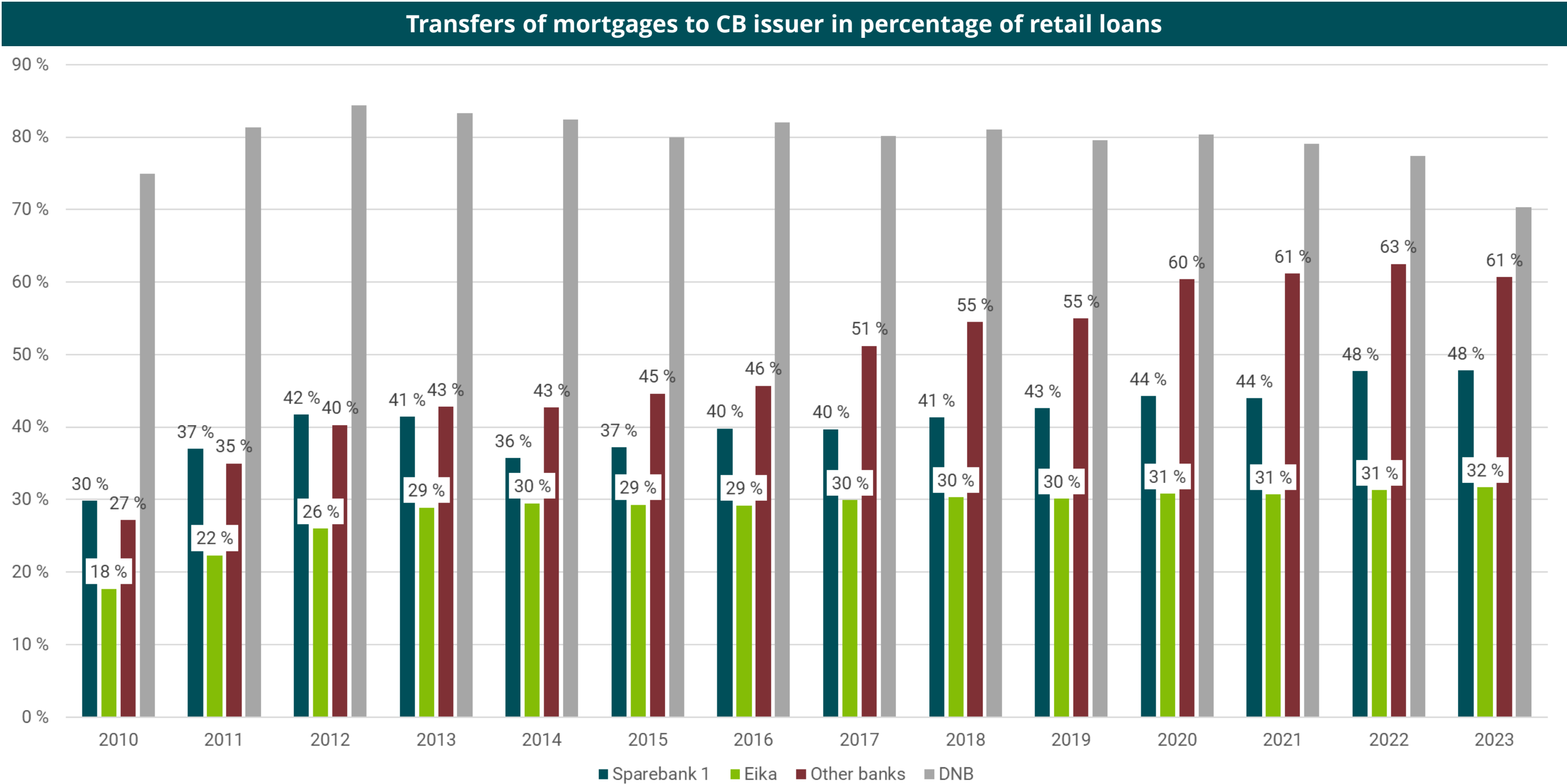
# Quarterly data - P&L and Key figures Eika banks

<i>P&amp;L &amp; balance sheet (NOK mill.)</i>	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Net interest income	1,879	2,107	2,140	2,220	2,387	2,466	2,405	2,430
Net commission income	427	377	411	482	430	443	465	513
Other income	11	8	9	10	10	17	12	10
<b>Total income</b>	<b>2,317</b>	<b>2,493</b>	<b>2,561</b>	<b>2,713</b>	<b>2,827</b>	<b>2,927</b>	<b>2,882</b>	<b>2,953</b>
Personnel and adm. expenses	611	654	637	526	662	747	705	568
Depreciation	53	50	52	57	55	62	59	59
Other costs	484	604	543	559	550	617	576	632
<b>Total costs</b>	<b>1,147</b>	<b>1,308</b>	<b>1,232</b>	<b>1,142</b>	<b>1,268</b>	<b>1,426</b>	<b>1,340</b>	<b>1,259</b>
Core earnings before loan losses	1,169	1,185	1,329	1,571	1,560	1,501	1,542	1,694
Impairment of loans and guarantees	32	128	53	94	152	147	63	112
<b>Core earnings</b>	<b>1,137</b>	<b>1,056</b>	<b>1,275</b>	<b>1,477</b>	<b>1,407</b>	<b>1,353</b>	<b>1,479</b>	<b>1,582</b>
Dividends/associated companies	7	46	15	505	23	-3	18	327
Net return on financial investments	-56	172	7	38	82	80	51	78
One-offs	-26	-149	-84	-107	-138	-151	-19	-20
<b>Pre tax profit</b>	<b>1,062</b>	<b>1,125</b>	<b>1,213</b>	<b>1,912</b>	<b>1,374</b>	<b>1,280</b>	<b>1,529</b>	<b>1,968</b>
Taxes	253	223	300	349	331	306	374	396
<b>Net profit</b>	<b>810</b>	<b>902</b>	<b>913</b>	<b>1,563</b>	<b>1,042</b>	<b>974</b>	<b>1,155</b>	<b>1,572</b>
Gross loans	301,644	305,115	309,316	316,512	320,101	323,114	327,111	335,423
Gross loans incl. BK	402,317	408,003	413,027	421,463	427,437	432,701	437,826	448,794
Deposits	256,917	256,150	262,206	269,837	268,731	268,461	272,191	282,255
Equity	45,625	47,655	47,878	49,229	50,251	52,070	52,494	53,308
Total assets	371,686	374,533	382,441	391,735	394,078	398,450	403,927	415,811
Total assets incl. BK	472,360	477,421	486,151	496,686	501,414	508,038	514,642	529,182
Growth in loans (in %)	1.3 %	1.2 %	1.4 %	2.3 %	1.1 %	0.9 %	1.2 %	2.5 %
Growth in loans incl. BK (in %)	1.6 %	1.4 %	1.2 %	2.0 %	1.4 %	1.2 %	1.2 %	2.5 %
Growth in deposits (in %)	-0.8 %	-0.3 %	2.4 %	2.9 %	-0.4 %	-0.1 %	1.4 %	3.7 %

<i>Key figures</i>	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Deposit ratio	85.2 %	84.0 %	84.8 %	85.3 %	84.0 %	83.1 %	83.2 %	84.1 %
Deposit over total funding	79.6 %	79.1 %	79.2 %	79.5 %	78.9 %	78.3 %	78.4 %	78.5 %
(Market funding - Liquid assets)/Total assets	3.5 %	3.8 %	3.7 %	3.4 %	4.2 %	4.2 %	4.7 %	4.2 %
Liquid assets/Total assets	14.2 %	14.2 %	14.3 %	14.4 %	14.1 %	14.5 %	13.9 %	14.3 %
Market funds/Total assets	17.8 %	18.0 %	18.0 %	17.8 %	18.2 %	18.7 %	18.6 %	18.5 %
Equity ratio	12.3 %	12.7 %	12.5 %	12.6 %	12.8 %	13.1 %	13.0 %	12.8 %
Common Equity Tier 1 ratio (CET1)	19.5 %	20.5 %	20.4 %	19.7 %	19.5 %	20.8 %	20.4 %	19.6 %
Core capital ratio	20.7 %	21.7 %	21.7 %	20.9 %	20.6 %	22.1 %	21.6 %	20.9 %
Capital ratio	22.5 %	23.4 %	23.3 %	22.5 %	22.4 %	23.6 %	23.3 %	22.7 %
Loan loss provision ratio	0.04 %	0.17 %	0.07 %	0.12 %	0.19 %	0.18 %	0.08 %	0.13 %
Loan loss provision/Pre-provision income	2.9 %	9.1 %	3.9 %	4.5 %	9.2 %	9.3 %	3.9 %	5.3 %
Gross problem loans/Gross loans	1.05 %	1.08 %	1.13 %	1.22 %	1.43 %	1.54 %	1.70 %	1.64 %
Net problem loans/Gross loans	0.81 %	0.84 %	0.89 %	0.99 %	1.17 %	1.28 %	1.43 %	1.36 %
Loan loss reserves/Gross loans	0.46 %	0.47 %	0.48 %	0.47 %	0.51 %	0.51 %	0.51 %	0.51 %
Problem loans/(Equity + LLR)	6.7 %	6.7 %	7.1 %	7.6 %	8.8 %	9.3 %	10.3 %	10.0 %
Net interest income/total assets	2.02 %	2.26 %	2.26 %	2.29 %	2.43 %	2.49 %	2.40 %	2.37 %
Net commission income/total assets	0.46 %	0.40 %	0.43 %	0.50 %	0.44 %	0.45 %	0.46 %	0.50 %
Loss provision ratio	0.04 %	0.17 %	0.07 %	0.12 %	0.19 %	0.18 %	0.08 %	0.13 %
Cost/income ratio	50.6 %	48.3 %	47.7 %	35.1 %	43.2 %	47.5 %	45.4 %	37.5 %
Cost/income ratio (adjusted for net financing costs)	49.4 %	51.5 %	47.8 %	35.5 %	44.5 %	48.8 %	46.2 %	38.4 %
Cost/income ratio (adj. for net financing costs and taxes)	49.5 %	52.5 %	48.1 %	42.1 %	44.8 %	48.7 %	46.5 %	42.6 %
Net profit in % of total assets	0.87 %	0.24 %	0.24 %	0.40 %	0.27 %	0.25 %	0.29 %	0.38 %
Net profit/average RWA	1.80 %	1.99 %	2.00 %	3.35 %	2.19 %	2.01 %	2.34 %	3.11 %
Pre-provision income/average RWA	2.49 %	3.10 %	2.95 %	4.53 %	3.49 %	3.26 %	3.27 %	4.15 %
Core earnings in % of average RWA	2.52 %	2.32 %	2.77 %	3.12 %	2.93 %	2.78 %	2.96 %	3.09 %
Return on equity	7.2 %	7.7 %	7.6 %	12.9 %	8.4 %	7.6 %	8.8 %	11.9 %

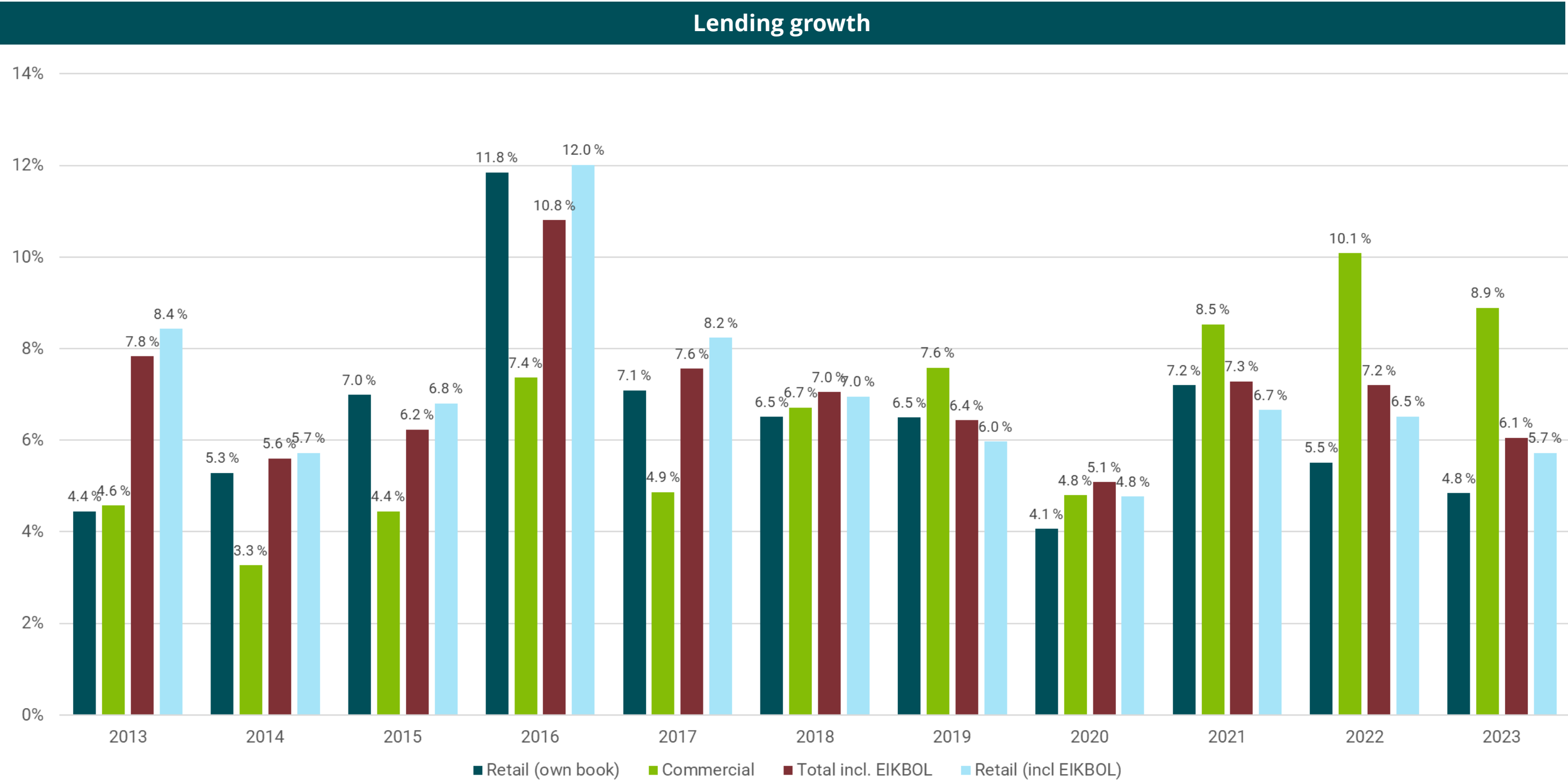
Source: Bank Analyst Eika

# Banks – transfer rate to Covered Bond companies



Source: Bank Analyst Eika

# Eika banks - lending growth



Source: Bank Analyst Eika

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