

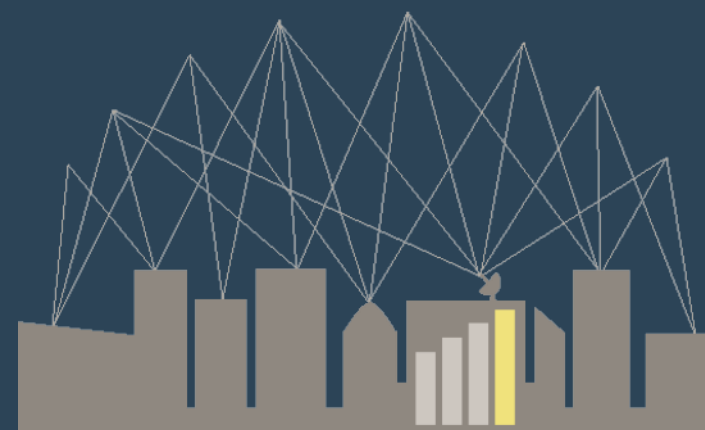


Gjensidige

Gjensidige Bank

Investor Presentation Q4 2018

January 2019

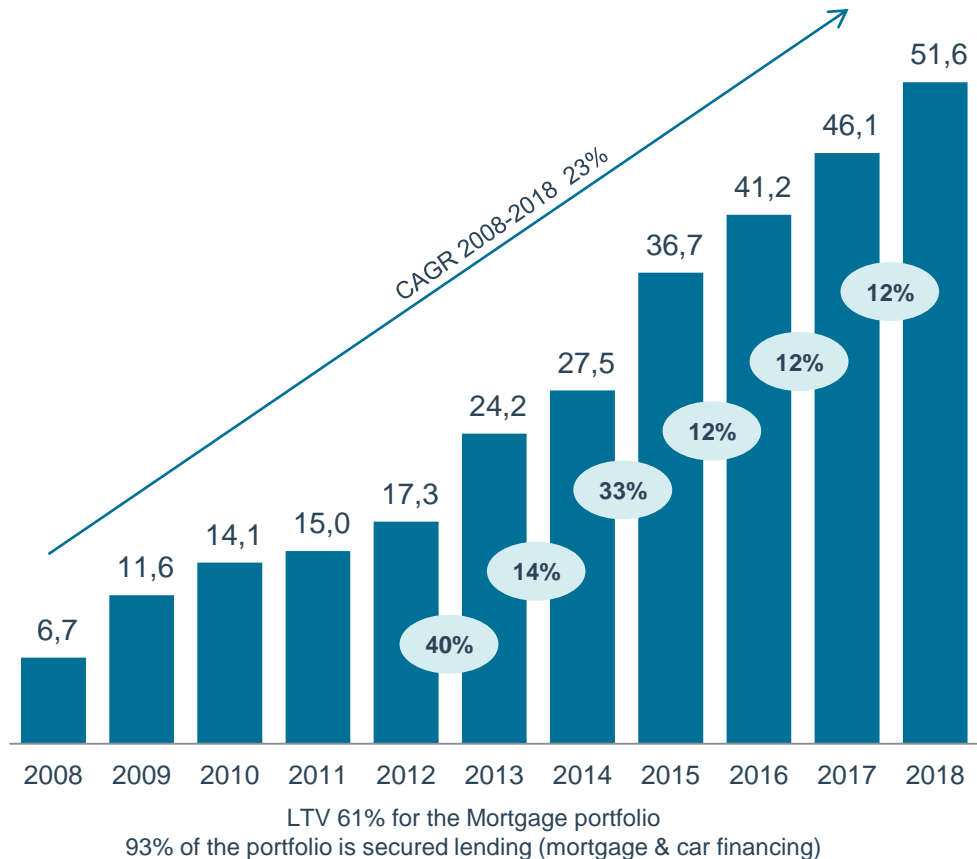




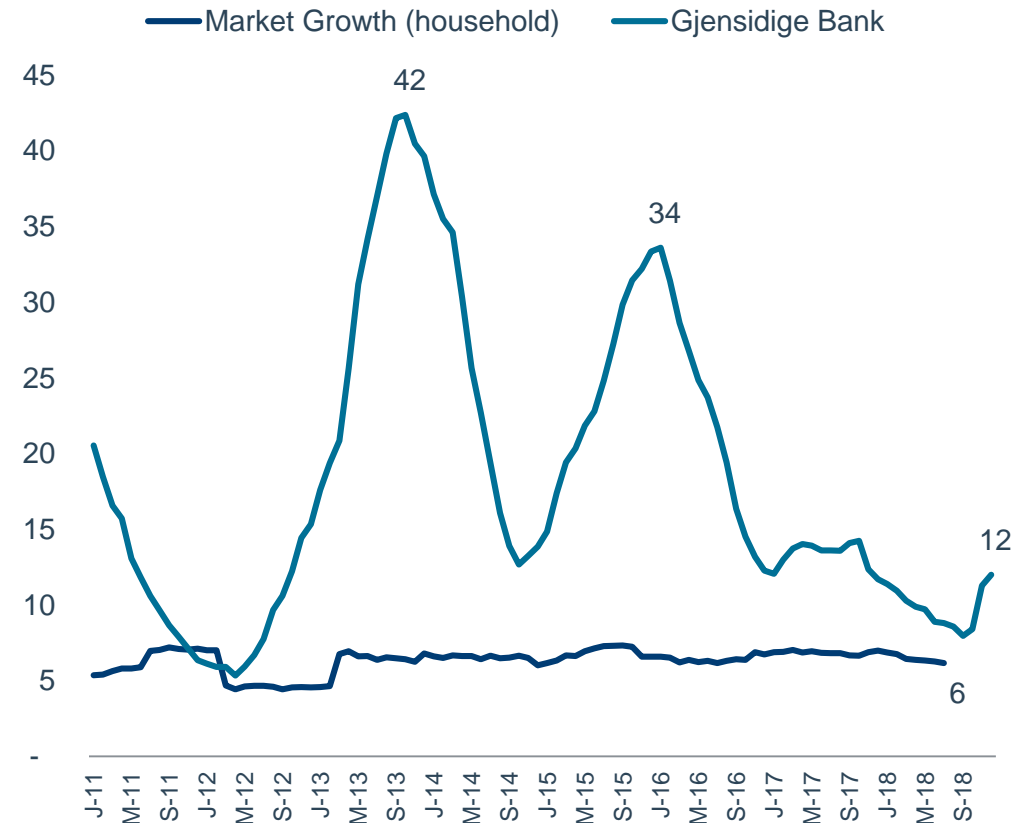
Customer assets

12 per cent growth in customer asset YoY

Customer assets (NOKbn)



Household lending growth (%)

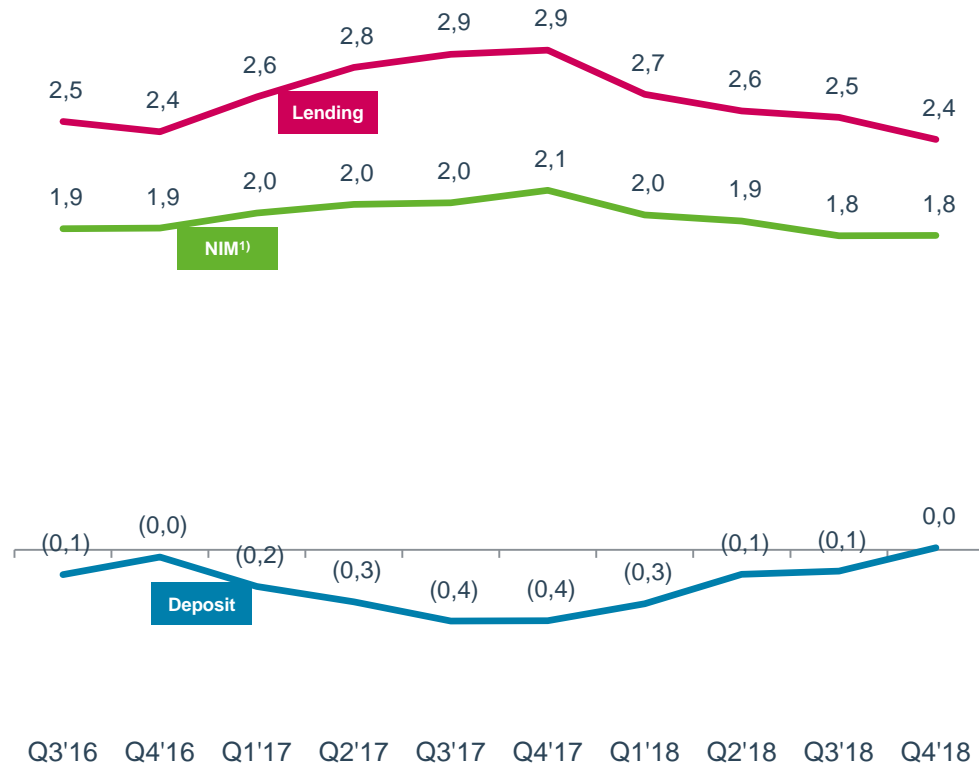


Source: Statistics Norway, Household 12 months percentage growth

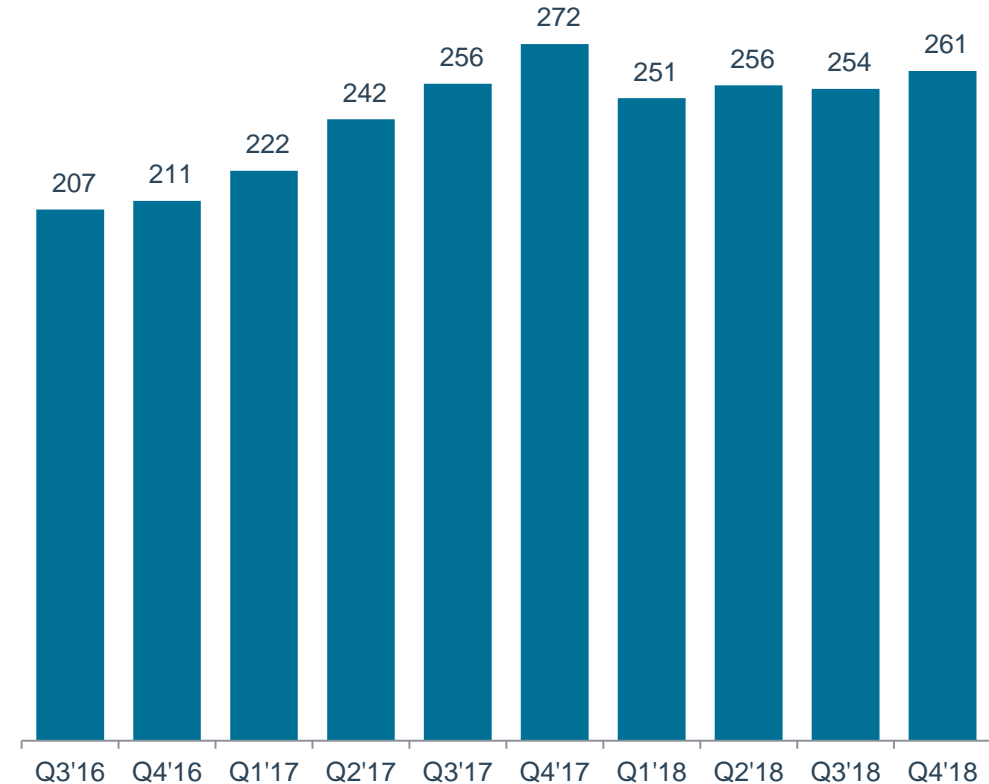


Development in net interest income and interest rate spreads

Average interest rate spreads (%)



Net interest income (NOKm)



Lending & Deposit Spread Definition: Average customer interest rate against 3-month moving average for 3-month NIBOR.

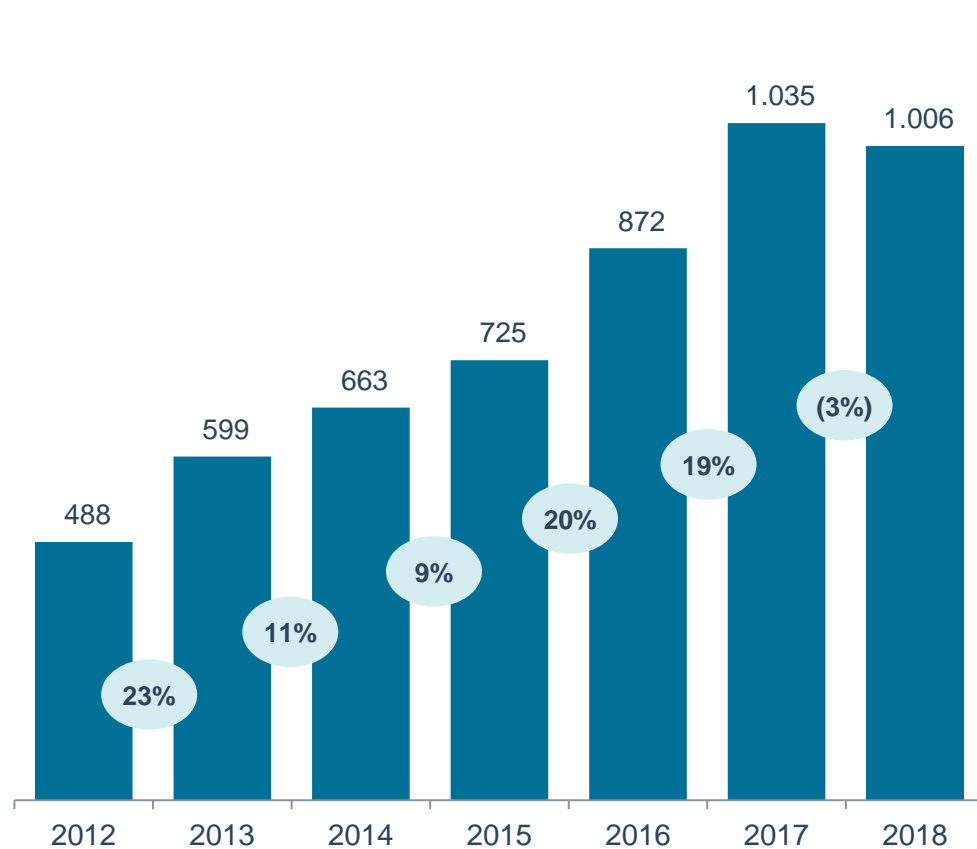
1) NIM = Total net interest income in per cent of average total asset



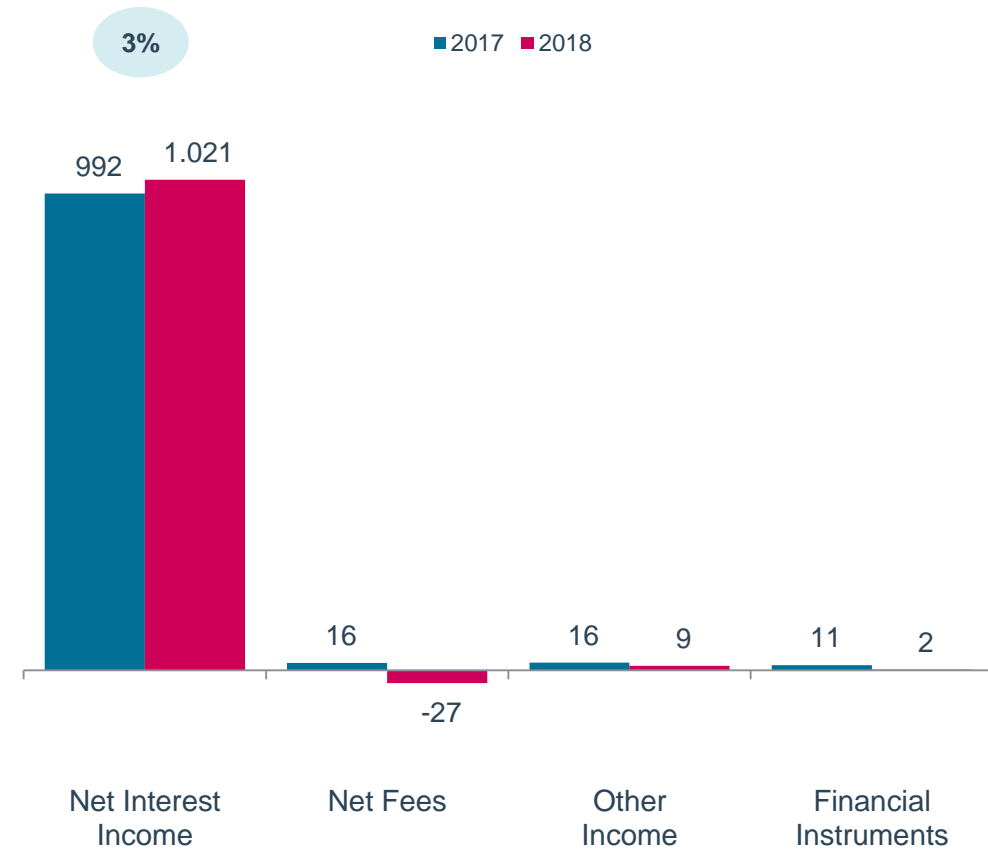
Total income

Full year 2018 income down by NOK 30m or 3 per cent from prior year

Total income (NOKm)



Full year total income by type (NOKm)

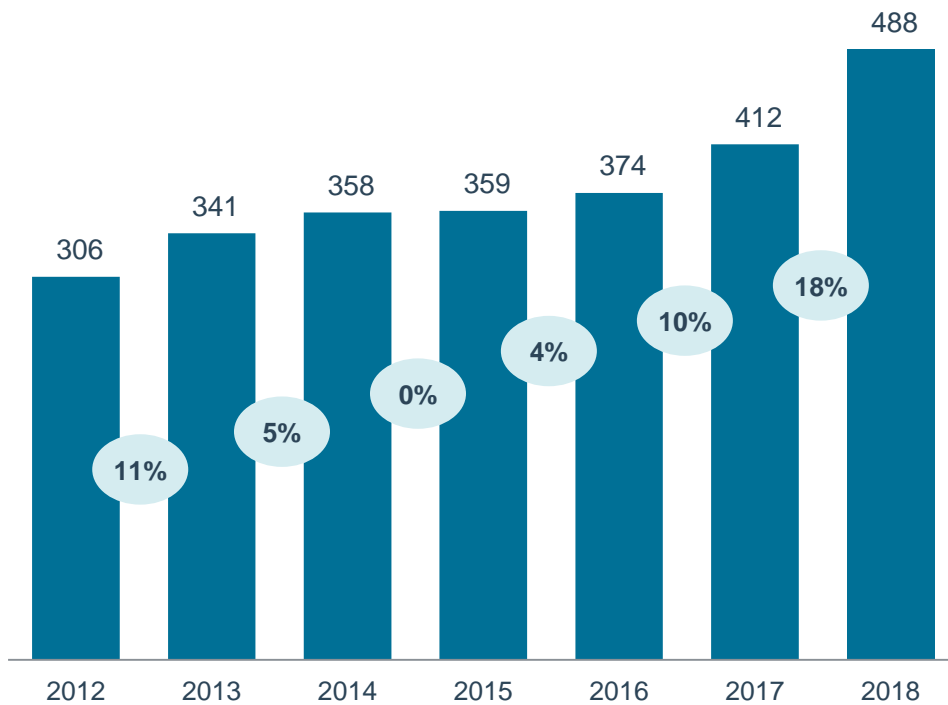




Total expenses

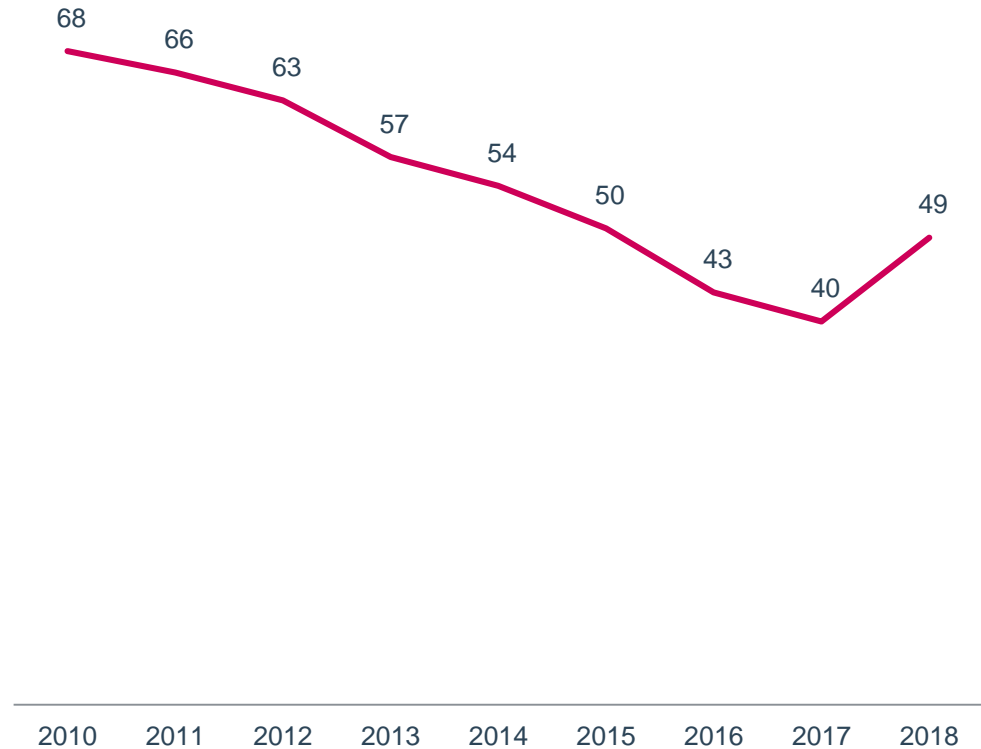
Full year 2018 expenses NOK 76m or 18 per cent higher than prior year

Total expenses (NOKm)



Extraordinary events: 2013 launch of car finance, 2017 Merger with Gjensidige Investeringsrådgivning, 2018 Termination of the distribution agreement through the financial offices in Gjensidige's Private division, costs related to sale of the business to Nordea.

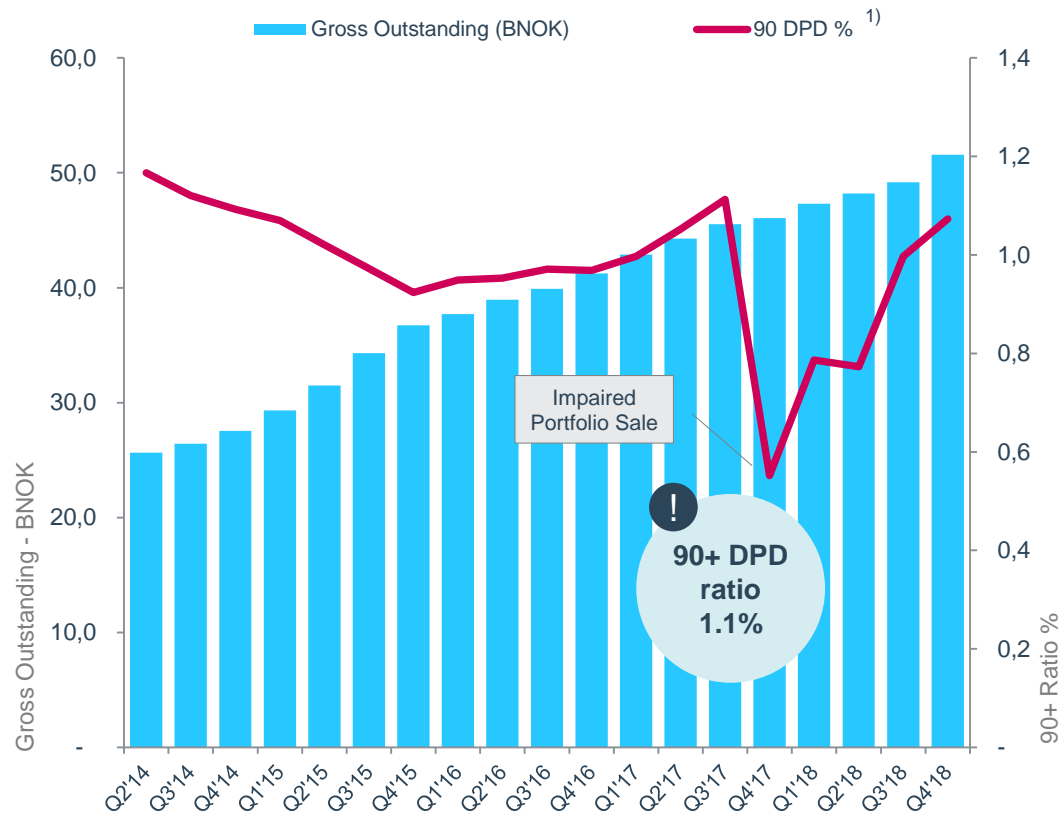
Cost / Income ratio (%)



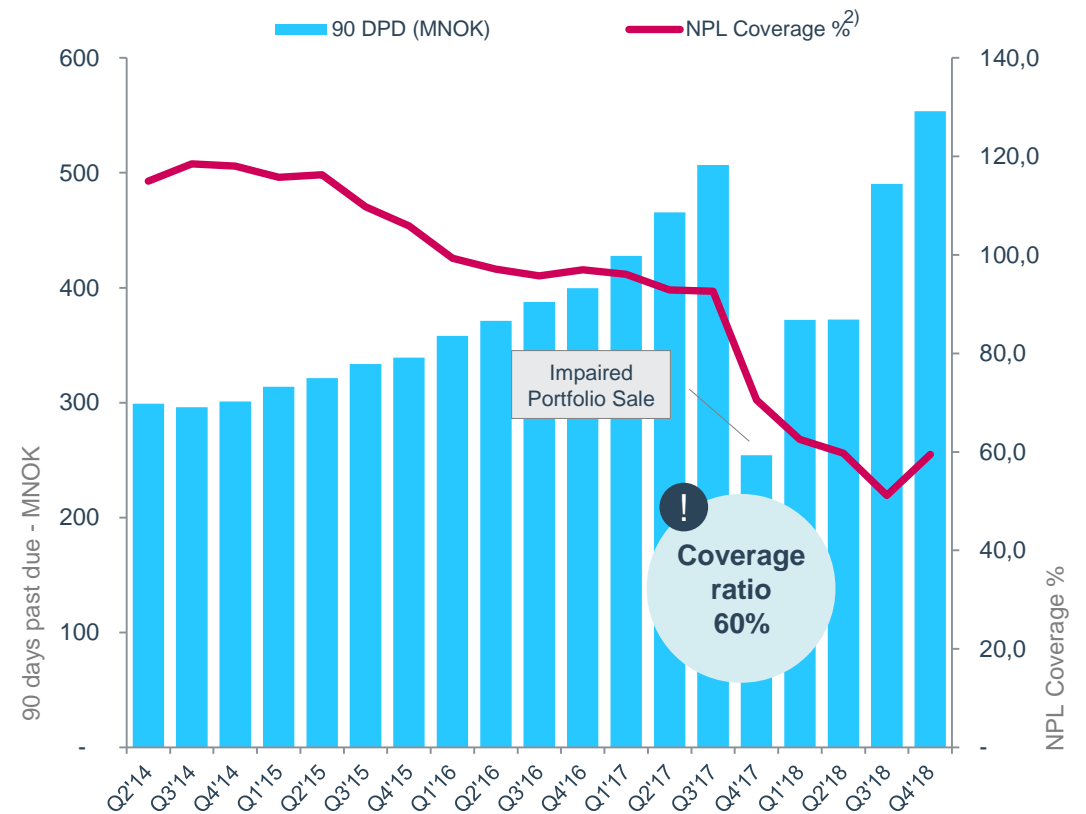


Credit performance

90+ DPD ratio (%)



Coverage ratio (%)

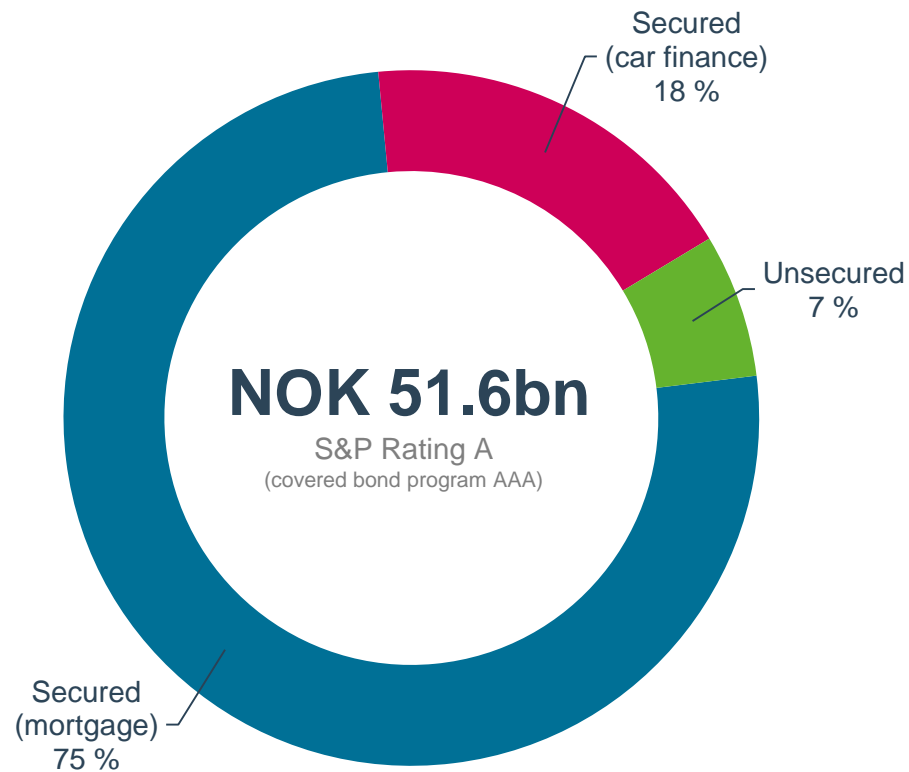


1) Coverage ratio: Loan loss reserves / 90+ DPD loans

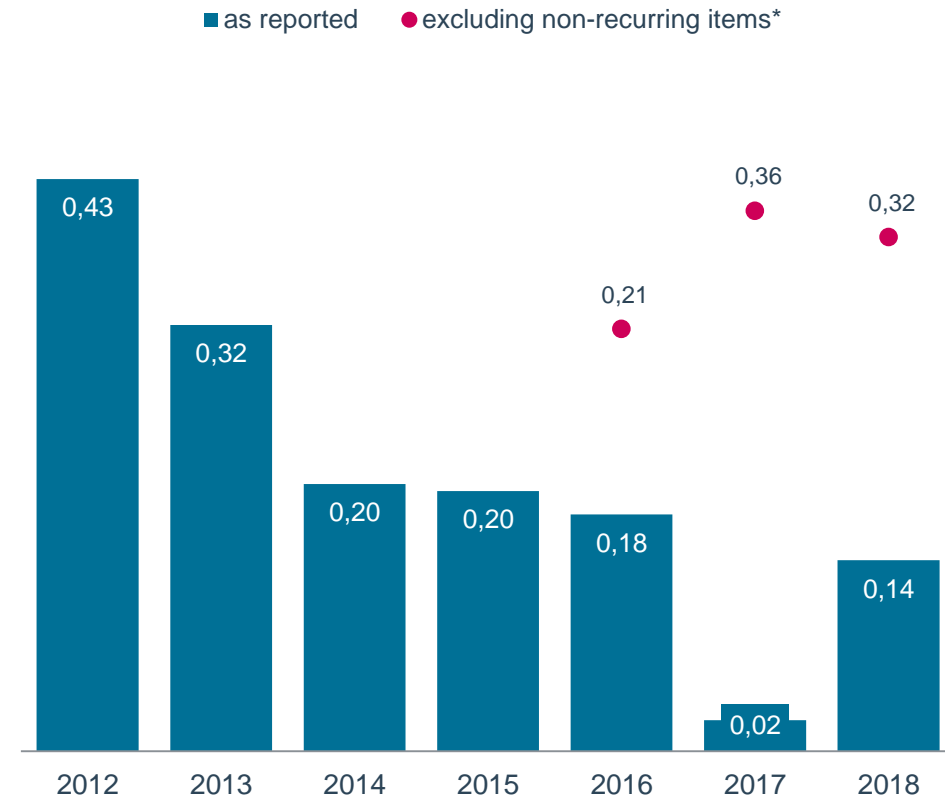


Gross outstanding loans & loan loss development per 31.12.2018

Gross outstanding by product (%)



Write-downs and losses (%)



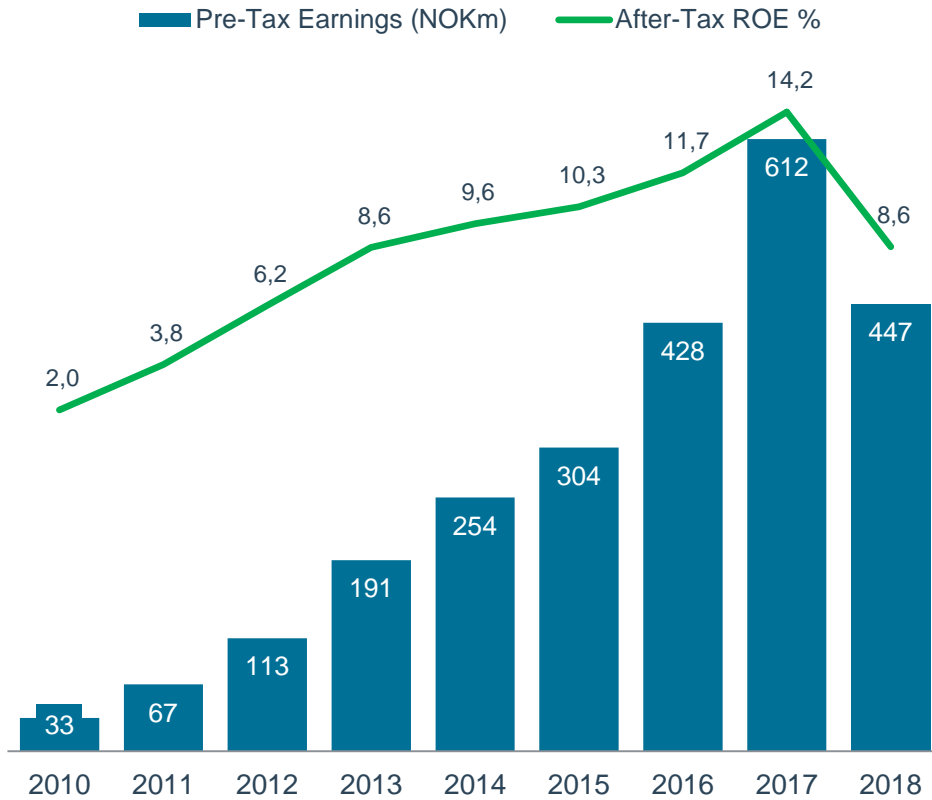
*Non-recurring items: 2016 impaired portfolio sale, 2017 impaired portfolio sale, PD & LGD change, 2018 impaired and written-off portfolio sale, a correction in individual loan loss provisioning.



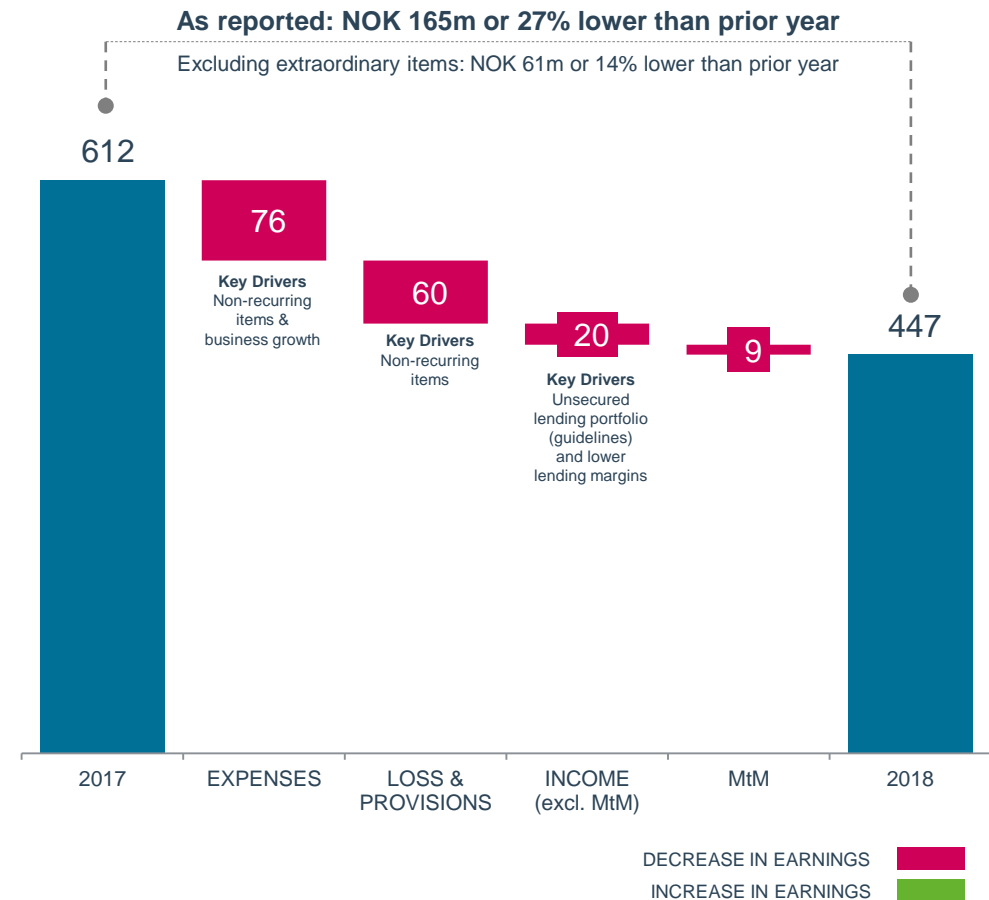
Earnings performance

Full year 2018 earnings of NOK 447m, NOK 165m or 27 per cent lower than prior year

Full year earnings and ROE

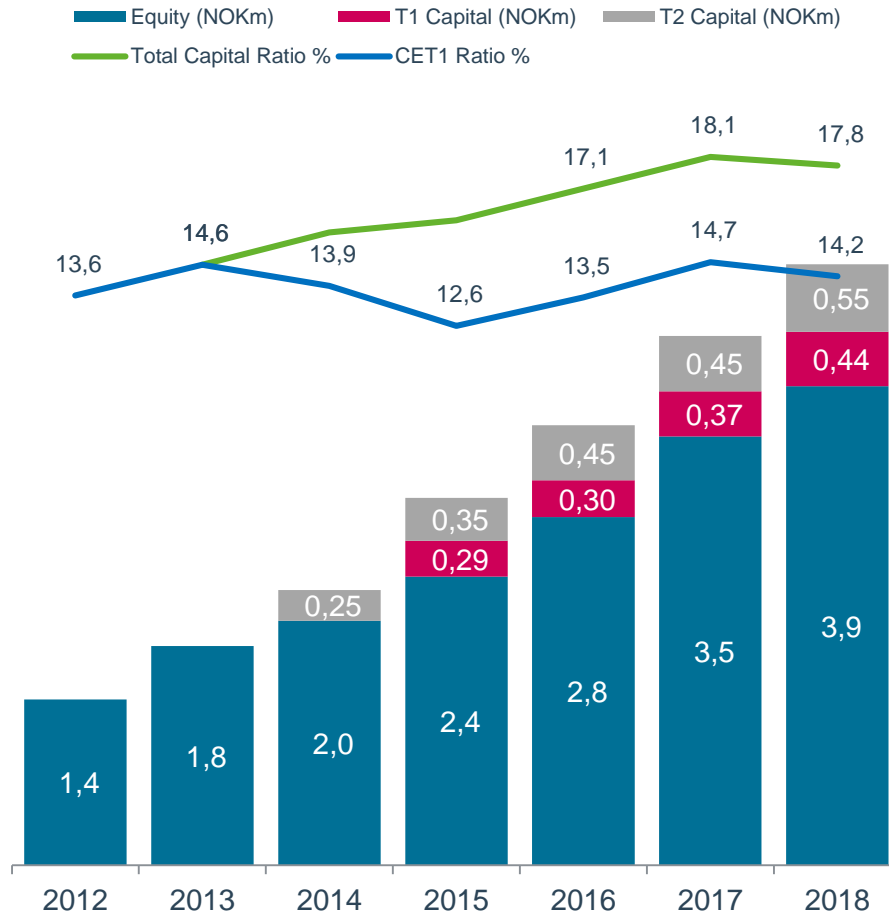


YoY earnings change (NOKm)





Capital development



- CET 1 Ratio 14.2 per cent

- S&P RAC Ratio 23.1 per cent (as of December 2017)
- CET1 Risk limit 13.5% (incl. Pillar II requirement of 1.5%)
- CET1 Target level 14.0% (incl. mgmt buffer of 0.5%)

- The bank is using the standardized approach for calculating risk weighted assets:

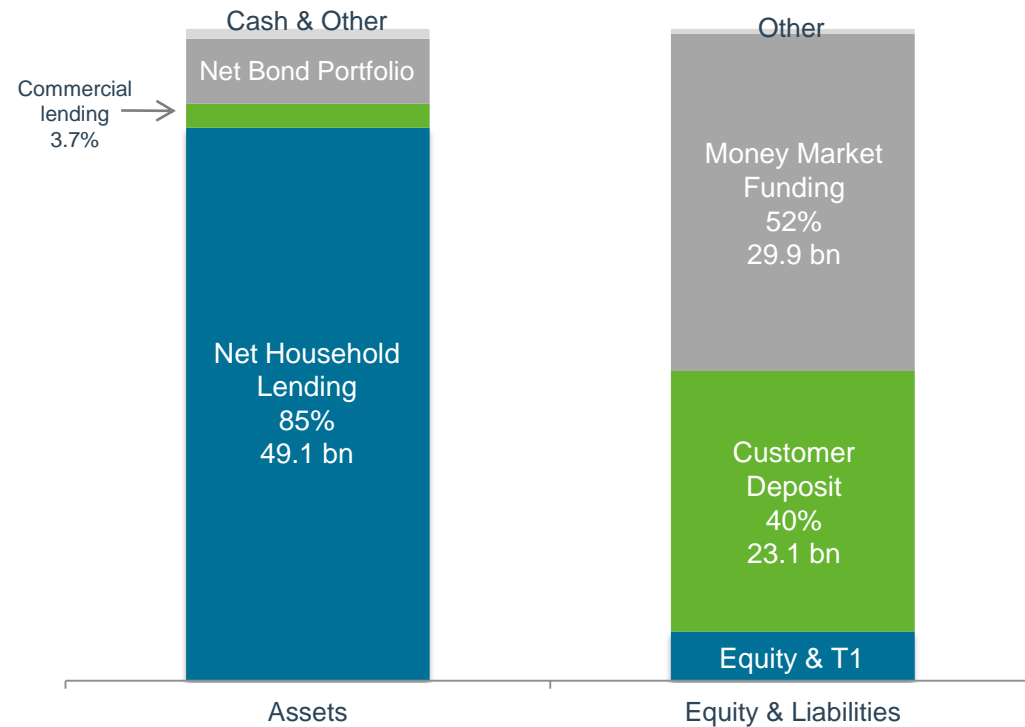
- Mortgage book 35%, Unsecured loans 75%, Car Finance 75%, Commercial 100%

- Leverage Ratio 7.3% (CRD IV)

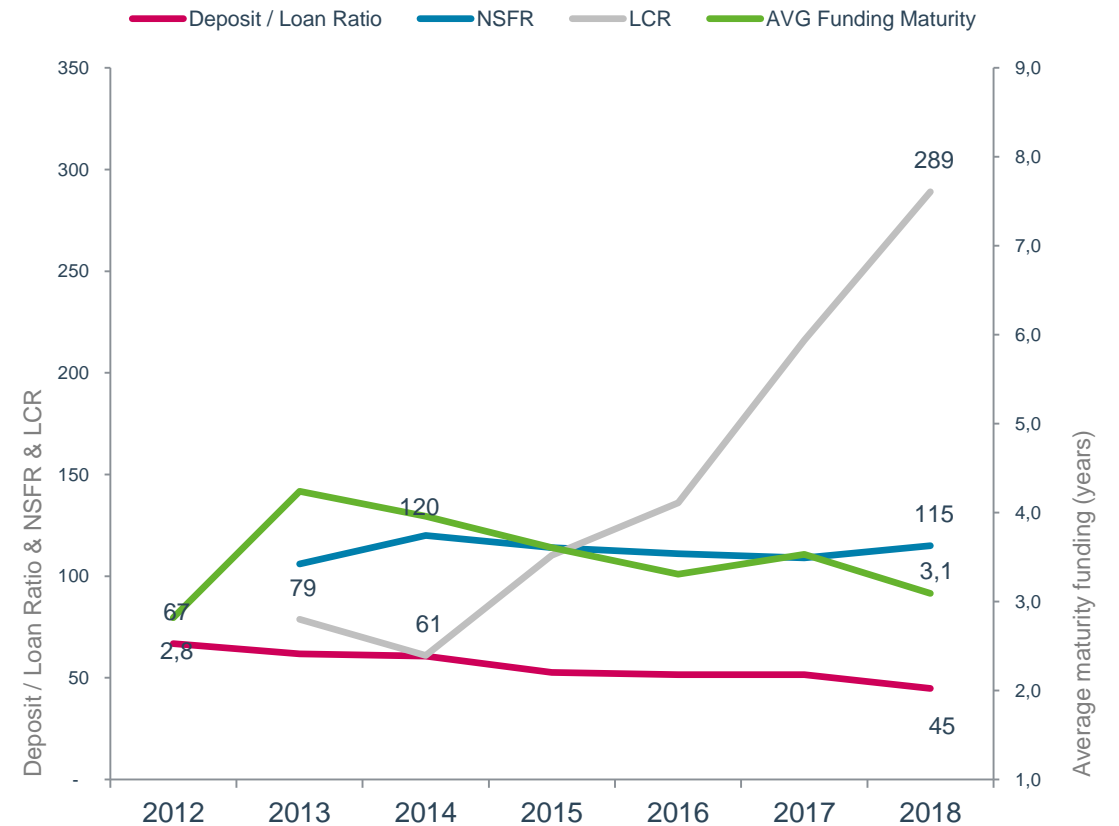


Loans and funding structure per 31.12.2018

Balance sheet NOK 57.9bn

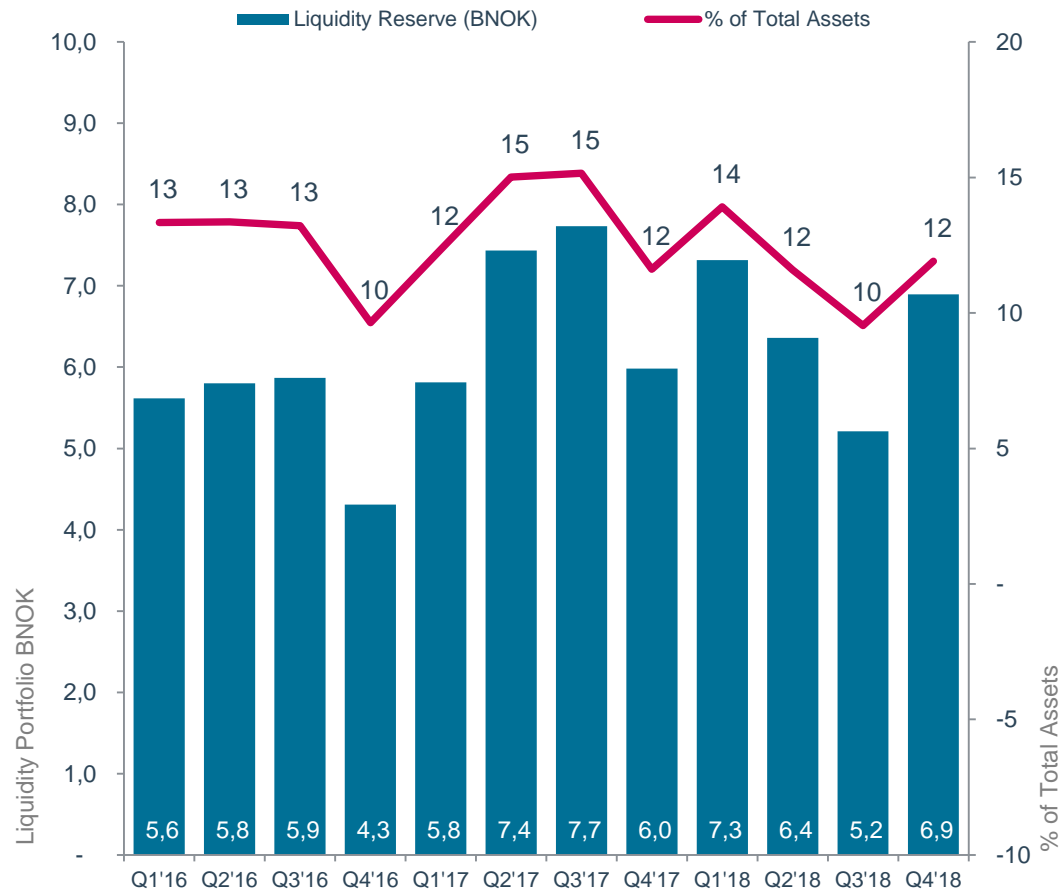


Liquidity indicators and funding maturity (%)





Development in liquidity reserve per 31.12.2018

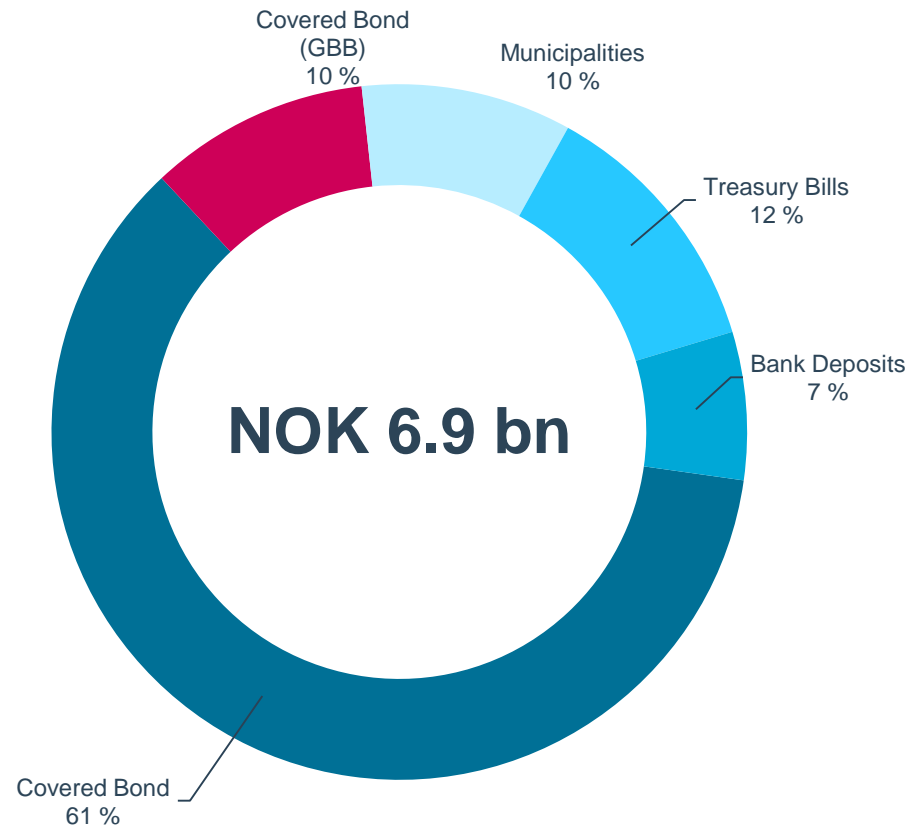


- Liquidity buffer amounting to NOK 6.9 bn and representing 12% of total assets.
- Covers debt payments the next 22 months.
- Liquidity reserve placements are managed through:
 - SLA with Gjensidige Forsikring
 - LCR focused investment mandate
 - NOK limits per counterpart
 - Max 3.5 year average maturity on bond portfolio

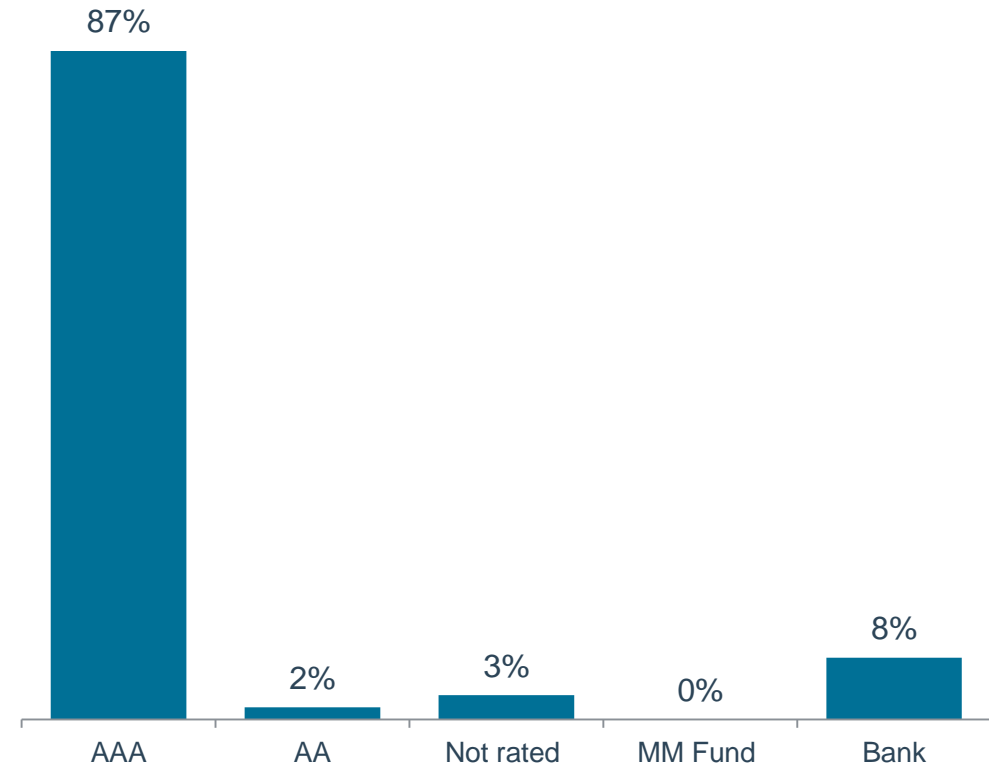


High quality liquidity reserve per 31.12.2018

Liquidity portfolio by asset type (%)



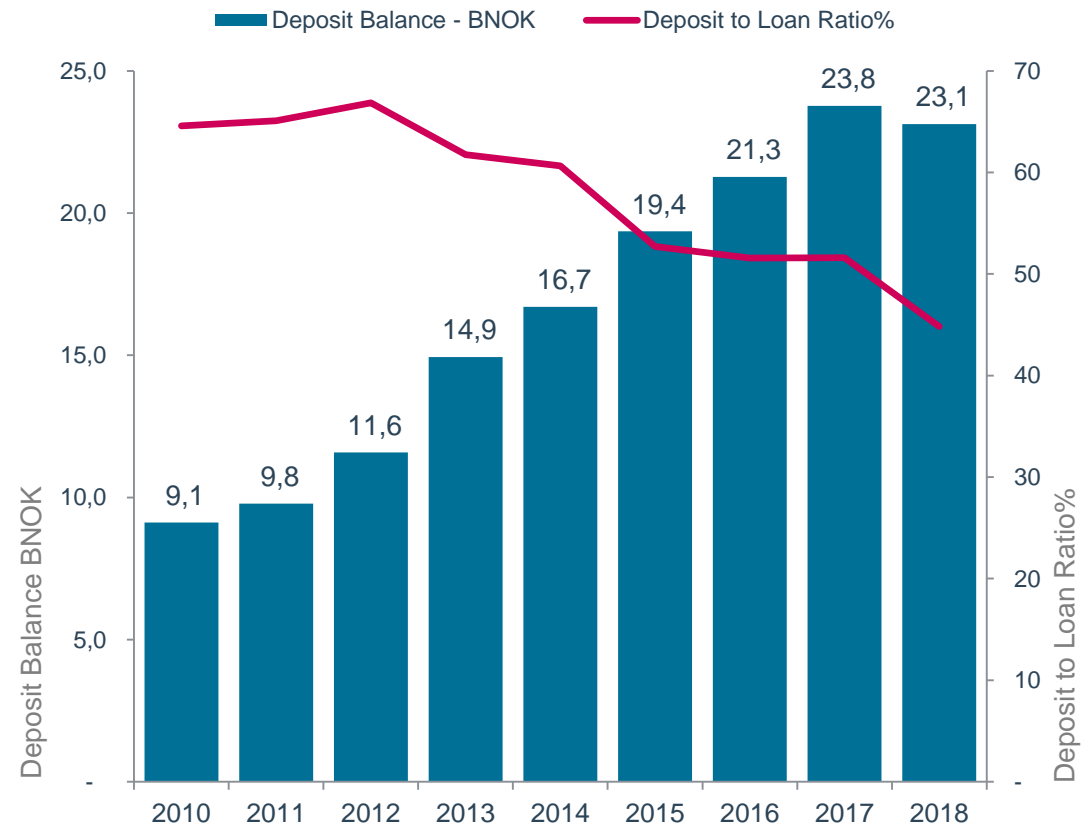
Liquidity portfolio distribution (%)



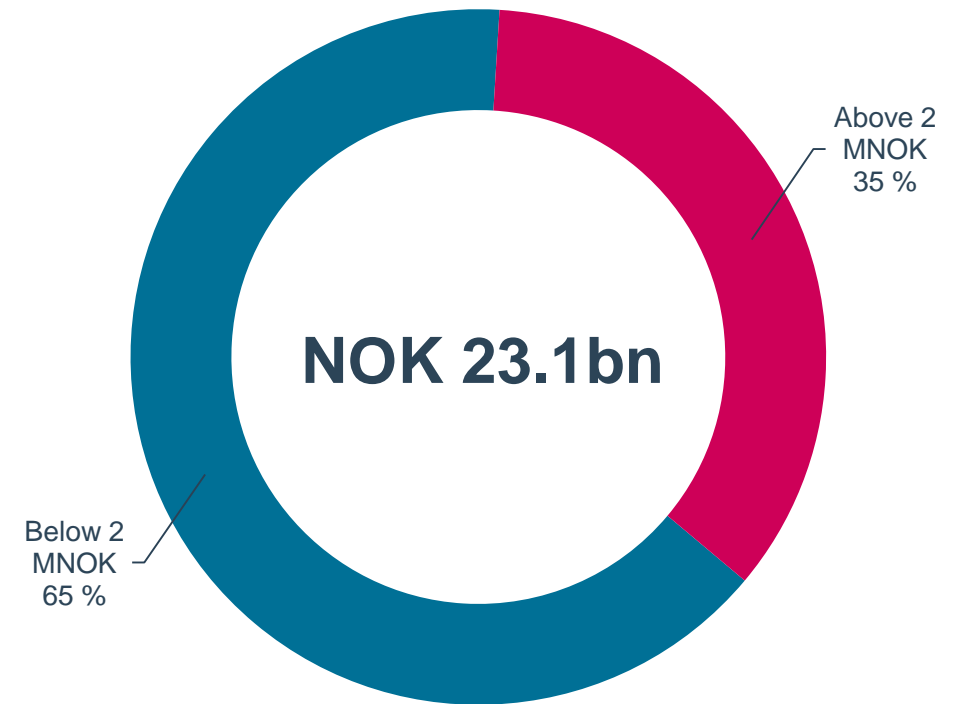


Development in deposits per 31.12.2018

Deposit development (NOKbn)



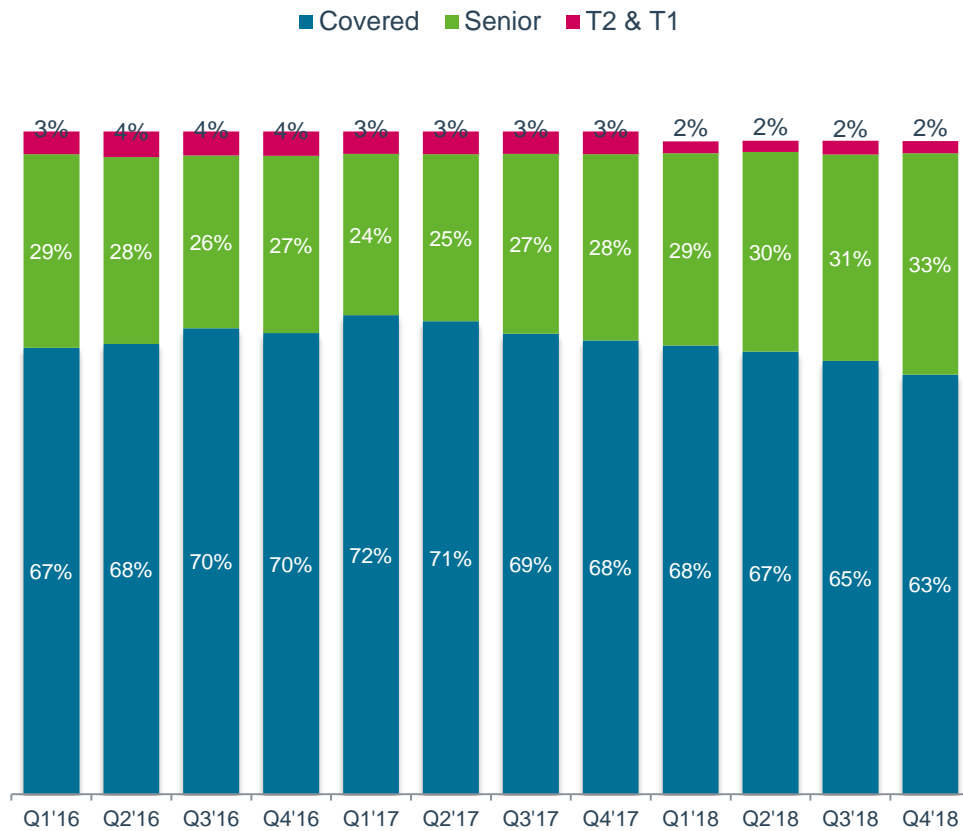
Deposit mix (%)





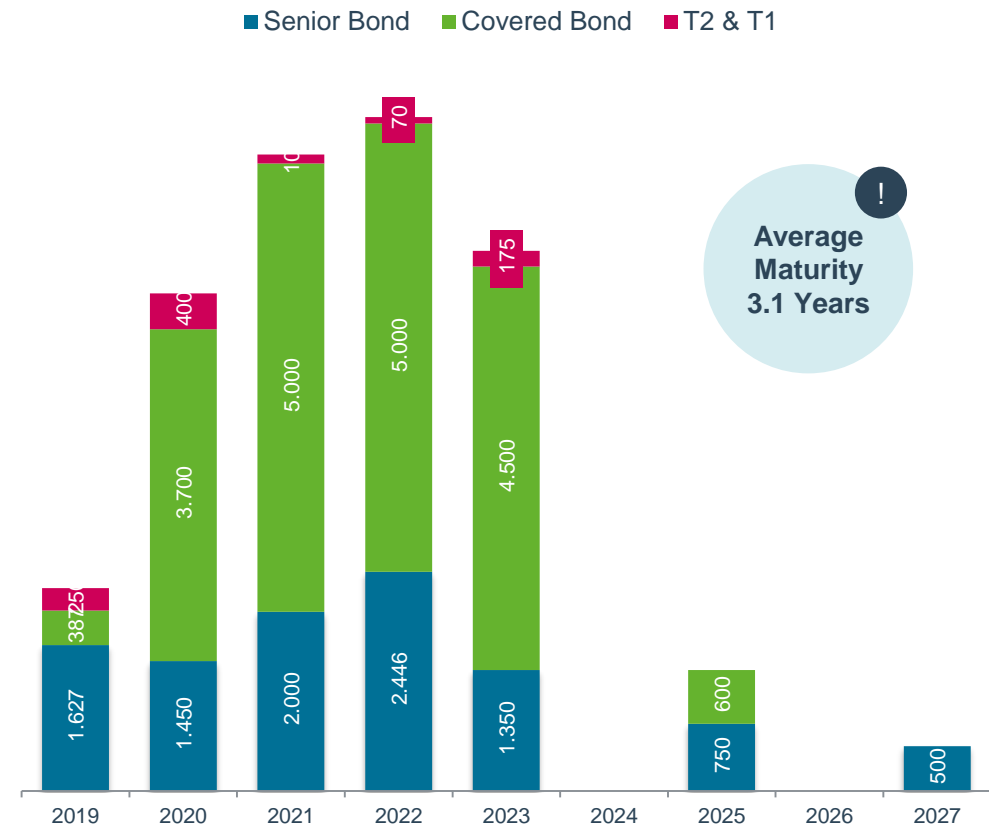
Money market funding and maturity profile per 31.12.2018

Development in market liabilities NOK 29.9bn (%)



Currency exposure SEK 196m, 100% of the exposure is hedged.

Maturity profile (NOKm)



Average Maturity
3.1 Years

Tier 1 and Tier 2 capital presented at first call date.



Gjensidige Bank Group

Full year and Q4 financials

Million NOK	Q4'17	Q4'18	B/(W)	B/(W) %
Net Interest Income	272	261	(11)	(4%)
Total Income	264	243	(21)	(8%)
Expenses	118	149	(31)	(27%)
Provisioning & Losses	(101)	79	(181)	(178%)
Pre-Tax Earnings	248	15	(233)	(94%)
Pre-Tax Earnings (normalized)	100	75	(25)	(25%)
Customer Assets	46,056	51,582	5,526	12%
Customer Deposits	23,766	23,123	(643)	(3%)
Net Interest Margin ¹⁾	2.4%	2.1%	(30 bps)	
After-Tax ROE	21.1%	0.7%	(2,036 bps)	
Cost / Income Ratio	45%	61%	(1,665 bps)	

Full Year 2017	Full Year 2018	B/(W)	B/(W) %
992	1,021	29	3%
1,035	1,006	(30)	(3%)
412	488	(76)	(18%)
10	70	(60)	(577%)
612	447	(165)	(27%)
445	384	(61)	(14%)
46,056	51,582	5,526	12%
23,766	23,123	(643)	(3%)
2.3%	2.1%	(15 bps)	
14.2%	8.6%	(552 bps)	
40%	49%	(872 bps)	

1) Net interest margin = net interest income/average customer assets



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