



Gjensidige

Gjensidige Bank

Investor Presentation 2013

12. November 2013



Agenda



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Gjensidige Bank in Brief



- Gjensidige Bank is wholly-owned by Gjensidige Forsikring ASA.
- Gjensidige Bank ASA was launched in 2007.
- Gjensidige Bank Boligkreditt AS was established in the spring of 2009.
- As of September 2013, GB employed 134 FTEs
- The Bank targets customers in the private and the agricultural market.
- The bank offers traditional banking products such as current accounts, savings products and secured and unsecured loans.
- Online Bank products are distributed via the call centre, mobile, tablet, group portal, and the group's 20 financial offices.
- Approximately 104,000 customers (as of September 2013)

KEY FINANCIALS YTD SEPTEMBER 2013

CORE T1 RATIO

13.2
per cent

PRE-TAX ROE¹⁾

12.3
per cent

CUSTOMER ASSETS

23.2
billion

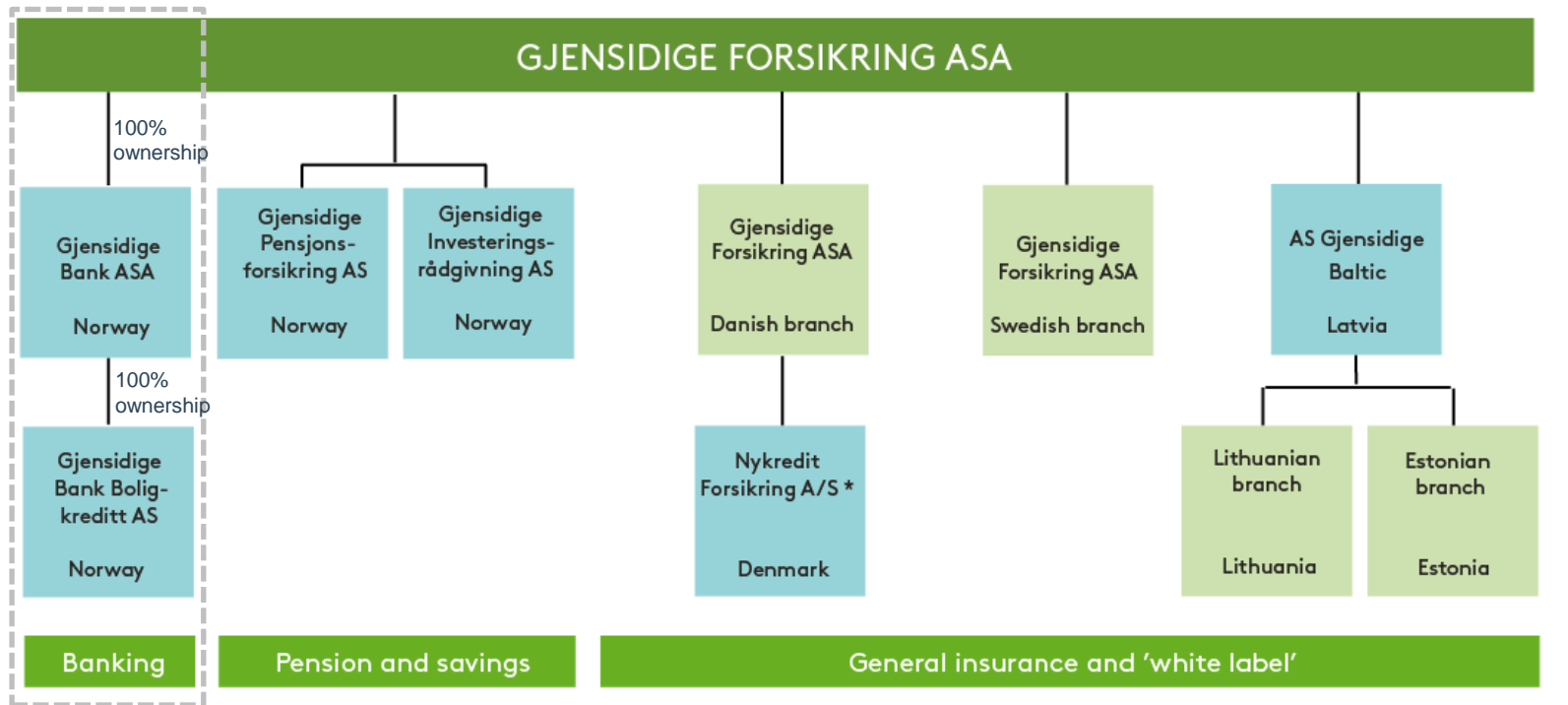
CUSTOMER DEPOSITS

13.0
billion



Ownership Structure

100% owned by Gjensidige Forsikring ASA



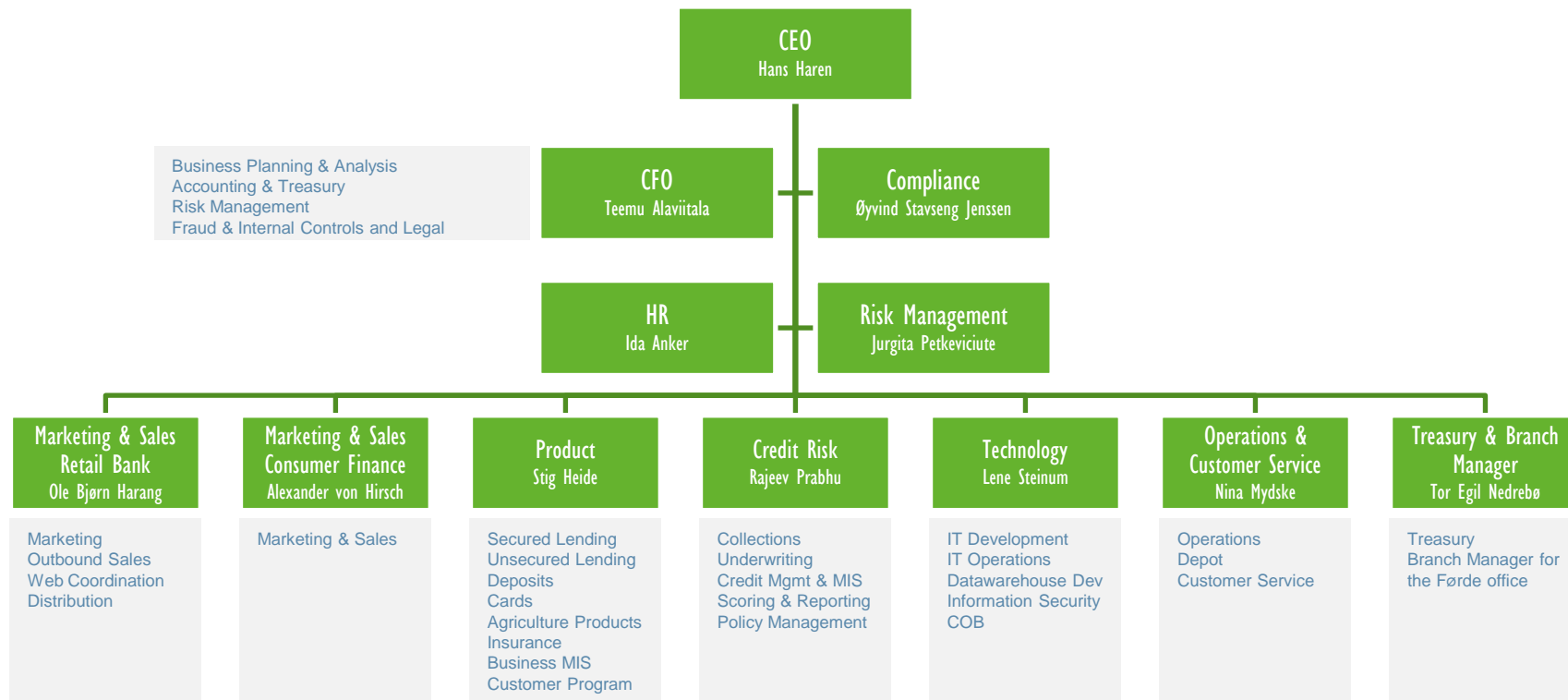
The figure shows principal operational subsidiaries and branches in Gjensidige

* Nykredit Forsikring A/S are owned by Gjensidige Forsikring ASA, but run by the Danish branch

- Owned through holding company
- Branch
- Subsidiary

Gjensidige Bank ASA

Organization



Financials targets and outcome



	TARGET	FULL YEAR 2012	YTD ²⁾ 2013
Pre-Tax Earnings & ROE	Support the Groups target for return on equity	NOK 113 m 8.7 %	NOK 141 m 12.3 %
C/I Ratio	YoY Improvement	63 %	57 %
YoY Customer Footings Growth ¹⁾	Above average market growth	Assets 15% Deposits 18%	Assets 42% Deposits 21%
Capital Adequacy Ratio	>13.5 %	13.6 % (Common Equity Tier 1 Capital)	13.2 % (Common Equity Tier 1 Capital)
S&P Rating	>BBB+ (Covered Bond Program >AA+)	BBB+ (Covered Bond Program AA+)	A- (Covered Bond Program AAA)

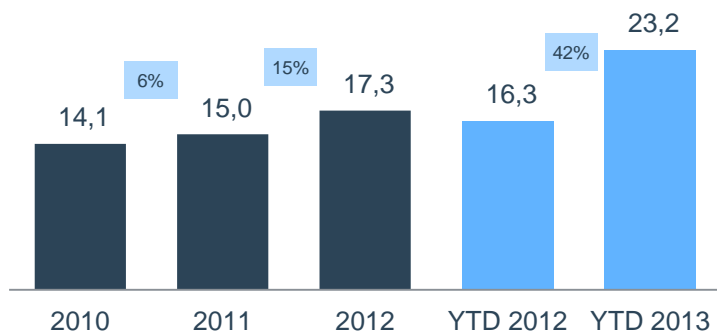
1) Customer Footings = Total of Customer Assets & Customer Deposits

2) September YTD

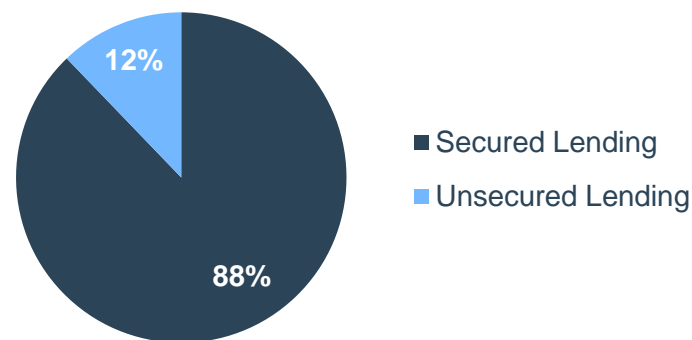
Strong growth in customer footings ¹⁾



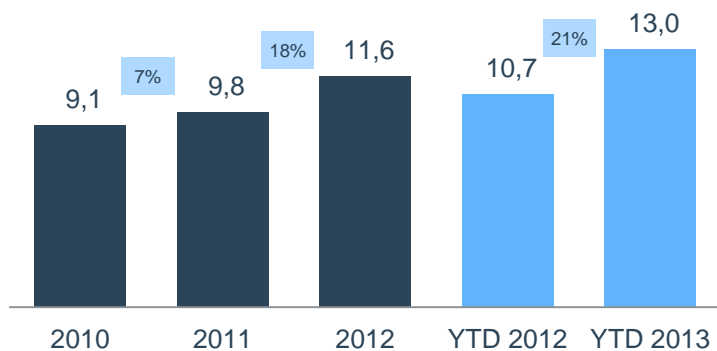
Customer Assets (NOKbn)



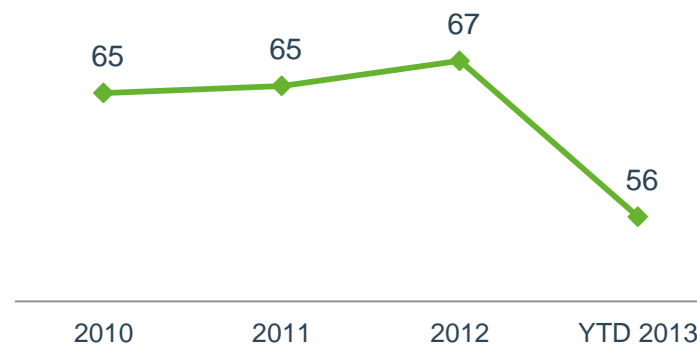
Private Customer Lending Split



Customer Deposits (NOKbn)

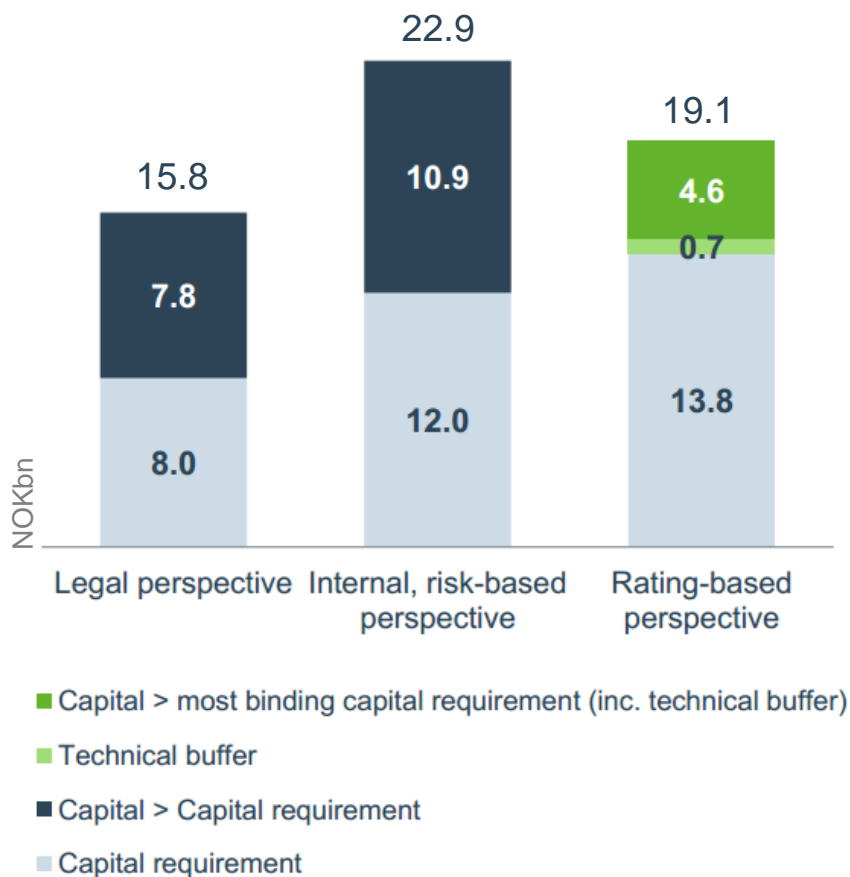


Deposit to Loan Ratio



1) Customer Footings = Total of Customer Assets & Customer Deposits

Gjensidige Forsikring ASA Group Capital Position per 30.9.2013



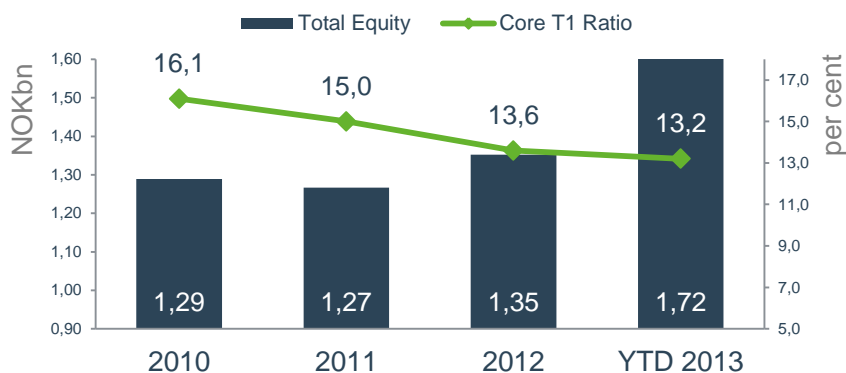
- The bank has unique position being part of the well capitalized group...
- ... as a consequence, the bank has been able to grow its customer asset base by 42% YoY and maintain Core T1 ratio well above regulatory requirement.
- The bank's core capital increased by 266 million during the second quarter, due to the growth of the business and the new capital regulations.

Gjensidige Bank is Strongly Capitalized

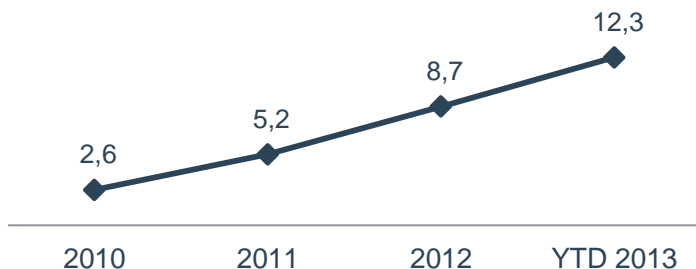
per 30.9.2013



Capital Adequacy

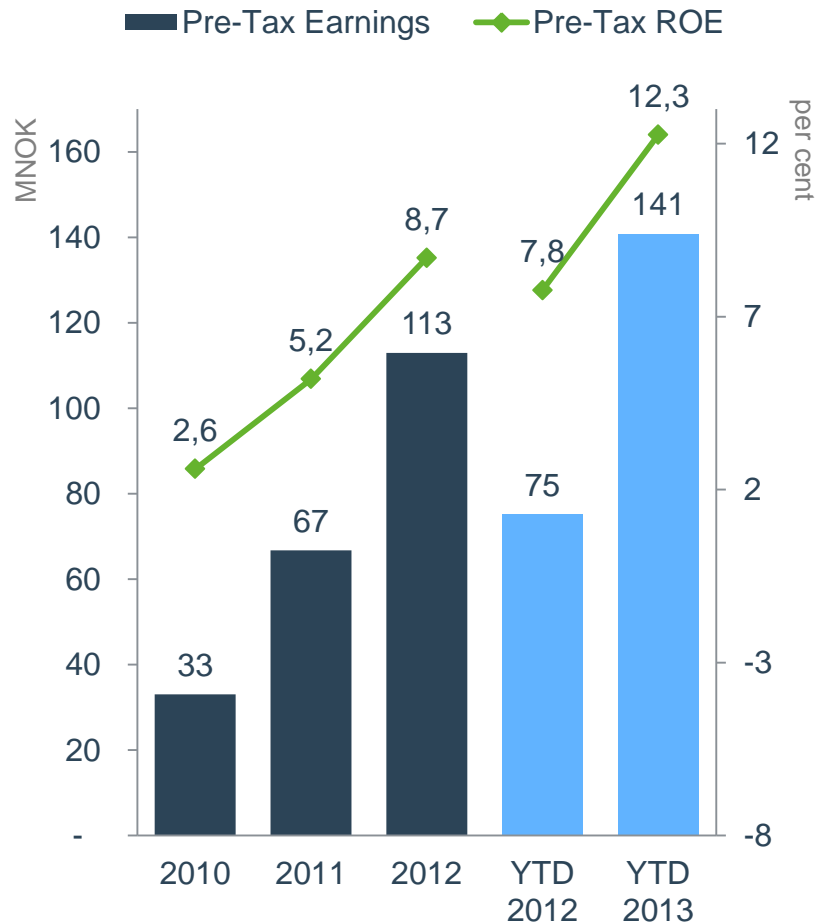


Pre-Tax ROE



- Core Tier 1 capital ratio as of end of September 2013 was 13.2 per cent, well above the regulatory requirements.
- Total Equity NOK 1.7 billion
- Risk Weights:
 - Mortgage book 35%
 - Unsecured loans 75%
- Leverage ratio of 7.0% is best among most banks and significantly higher than the 3 per cent required by Basel III

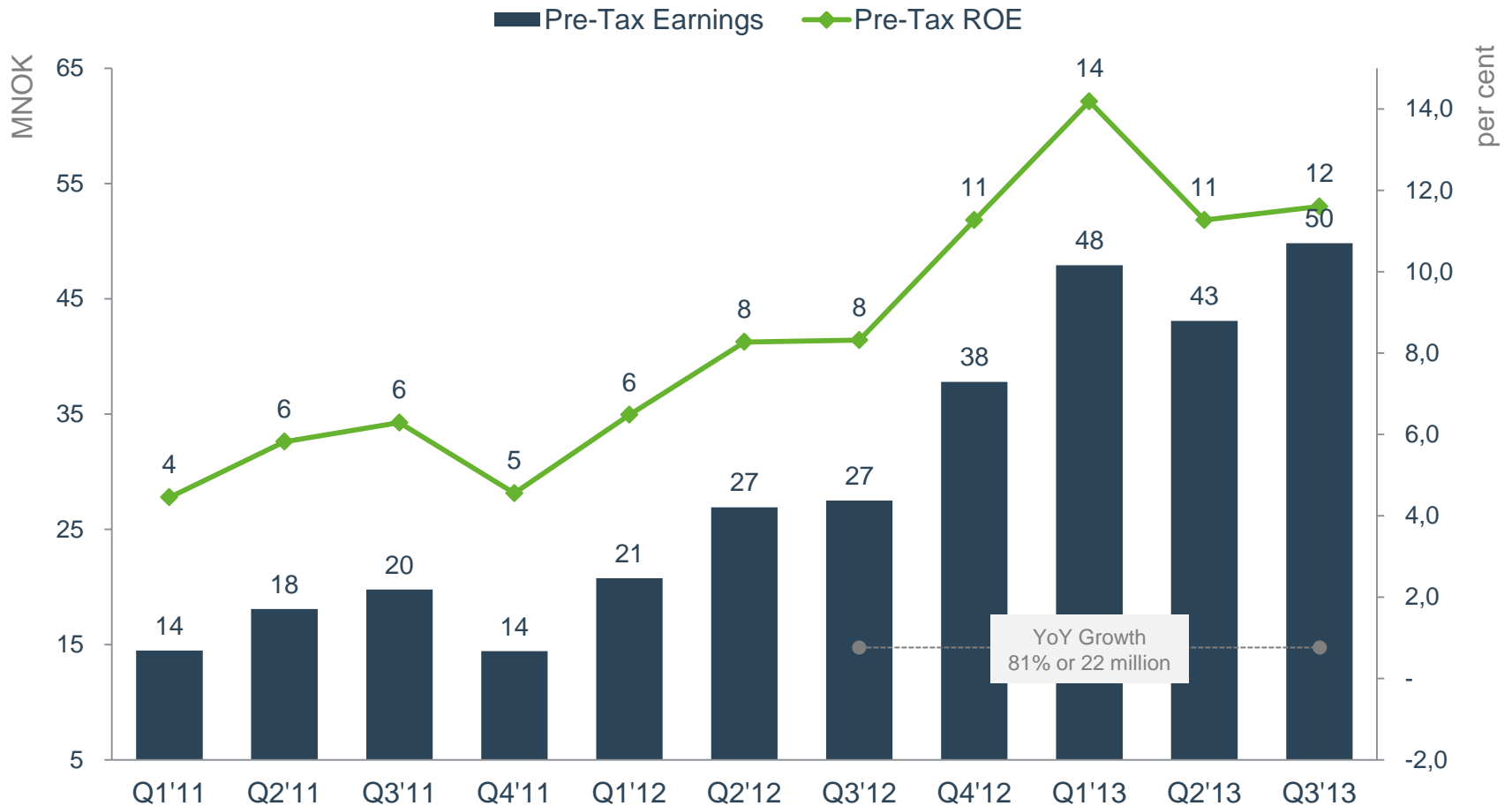
Earnings Performance



- YTD 2013 Pre-Tax Earnings of NOK 141 m, NOK 66 m or 87% higher than YTD 2012.
- Main Drivers vs. PrYr:
 - Income NOK 87 m or 25%
 - Expenses NOK (28) m or (13%)
 - Losses NOK 6 m or 11%
- Operating Leverage 12
- YTD 2013 Pre-Tax Return on Equity 12.3%

Quarterly Earnings Development

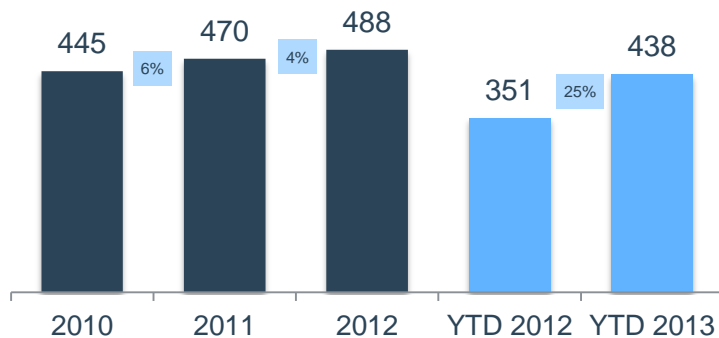
Sustainable earnings growth





Total Income

Total Income (MNOK)



Net Interest Margin %



2010 2011 2012 YTD 2013

Net interest margin = net interest income/average total assets

- YTD 2013 income of NOK 438 m rose 25% or NOK 87 m YoY
- Net Interest Income and Fees & Commissions represent 96% of total income.
- Net interest margin reduction is mainly a result of an increased share of secured loans.

Net Interest Income Development

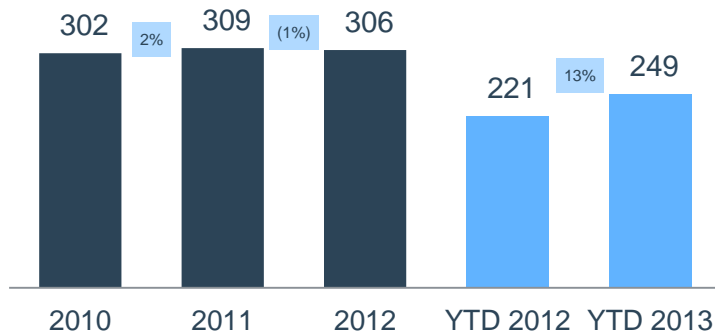
34% growth from Q3'12 to Q3'13



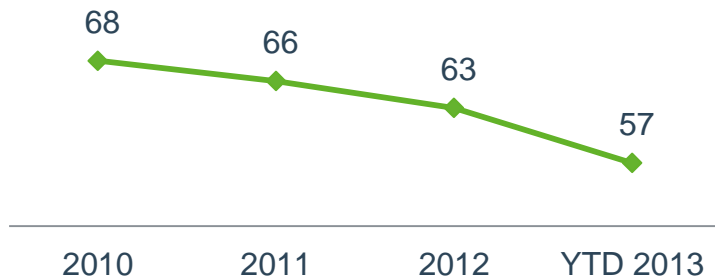


Total Expenses

Total Expenses (MNOK)



C/I Ratio %

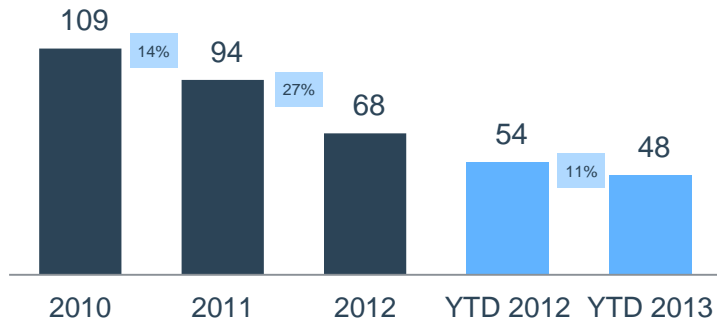


- YTD 2013 expenses of NOK 249 m rose 13% or NOK 28 m YoY.
- The increase was driven by business growth of 42% and investments in product development.
- Operating Leverage 12
- C/I Ration 57%

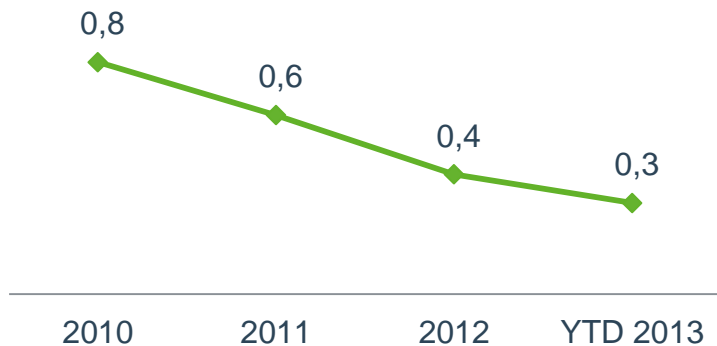


Provisioning & Losses

Provisioning & Losses (MNOK)



Loss Rates %



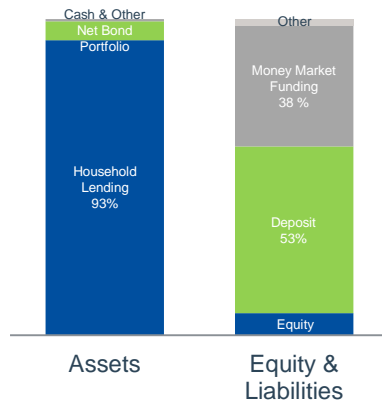
- YTD 2013 Provisioning & Losses of NOK 48 m, NOK 6 m or 11% lower than YTD 2012.
- Improvement is primarily driven by improved customer repayments.
- Significant YoY improvement in loss rates
 - Unsecured lending portfolio is the main contributor in the provisioning & losses



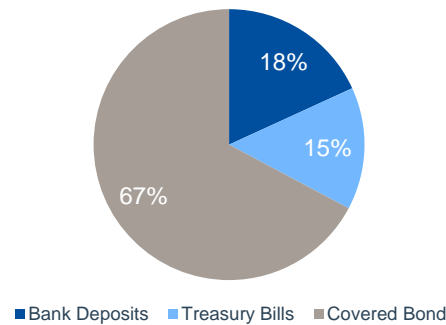
Funding Overview

per 30.9.2013

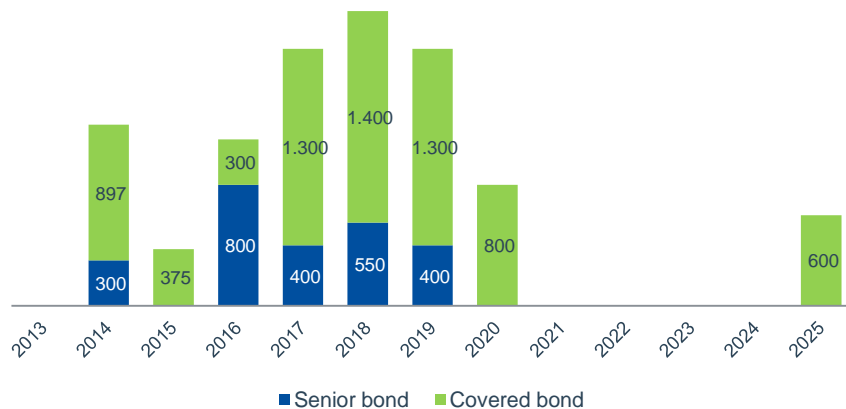
Balance sheet 24.6 Bn



Liquidity portfolio 2.7 Bn



Maturity profile NOK 9.4 Bn



- Retail lending customers only.
- Strong capital position increased by owner with 266 million in Q1.
- Low risk liquidity reserve of 2.7 billion.
 - Prefunding asset growth and bond maturities
 - Covers debt payments the next 36 months.
 - NOK limit per counterparty set in cooperation with parent company
- Diversified funding structure with retail deposits, senior- and covered bonds.
- Average maturity on market funding increased to 4.5 years.
- Regularly new bond issuances going forward.



Key Message

STRONG EARNINGS & RETURNS DEVELOPMENT

DOUBLE DIGIT CUSTOMER FOOTINGS¹⁾ GROWTH

GOOD EXPENSE DEVELOPMENT &
IMPROVED LOSS AND PROVISIONING LEVEL

STANDARD & POOR'S RATING A- &
COVERED BOND PROGRAM AAA



Gjensidige

Gjensidige Bank Boligkreditt AS

Investor Presentation 2013

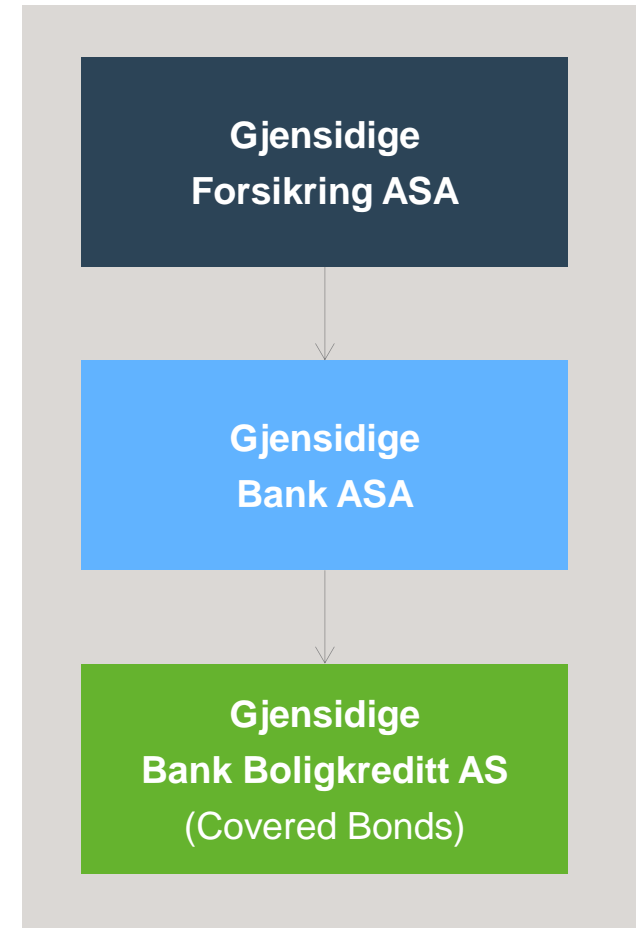
12. November 2013



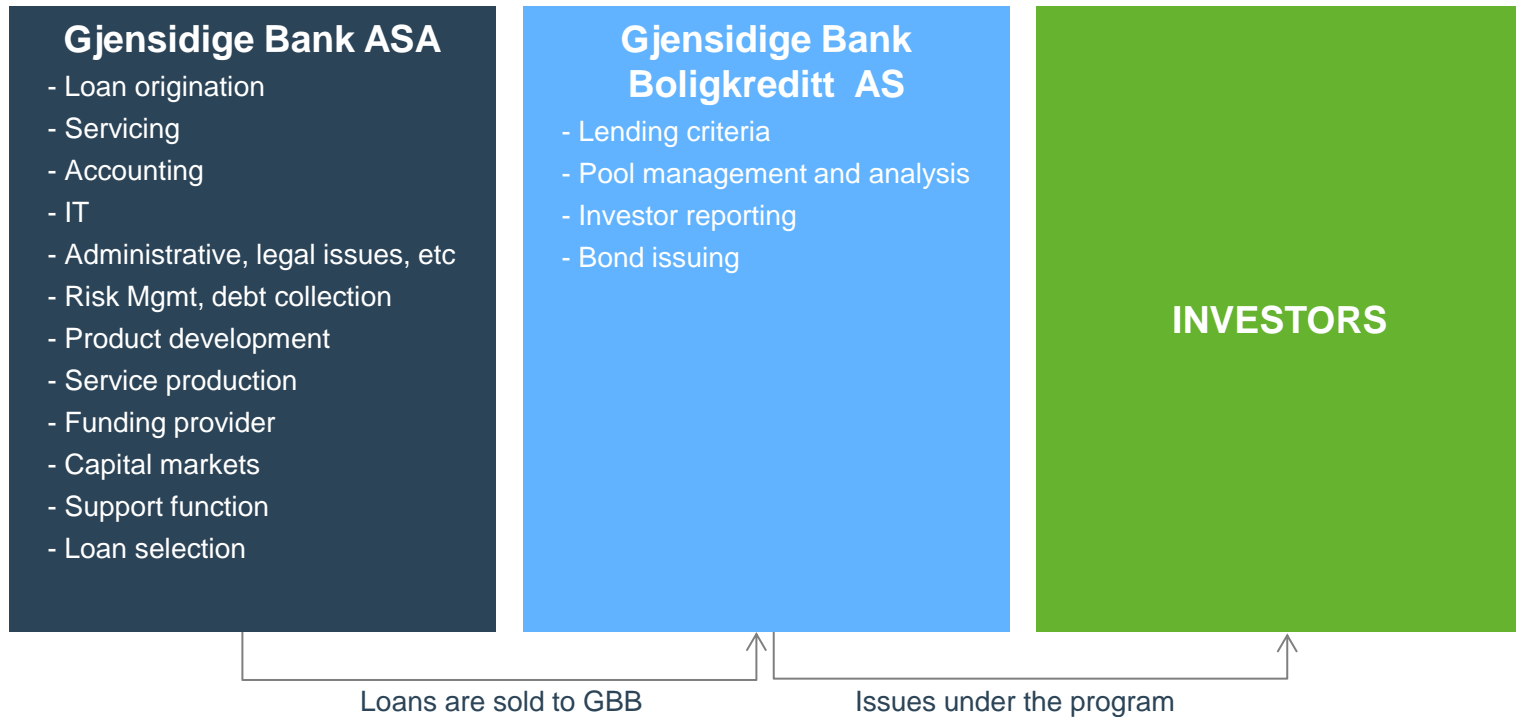
Gjensidige Bank Boligkreditt AS in Brief



- The company was established in 2009.
- Its purpose is to raise funds for Gjensidige Bank Group.
- Covered bond rating AAA by Standard & Poor`s.
- GB Mortgage Bank is a wholly-owned subsidiary of Gjensidige Bank ASA and, operationally, an integrated part of the parent company.



Operating Model & Roles



Characteristics of the Cover Pool

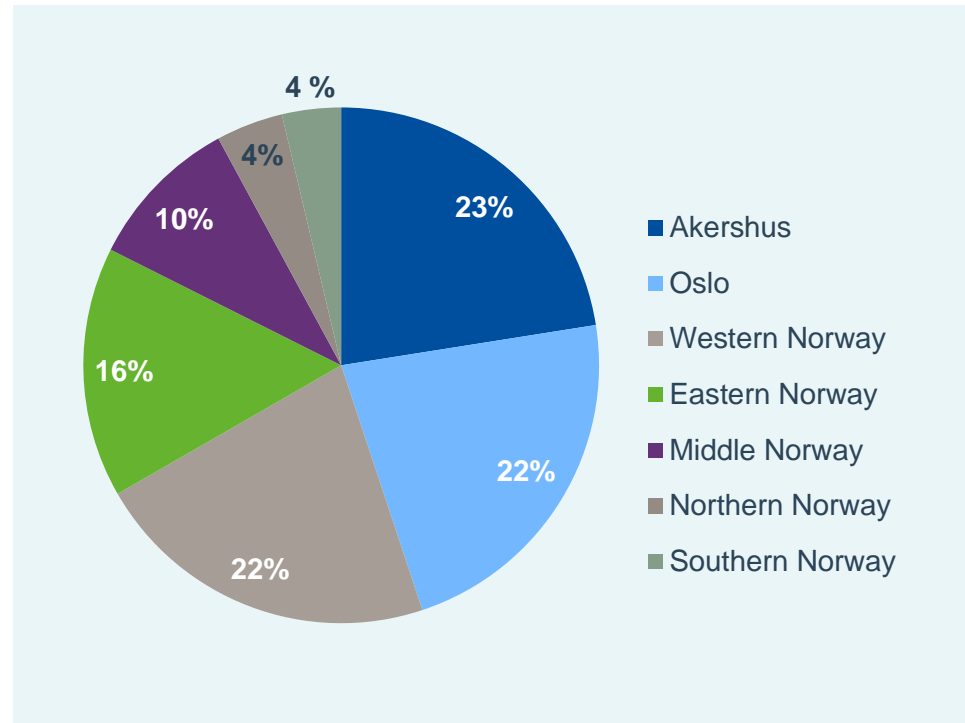


		Q3 2013	2012
Cover Pool	MNOK	10,720	7,908
Substitute assets	MNOK	901	733
Gross loans to/claims from customers	MNOK	9,834	7,187
Issued covered bonds	MNOK	8,200	5,500
Weighted average loan-to-value ratio (LTV)	Per cent	54.4	51.8
Loans to customers	Number	6,928	5,630
Weighted average remaining life	Month	195	172
Share of flexible loan (balance)	Per cent	36.9	47.3
Loans in default (> 90 days)	MNOK	2	0
Loans with floating interest rate	Per cent	100	100
All loans are secured by mortgages on homes in Norway with a concentration in Oslo and Akershus			

Characteristics of the Cover Pool



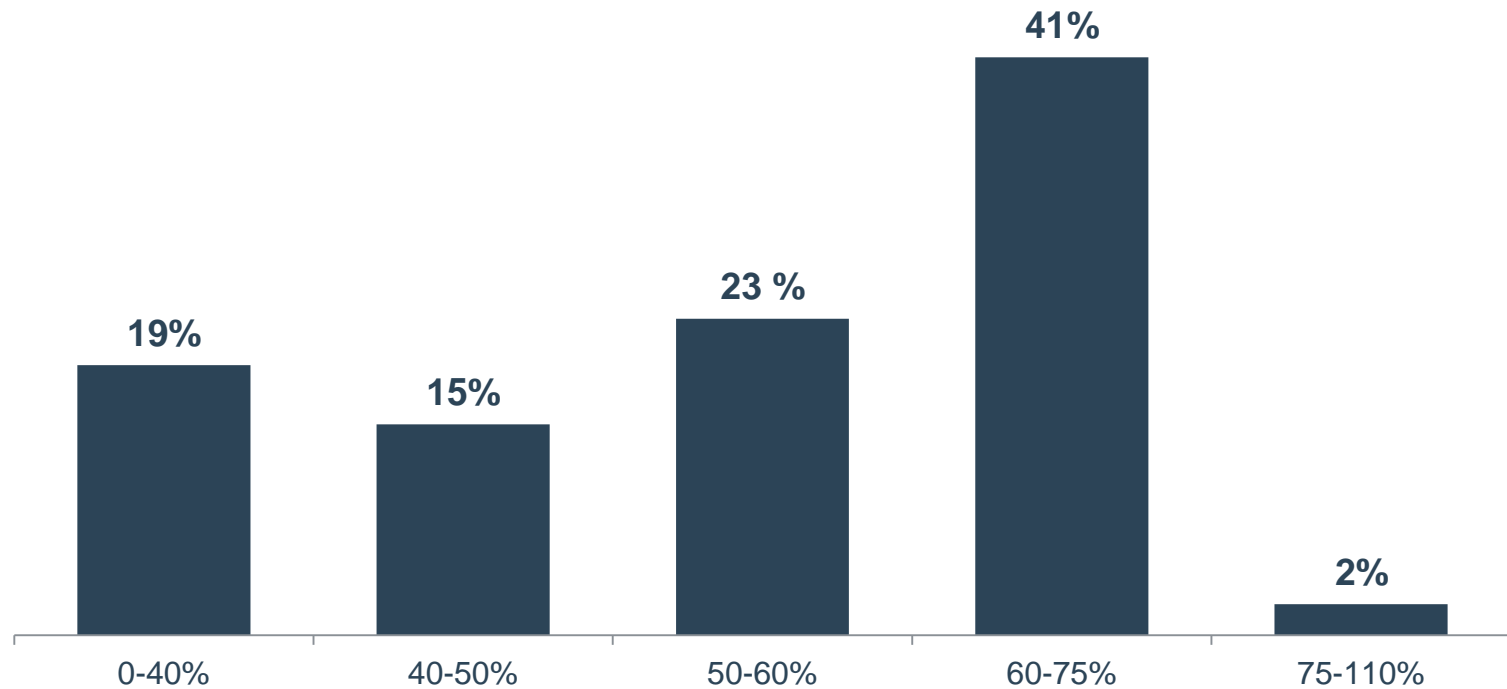
Geographical distribution	Per cent
Akershus	22.5
Oslo	22.4
Western Norway	21.8
Eastern Norway (Outside Oslo/Akershus)	15.7
Middle Norway	9.7
Northern Norway	4.2
Southern Norway	3.7
Total	100.0





Loan-to-value

Conservative and high quality Cover Pool



* 57 percent of loans are within 60 percent loan to value ratio
Security in summer houses are not included in calculation of Loan-to-value

Full Year 2012 and 3rd Quarter Financials



Income statement (Figures in NOK 1000)	Q3 2013	YTD 2013*	Full Year 2012
Net interest income	34,402	81,198	47,556
Net commission income and other operating income	3,402	2,936	2,727
Total income	35,804	84,135	50,283
Operating expenses	2,004	6,118	7,765
Profit before loss	33,801	78,016	42,518
Write-downs and losses	1,039	2,628	4,688
Profit before tax expense	32,761	75,388	37,830

Balance sheet (Figures in NOK 1000)		30.09.2013	31.12.2012
Loans to and claims from customers		9,833,793	7,187,263
Liabilities opened for the issue of securities		8,171,261	5,482,866
Financing from Gjensidige Bank		1,808,610	2,070,921
Equity		667,898	333,632
Capital adequacy		15.5 %	11.4 %

*September YTD

Gjensidige Bank Boligkreditt AS

8.2 bn Issued Covered Bonds



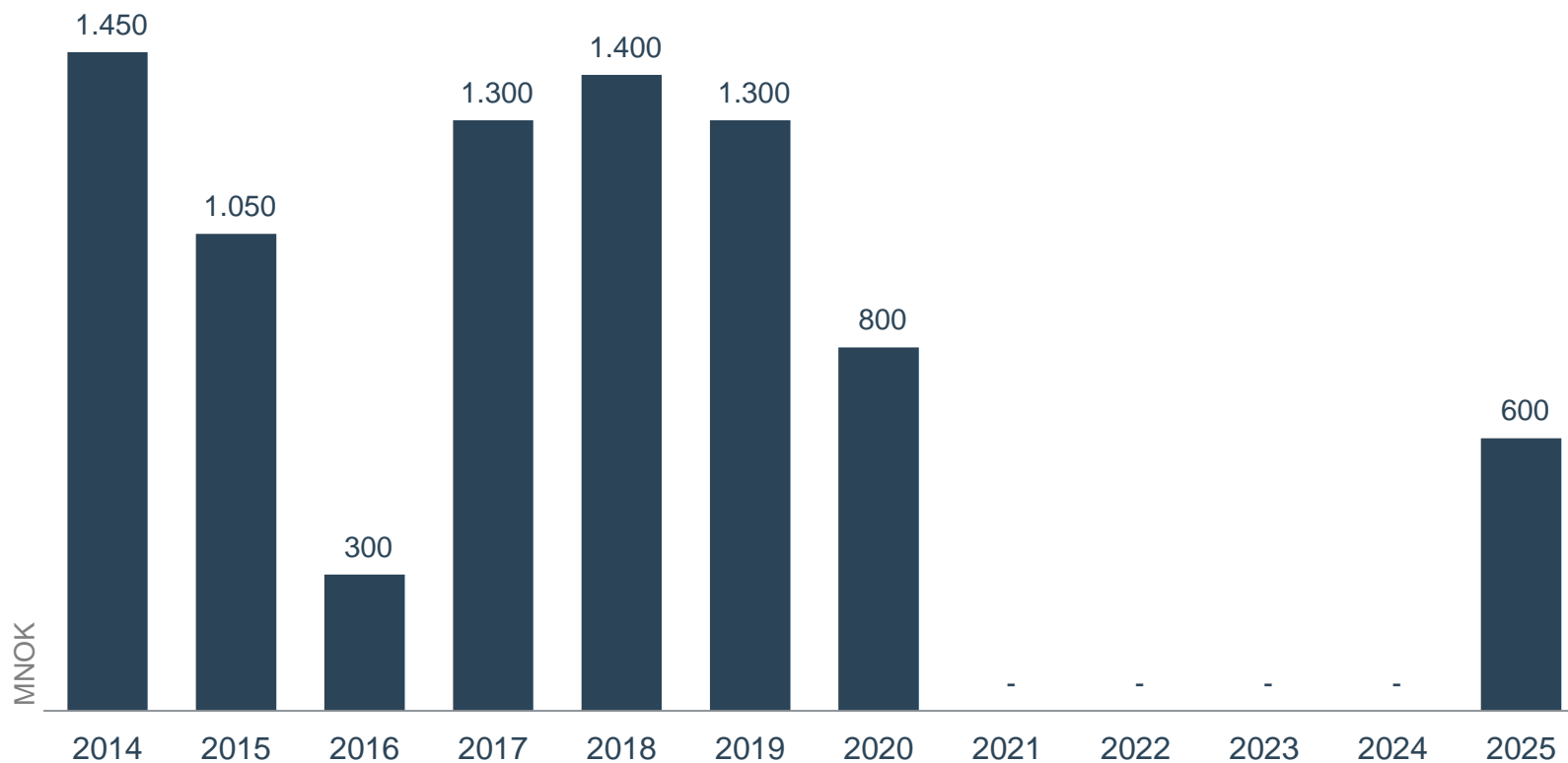
NOK thousand

ISIN NUMBER	CURRENCY	RATE	ISSUED	MATURITY	EXT. MATURITY	FACE VALUE	BOOK VALUE
NO0010607385	NOK	Floating	08.04.2011	15.04.2014	15.04.2015	300 000	299 910
NO0010612278	NOK	Floating	30.05.2011	03.06.2014	03.06.2015	300 000	299 820
NO0010538481	NOK	Floating	16.09.2009	16.09.2014	16.09.2015	250 000	250 000
NO0010538481	NOK	Floating	17.11.2010	16.09.2014	16.09.2015	300 000	295 800
NO0010538481	NOK	Floating	22.11.2011	16.09.2014	16.09.2015	200 000	197 214
NO0010538481	NOK	Floating	24.11.2011	16.09.2014	16.09.2015	100 000	98 610
NO0010538499	NOK	Floating	16.09.2009	15.04.2015	15.04.2016	250 000	250 000
NO0010615644	NOK	Floating	24.06.2011	30.06.2015	30.06.2016	300 000	299 721
NO0010538507	NOK	Floating	16.09.2009	16.11.2015	16.11.2016	500 000	500 000
NO0010629157	NOK	Floating	21.11.2011	21.11.2016	21.11.2017	300 000	299 580
NO0010641897	NOK	Floating	11.04.2012	11.04.2017	11.04.2018	500 000	499 500
NO0010641897	NOK	Floating	27.04.2012	11.04.2017	11.04.2018	400 000	399 920
NO0010641897	NOK	Floating	06.06.2012	11.04.2017	11.04.2018	100 000	99 942
NO0010641897	NOK	Floating	28.06.2013	11.04.2017	11.04.2018	300 000	303 663
NO0010660327	NOK	Floating	21.09.2012	21.09.2018	23.09.2019	500 000	499 400
NO0010660327	NOK	Floating	05.02.2013	21.09.2018	23.09.2019	500 000	503 475
NO0010660327	NOK	Floating	13.06.2013	21.09.2018	23.09.2019	400 000	404 040
NO0010662737	NOK	Floating	06.11.2012	06.05.2019	06.05.2020	700 000	699 146
NO0010662737	NOK	Floating	25.03.2013	06.05.2019	06.05.2020	300 000	299 520
NO0010662737	NOK	Floating	09.09.2013	06.05.2019	06.05.2020	300 000	300 354
NO0010680283	NOK	Floating	03.06.2013	03.03.2020	03.03.2021	400 000	399 240
NO0010687429	NOK	Fixed	11.09.2013	11.09.2020	13.09.2021	400 000	397 100
NO0010678766	NOK	Fixed	08.05.2013	08.05.2025	08.05.2026	500 000	497 565
NO0010678766	NOK	Fixed	25.09.2013	08.05.2025	08.05.2026	100 000	95 099
Amortisation							6 019
Other adjustment							(23 377)
Total liabilities through the issuance of securities						8 200 000	8 171 261
Own Bonds							
Amortisation own bonds							
Total debt incurred through the issue of securities excluding own securities						8 200 000	8 171 261

The bonds are listed on the Oslo Alternative Bond Market (ABM)

Maturity profile

8.2 bn Issued Covered Bonds



Gjensidige Bank Boligkreditt AS

High Quality Cover Pool



Cover Pool (NOK Thousand)	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013
Residential mortgages ¹⁾	2,139,887	2,913,435	3,158,617	3,545,040	4,162,580	4,569,828	6,434,299	7,175,301	8,125,704	9,481,950	9,818,344
Substitute assets	81,578	125,922	166,777	217,362	205,645	278,827	551,549	733,185	730,739	878,848	901,325
- Bank deposit Gjensidige Bank ASA	57,094	101,280	141,956	192,557	130,740	206,775	164,342	245,218	242,247	393,549	416,585
- Bank deposit other banks	24,484	24,642	24,821	24,805	24,954	22,100					
- Treasury bills							296,605	397,153	397,638	396,482	394,544
- Covered bonds					49,951	49,952	90,602	90,814	90,854	90,803	90,806
- Other										-1,986	-610
TOTAL	2,221,465	3,039,357	3,325,394	3,762,402	4,368,225	4,848,655	6,985,848	7,908,485	8,856,443	10,360,798	10,719,669
Overcollateralization	23.4 %	12.6 %	23.2 %	14.0 %	15.0 %	12.8 %	45.5 %	43.8 %	40.6 %	31.1 %	30.7 %

1) Quarterly evaluation by Eiendomsverdi



Gjensidige

Supplementary information

12. November 2013



Gjensidige Bank Group

Full Year 2012 and YTD 2013 Financials



Million NOK	YTD ²⁾ 2012	YTD ²⁾ 2013	B/(W)	B/(W) %
Net Interest Income	319	398	80	25%
Total Income	351	438	87	25%
Expenses	221	249	(28)	(13%)
Provisioning & Losses	54	48	6	11%
Pre-Tax Earnings	75	141	66	87%
Customer Assets	16,318	23,196	6,878	42%
Customer Deposits	10,693	12,973	2,280	21%
Net Interest Margin ¹⁾	2.46%	2.50%	4 bps	
Pre-Tax ROE	7.8%	12.3%	449 bps	
Cost / Income Ratio	63%	57%	621 bps	

Full Year 2011	Full Year 2012	B/(W)	B/(W) %
431	443	12	3%
470	488	18	4%
309	306	3	1%
94	68	26	27%
67	113	46	69%
15,019	17,324	2,305	15%
9,776	11,580	1,805	18%
2.71%	2.52%	(19 bps)	
5.2%	8.7%	343 bps	
66%	63%	293 bps	

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

2) September YTD

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