



Gjensidige

Gjensidige Bank

Investor Presentation Q3 2014

18. November 2014



Agenda

Gjensidige and Gjensidige Bank in brief

Financial performance

Funding overview

Gjensidige Bank Boligkreditt

Appendix

Gjensidige Bank in Brief

- The Bank was established in 2007
- Online bank that mainly targets the Norwegian private market.
- Offers day-to-day banking services, mortgages, savings products and car and consumer financing.
- Distribution via the call centre, mobile, tablet, group portal, and the group's 20 financial offices.
- As of September 2014, GB employed 144 FTEs
- Approximately 110,000 customers (as of September 2014)
- Credit Rating from Standard & Poor's
 - Gjensidige Bank A- (stable)
 - Covered Bond Program AAA (stable)

KEY FINANCIALS 3rd QUARTER 2014

CET 1 RATIO

13.1
per cent

PRE-TAX ROE¹⁾

14.4
per cent

CUSTOMER ASSETS

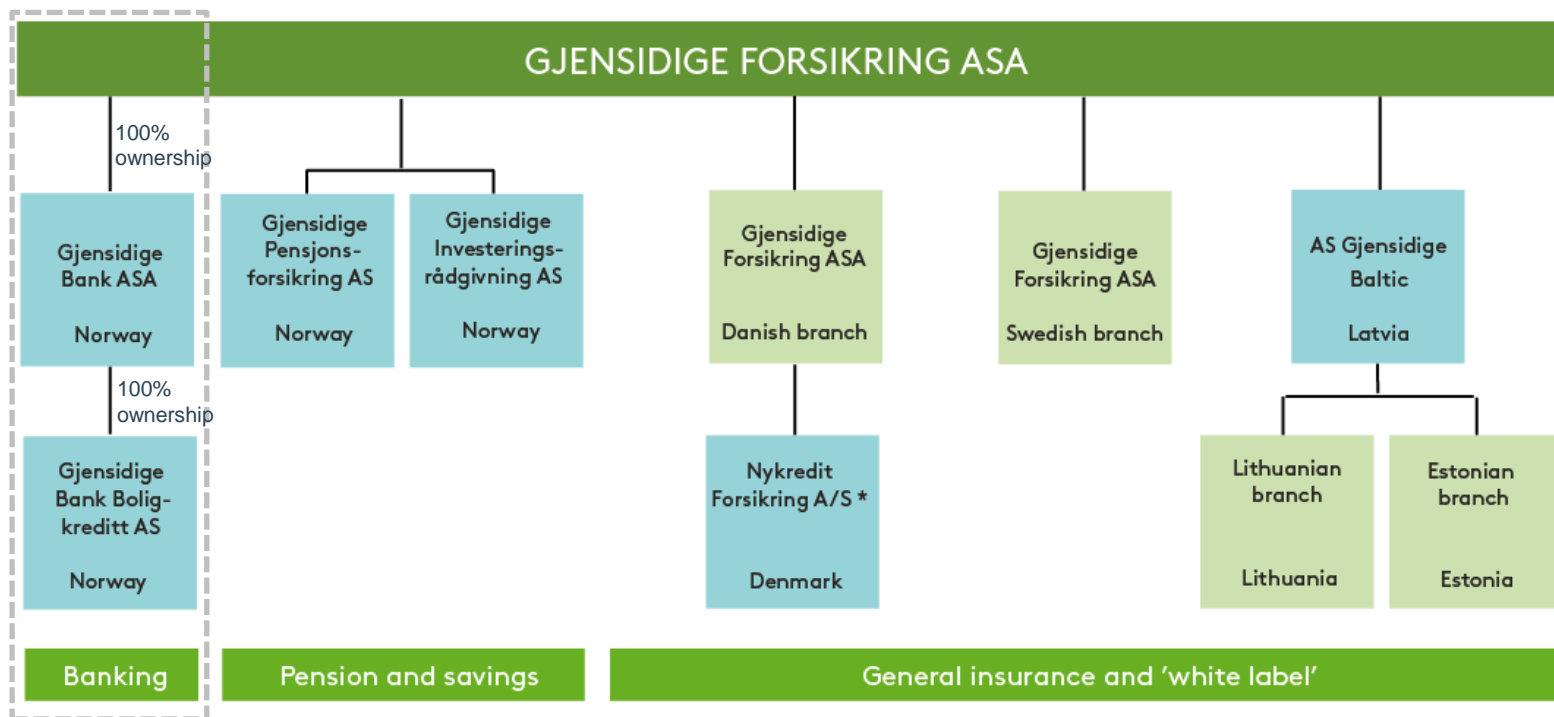
25.7
billion

CUSTOMER DEPOSITS

16.7
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

Financials targets and outcome



	TARGET	FULL YEAR 2013	YTD 2014 ²⁾
Pre-Tax Earnings & ROE	Support the Groups target for return on equity	NOK 191 m 12.0 %	NOK 205 m 14.4 %
C/I Ratio	YoY Improvement	57 %	50 %
YoY Customer Footings Growth ¹⁾	Above average market growth	Assets 40% Deposits 29%	Assets 14% Deposits 28%
Capital Adequacy Ratio	>13.5 %	14.6 % (CET 1 14.6%)	14.9 % (CET 1 13.1%)
Standard & Poor's Rating	>A- (Covered Bond Program AAA)	A- (Covered Bond Program AAA)	A- (Covered Bond Program AAA)

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

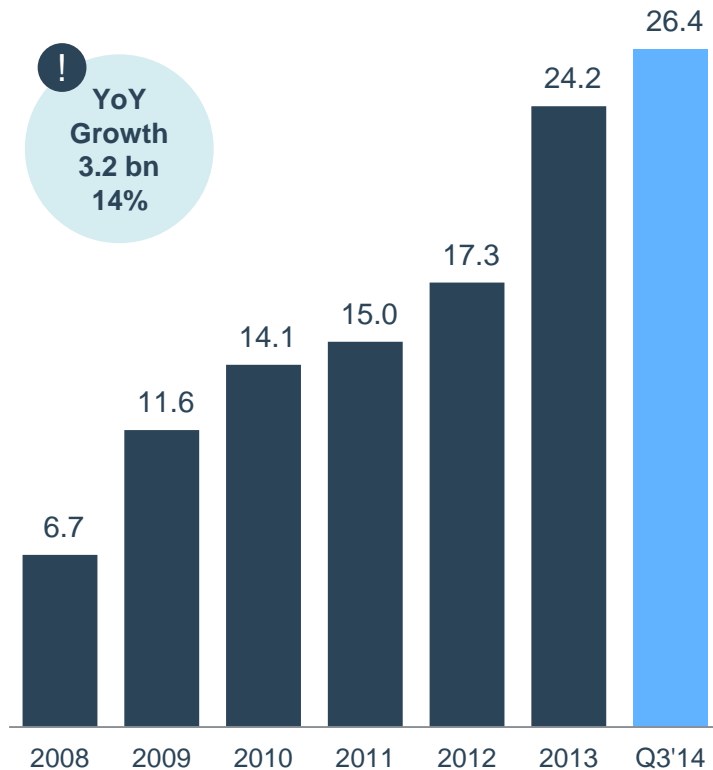
2) Pre-Tax ROE for the period 1.1.2014 – 30.9.2014



Strong growth in customer footings¹⁾

Customer Assets (NOKbn)

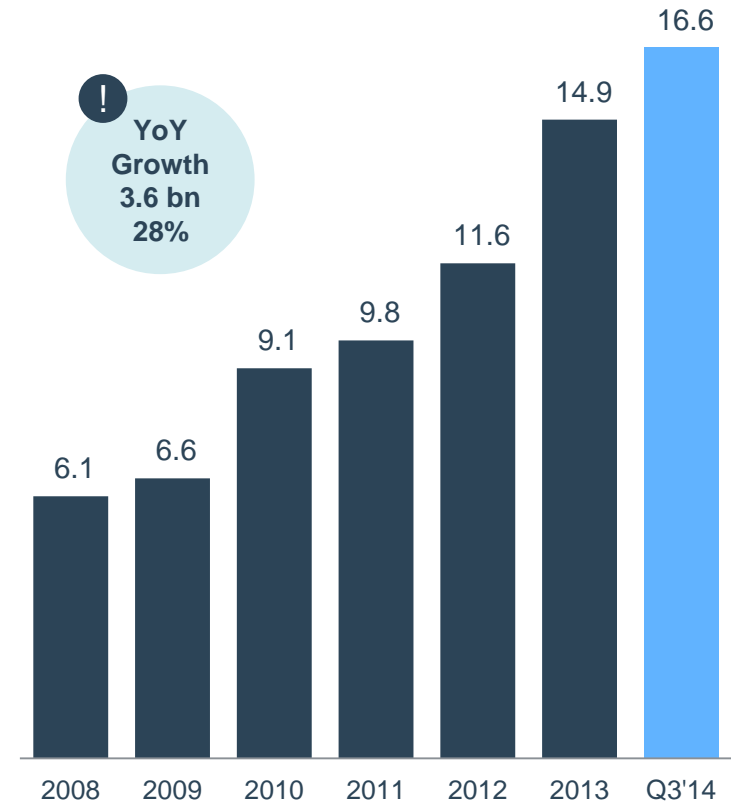
CAGR 2008-2013 29%



LTV 61% for the Mortgage portfolio
89% of the portfolio is secured mortgage lending primarily sourced from members of Tekna, NITO & YS

Customer Deposits (NOKbn)

CAGR 2008-2013 19%



Deposit above 2 million NOK 2.7 billion or 16%
Deposit to Loan Ratio 63%

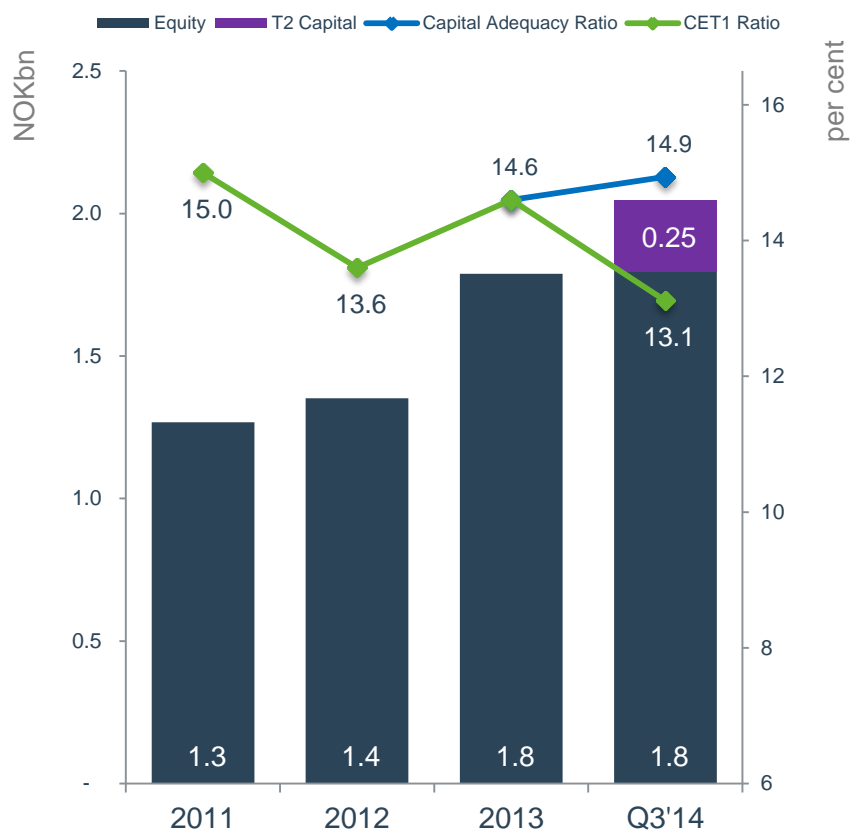
¹⁾ Customer Footings = Total of Customer Assets & Customer Deposits

Gjensidige Bank is Strongly Capitalized

per 30.9.2014

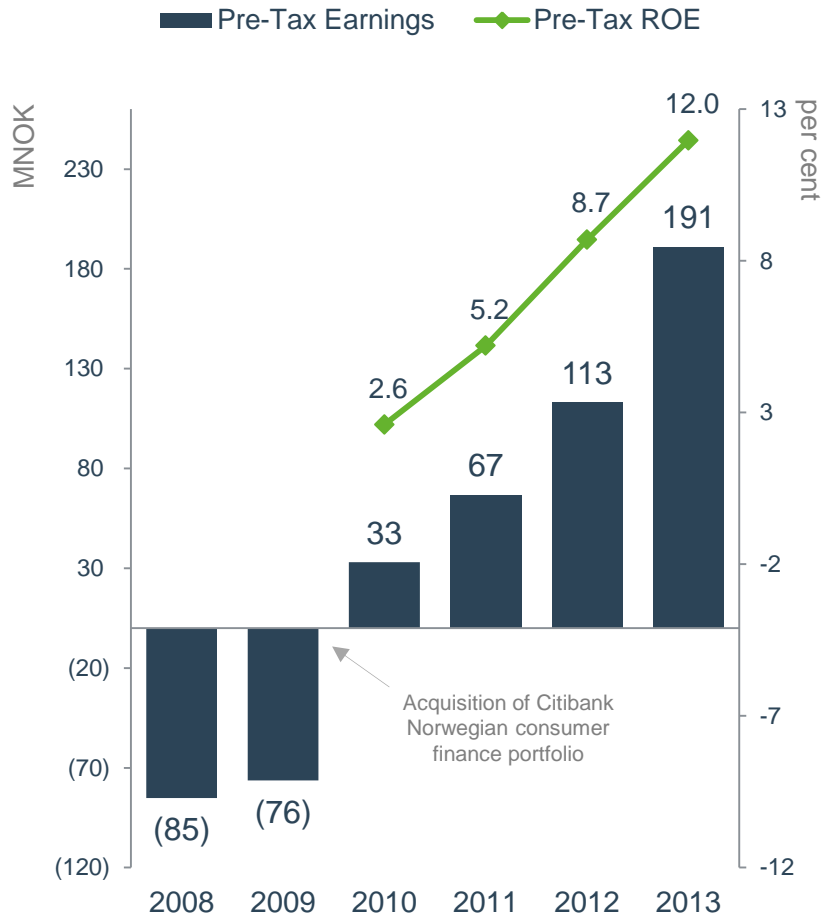


Capital Adequacy



- CET 1 Ratio 13.1 per cent
 - YTD profit of 149 MNOK not included in the capital adequacy
 - YTD profit will increase CET 1 ratios by 1.1%
- Total Capital NOK 2.0 billion
 - Equity → 1.8 BNOK
 - Subordinated debt T2 → 250 MNOK
- Risk Weights:
 - Mortgage book 35%
 - Unsecured loans 75%
- Equity / Total Asset Ratio of 6.9%
 - Leverage Ratio 5.7% (CRD V)
- Strong and committed owner to support bank's growth ambitions.

Earnings Performance



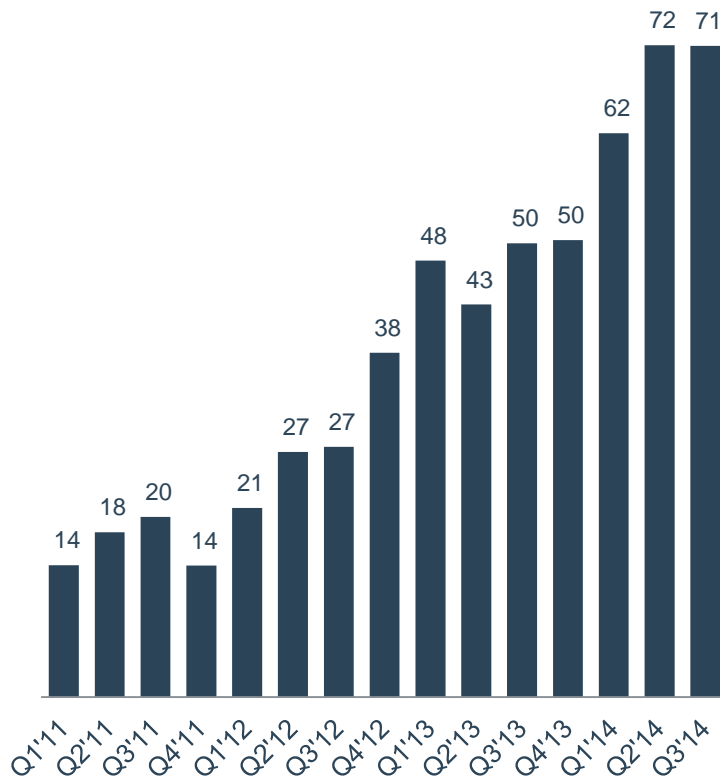
- Full Year 2013 Pre-Tax Earnings of NOK 191 m, NOK 78 m or 69% higher than 2012.
 - YTD September 2014 205 MNOK
- Main Drivers vs. PrYr:
 - Income NOK 112 m or 23%
 - Expenses NOK (35) m or (11%)
 - Losses NOK 1 m or 2%
- 2013 Pre-Tax Return on Equity 12.0%
 - YTD September 2014 14.4%

Quarterly Earnings and Returns Development

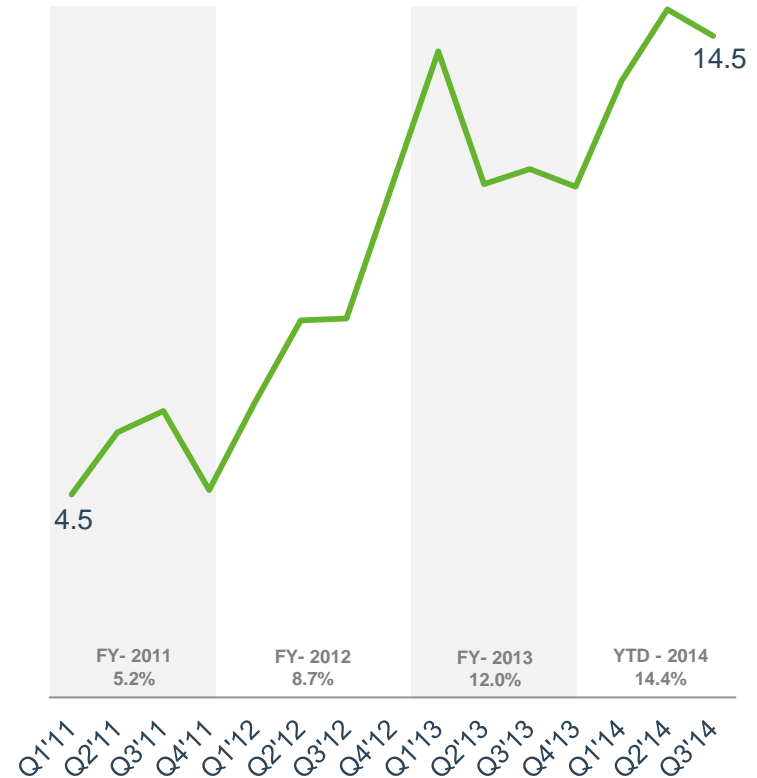
Sustainable earnings growth



Pre-Tax Earnings (MNOK)



Pre-Tax ROE %

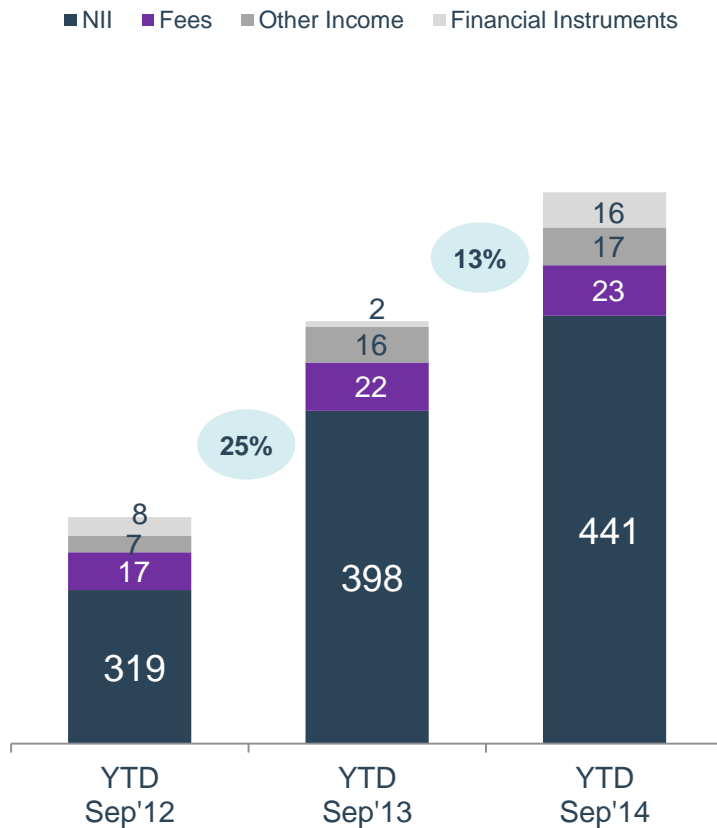




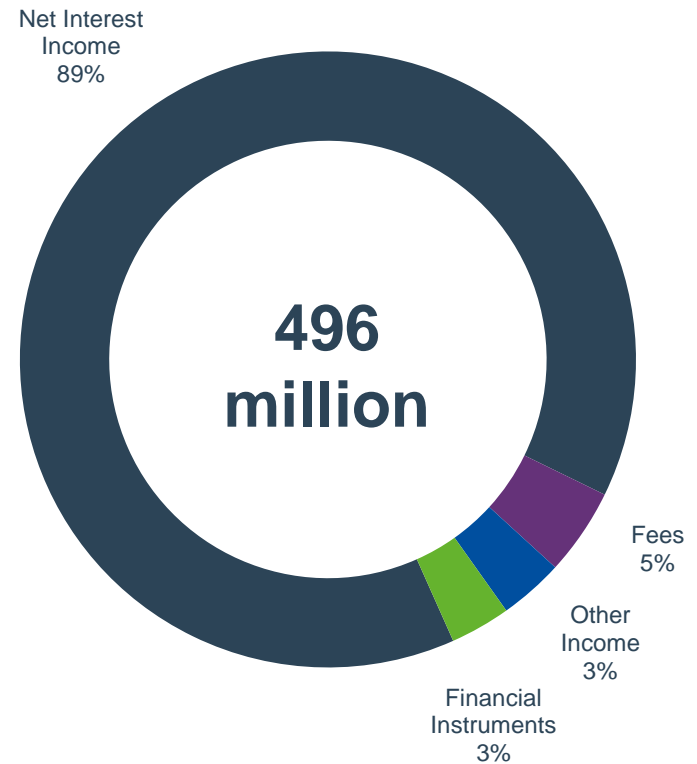
Total Income

YTD Income up by 57 million or 13% vs. Prior Year

YTD Total Income (MNOK)



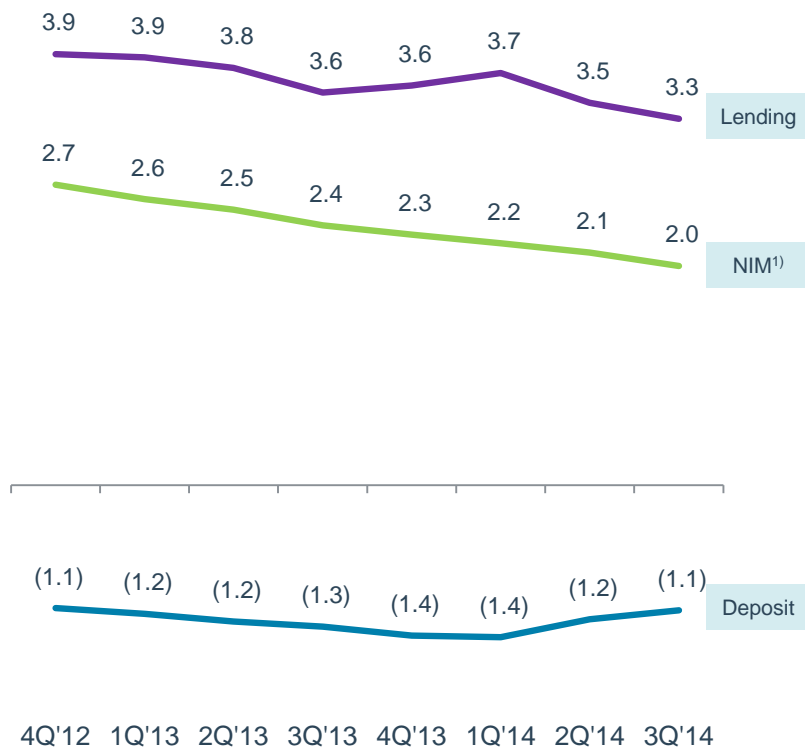
YTD 2014 Total Income by Type



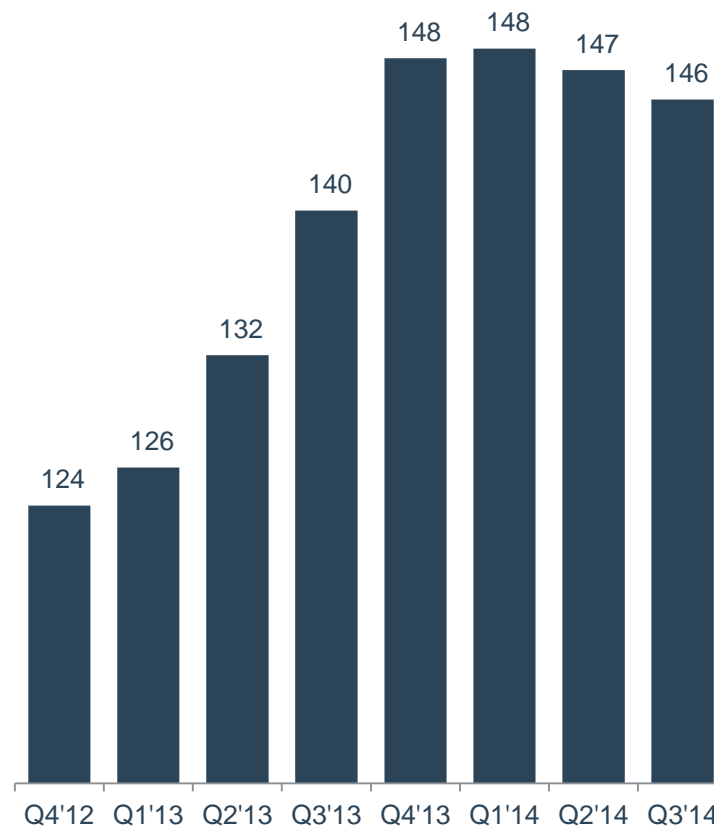


Development in NII & Interest Rate Spreads

Average interest rate spreads %



Net Interest Income (MNOK)

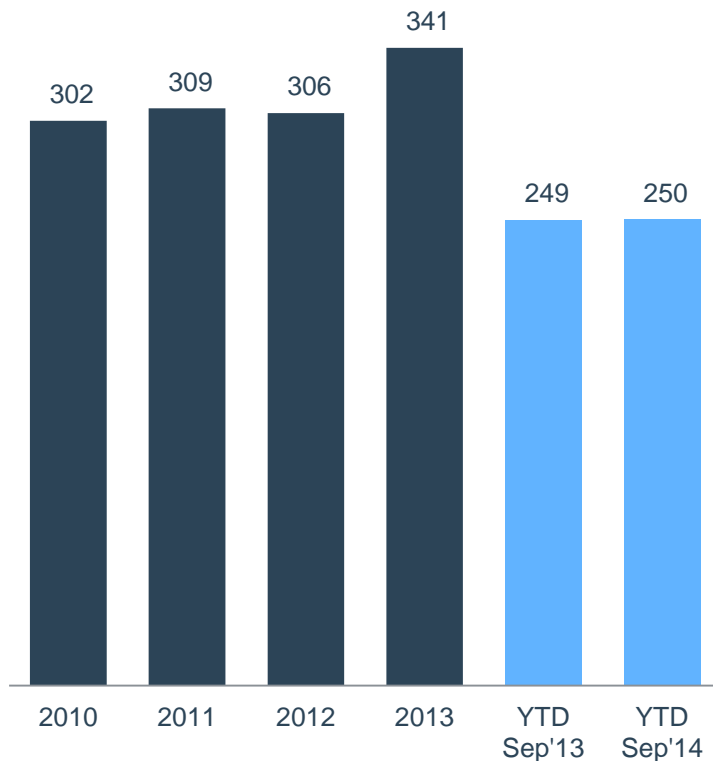




Total Expenses

YTD Expenses of 250 MNOK Flat to Prior Year

Total Expenses (MNOK)



2013 Expense growth primarily driven by car finance investment and volume growth!

C/I Ratio %

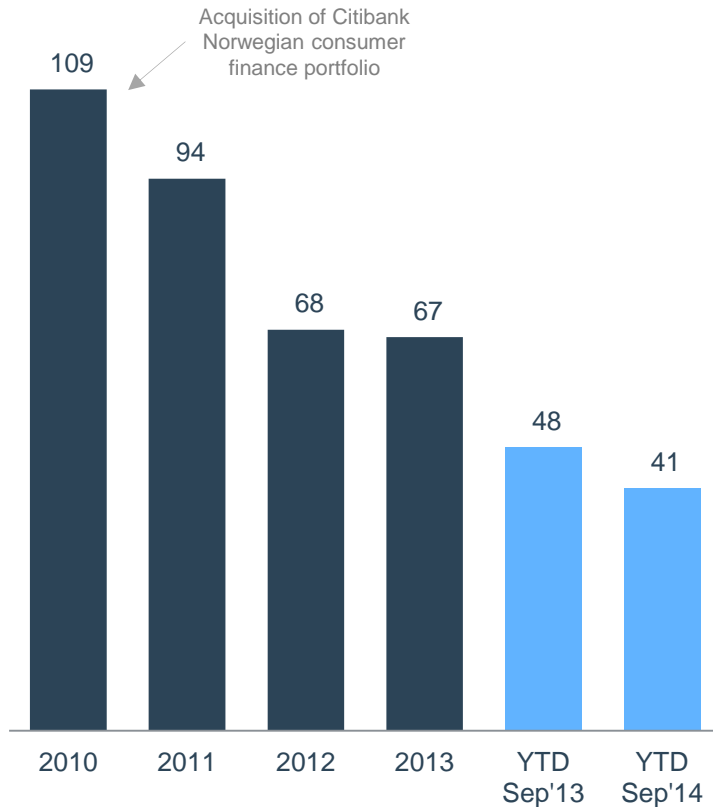




Provisioning & Losses

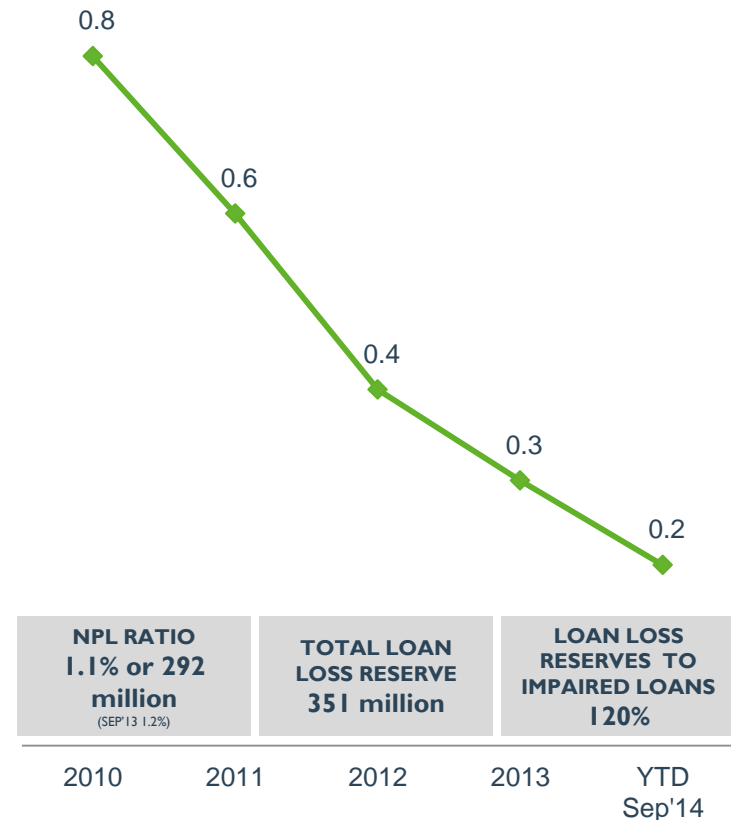
YTD Loss & Provisions of 41 MNOK 14% lower vs. Prior Year

Provisions & Losses (MNOK)



Loss & Provisions in 2010 -2012 impacted by the accounting standard change from US GAAP to IFRS

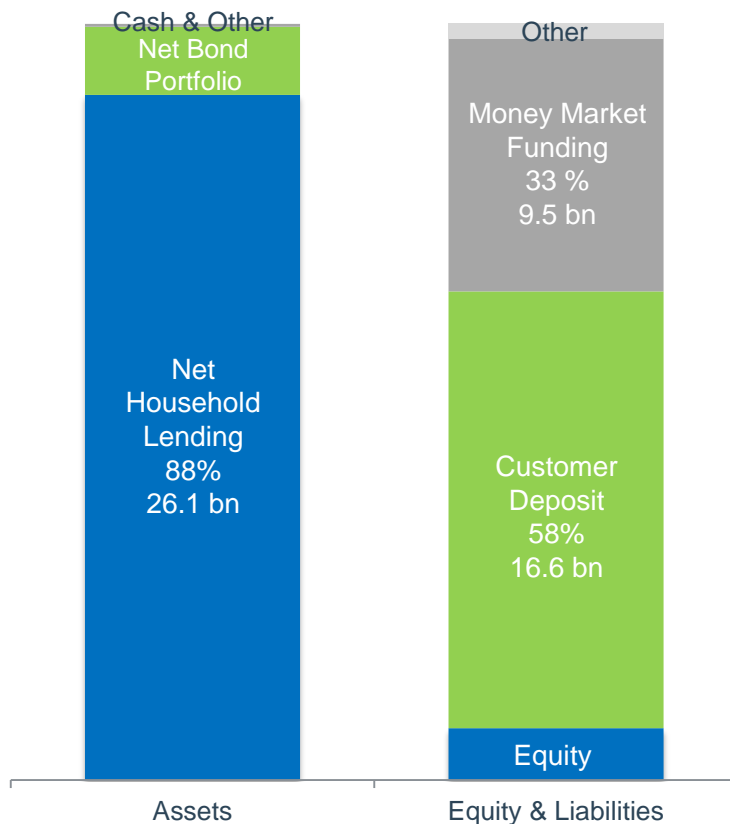
Loss Rates %



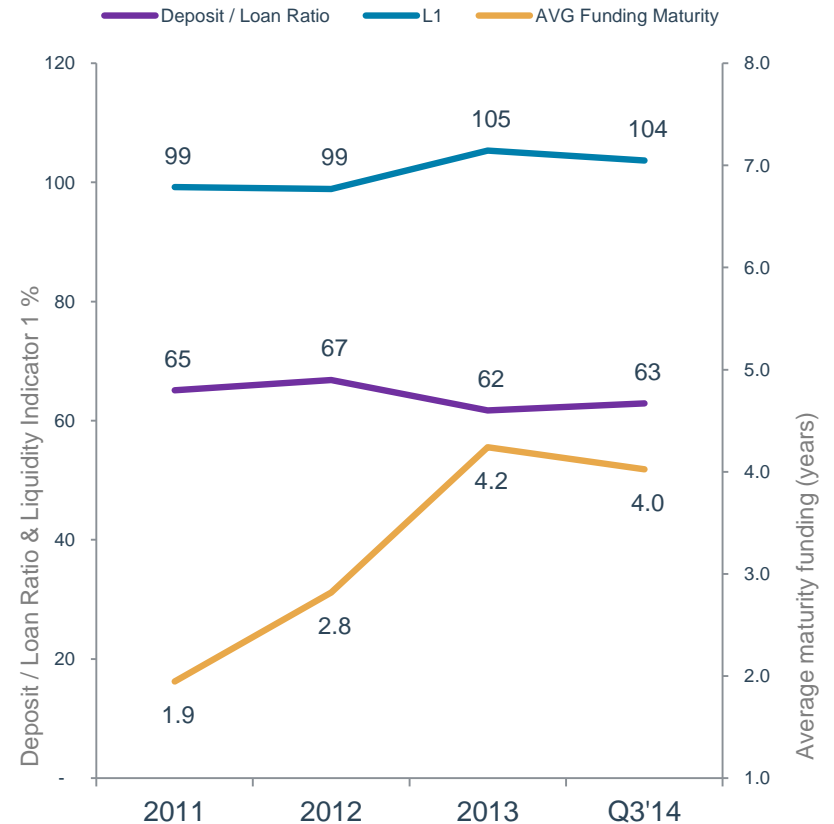
Loans and funding structure per 30.9.2014



Balance sheet 28.8 Bn



Liquidity Indicators & Funding Maturity

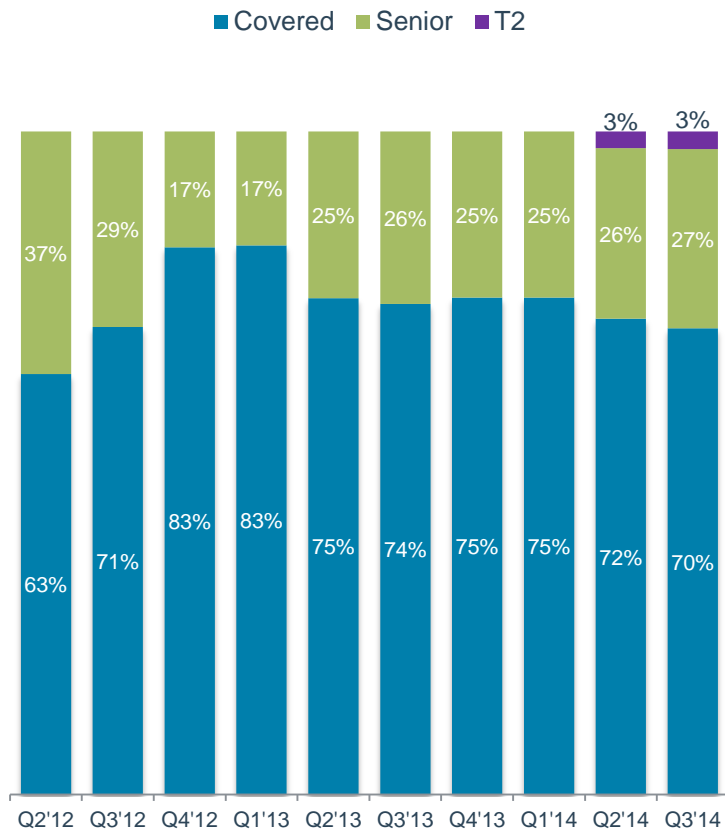


Money Market Funding & Maturity Profile

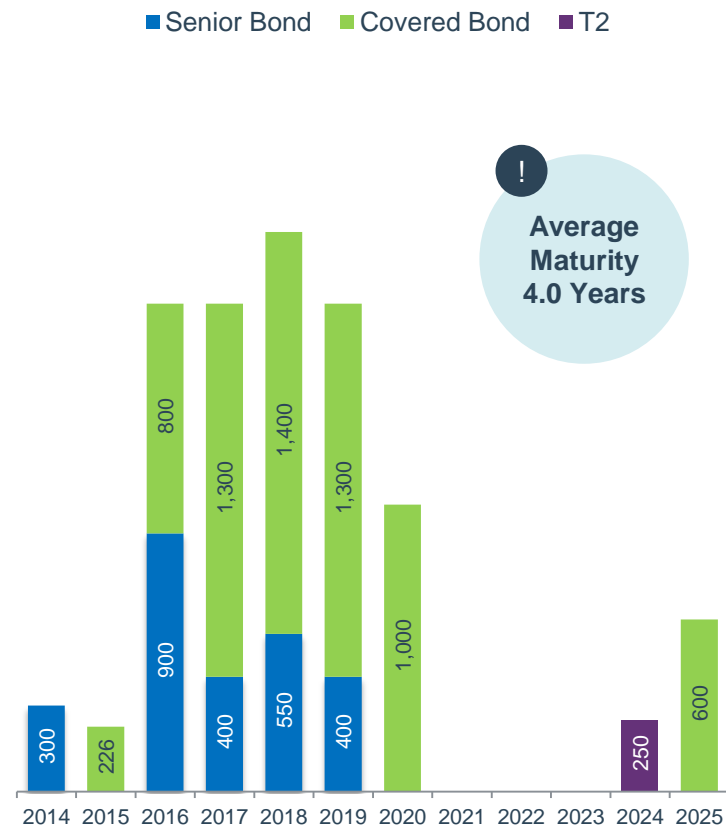
per 30.9.2014



Development in Market Liabilities 9.5 BNOK



Maturity Profile (MNOK)

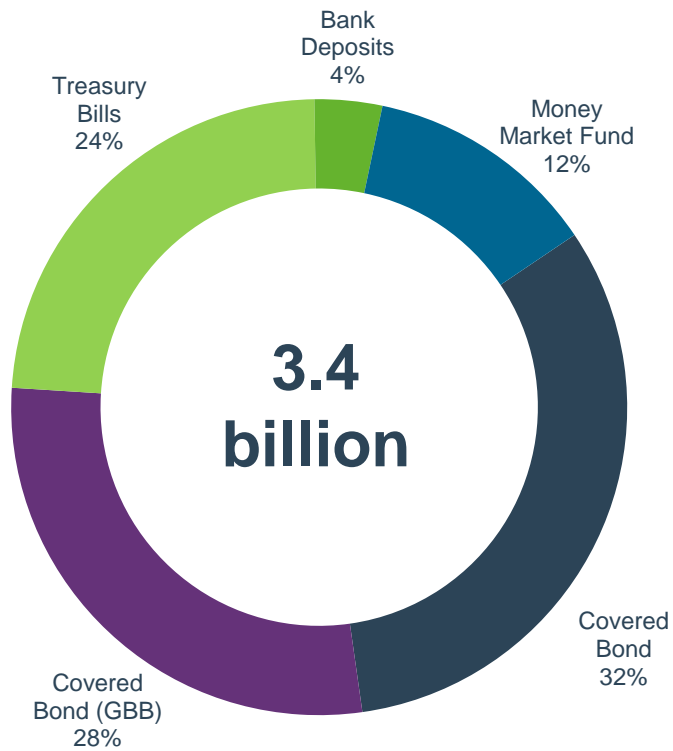


High Quality Liquidity Reserve

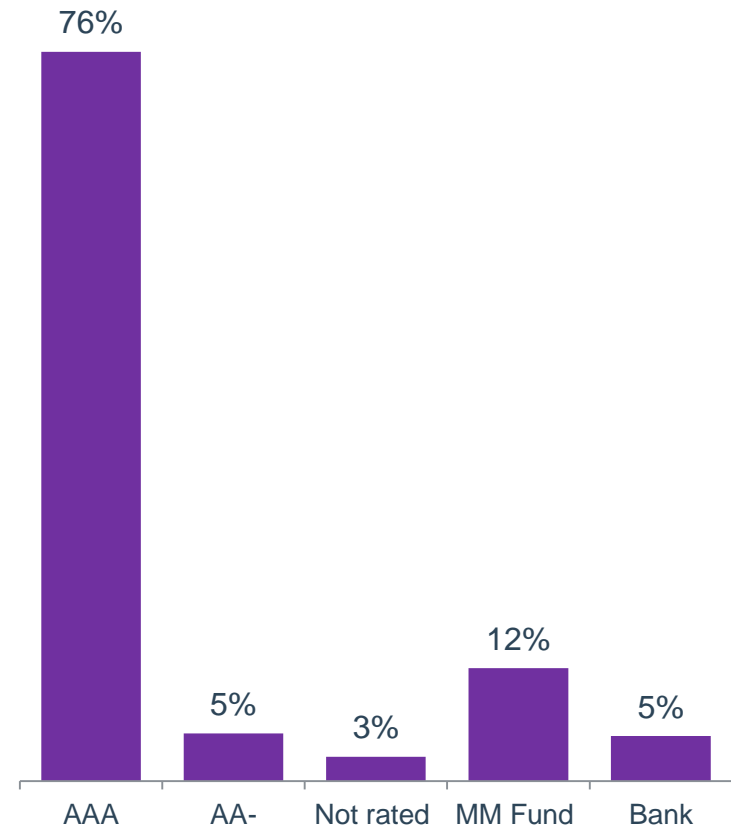
per 30.9.2014



Liquidity Portfolio by Asset Type



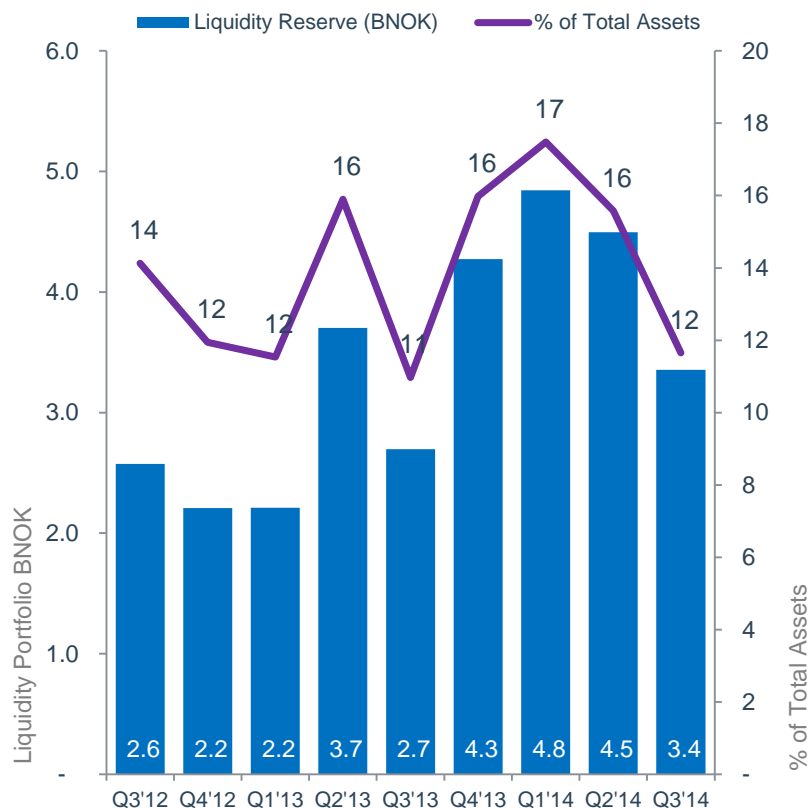
Liquidity Portfolio Distribution



Development in Liquidity Reserve per 30.9.2014



Total Liquidity Buffer



- Large liquidity buffer amounting to 3.4 bNOK and representing 12% of total assets.
- Covers debt payments the next 30 months.
- Liquidity reserve placements are managed through:
 - Investment mandate
 - NOK limits per counterpart
 - 3.5 year average maturity limit on covered bond portfolio



Gjensidige

Gjensidige Bank Boligkreditt AS

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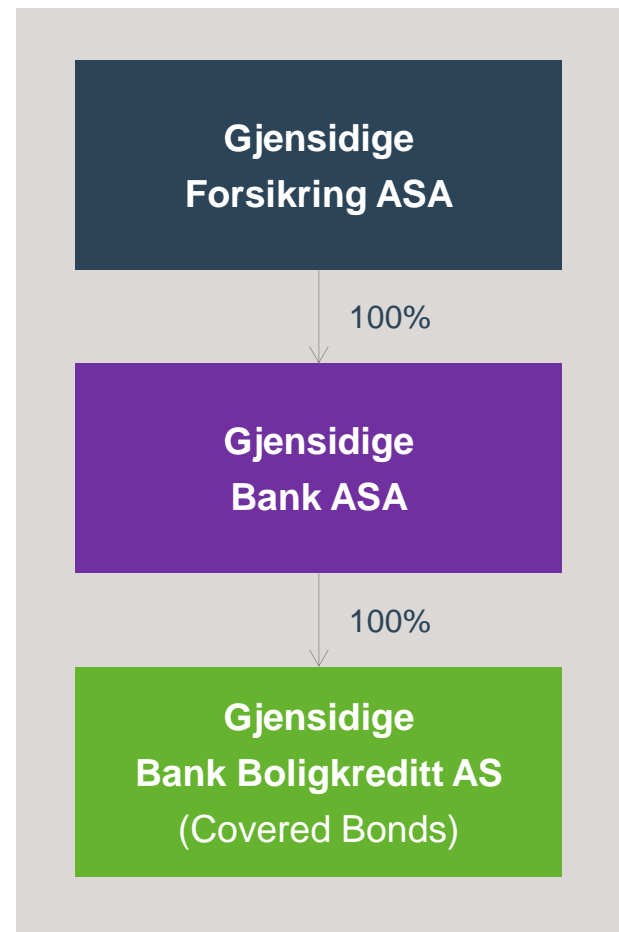


Gjensidige Bank Boligkreditt AS in Brief

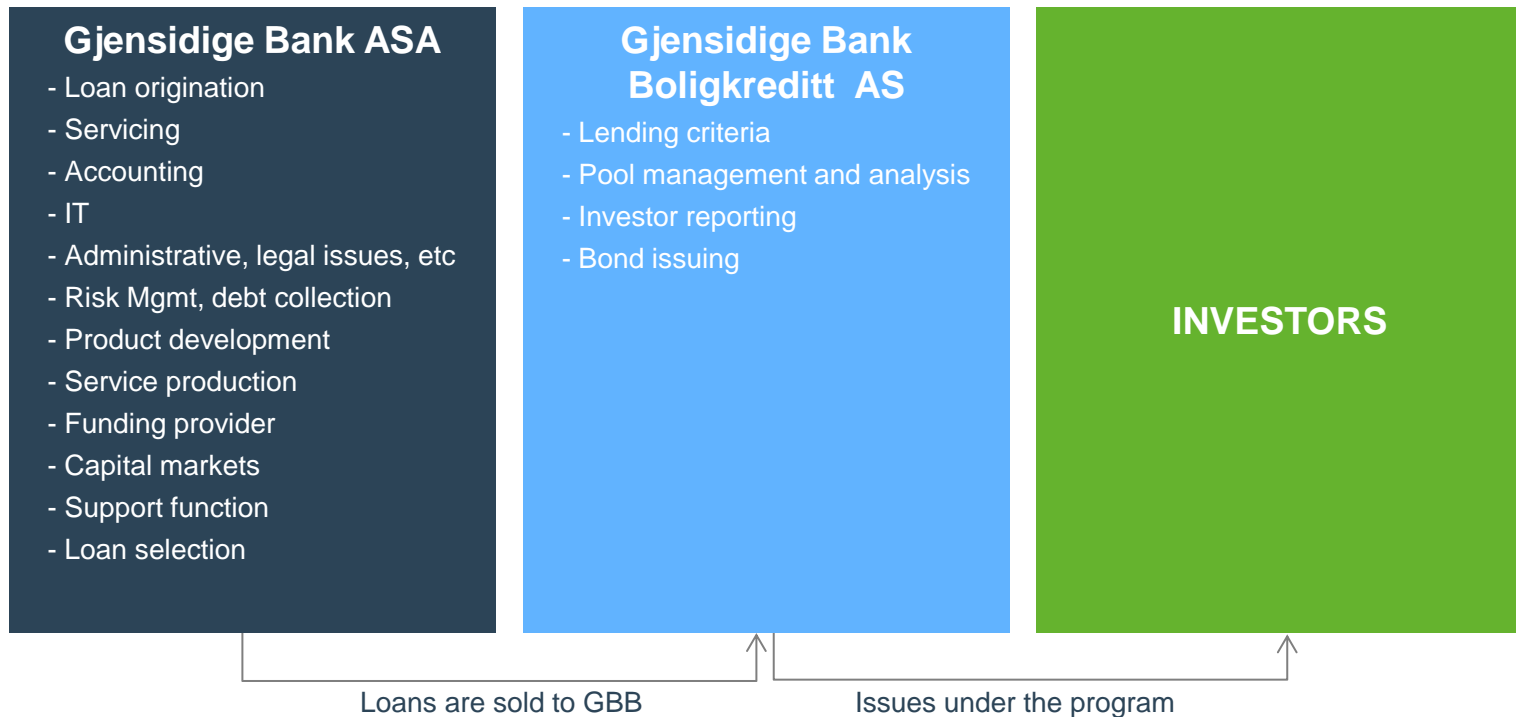


- The company was established in 2009.
- Its purpose is to raise funds for Gjensidige Bank Group.
- Covered bond rated AAA by Standard & Poor`s.
- GB Mortgage Bank is a wholly-owned subsidiary of Gjensidige Bank ASA and, operationally, an integrated part of the parent company.

Ownership structure



Operating Model & Roles



Characteristics of the Cover Pool

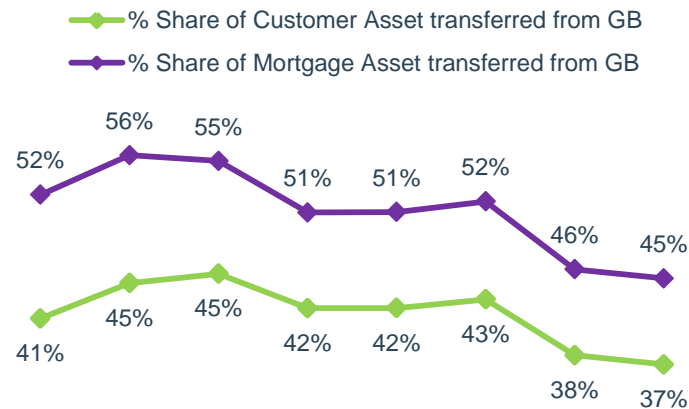


		Q3 2014	2013
Cover Pool	MNOK	10,453	11,166
Substitute assets	MNOK	598	925
Gross loans to/claims from customers	MNOK	9,881	10,258
Issued covered bonds	MNOK	7,548	8,900
Weighted average loan-to-value ratio (LTV)	Per cent	53.4	55.0
Loans to customers	Number	7,037	7,035
Weighted average remaining life	Month	194	199
Share of flexible loan (balance)	Per cent	33.0	34.6
Loans in default (> 90 days)	MNOK	1	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



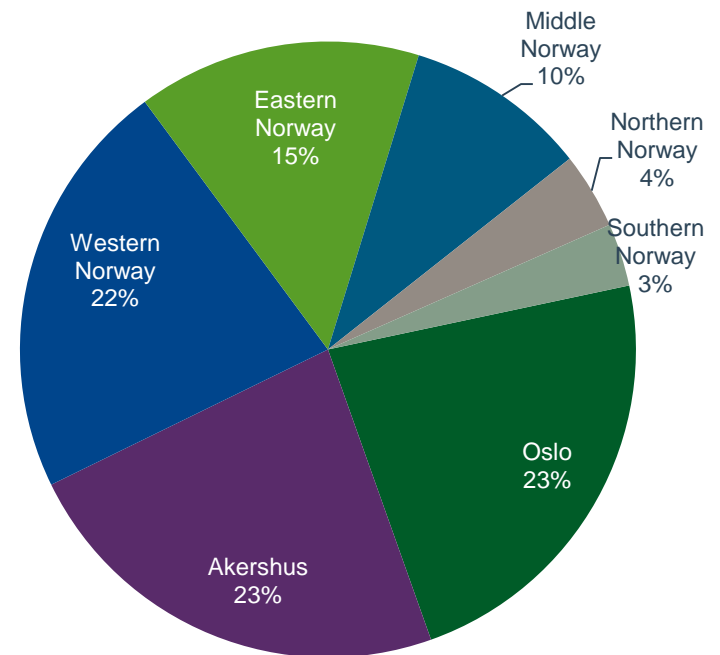
Share of loans transferred



Share of retail mortgage loans transferred to GBB issuer as of September 2014 was 45%

4Q'12 1Q'13 2Q'13 3Q'13 4Q'13 1Q'14 2Q'14 3Q'14

Geographical distribution

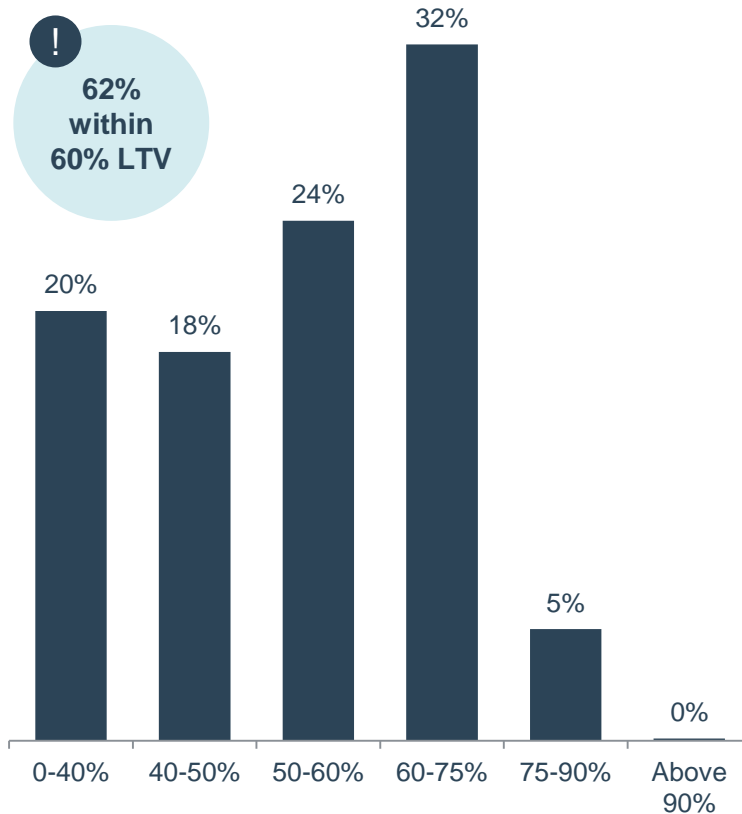




Loan-to-value

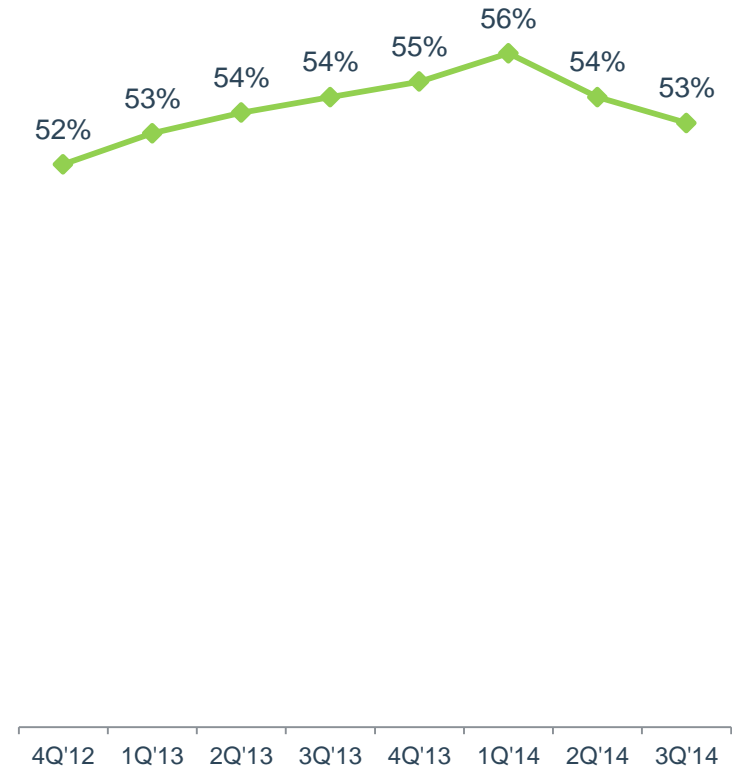
Conservative and high quality Cover Pool

Balance Distribution



! 62% within 60% LTV

LTV Development



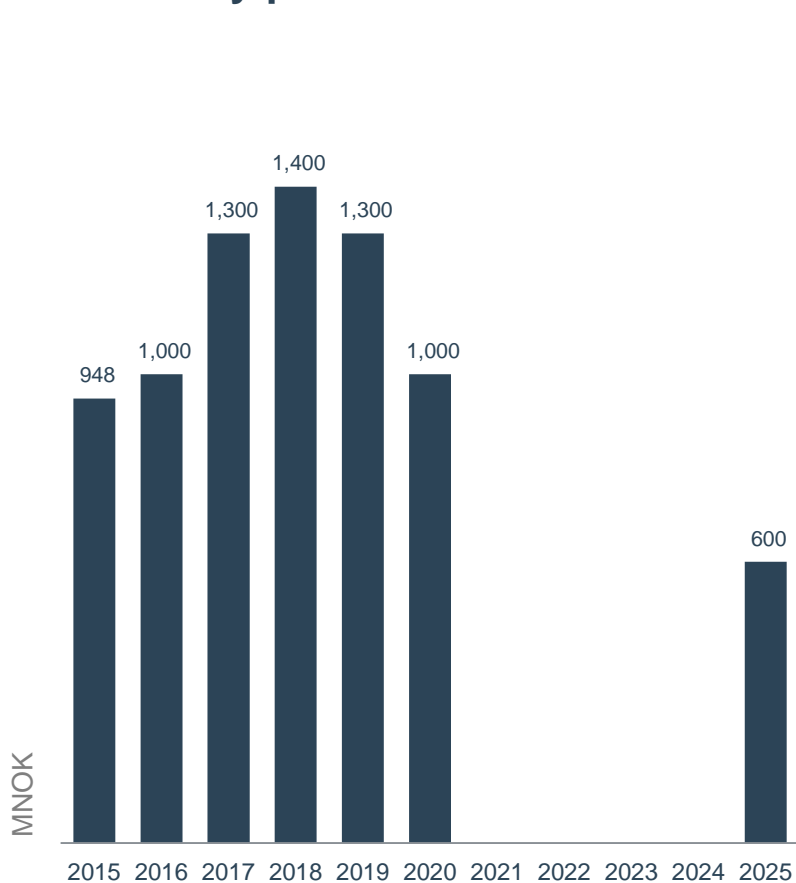
Security in summer houses are not included in calculation of Loan-to-value

Maturity profile

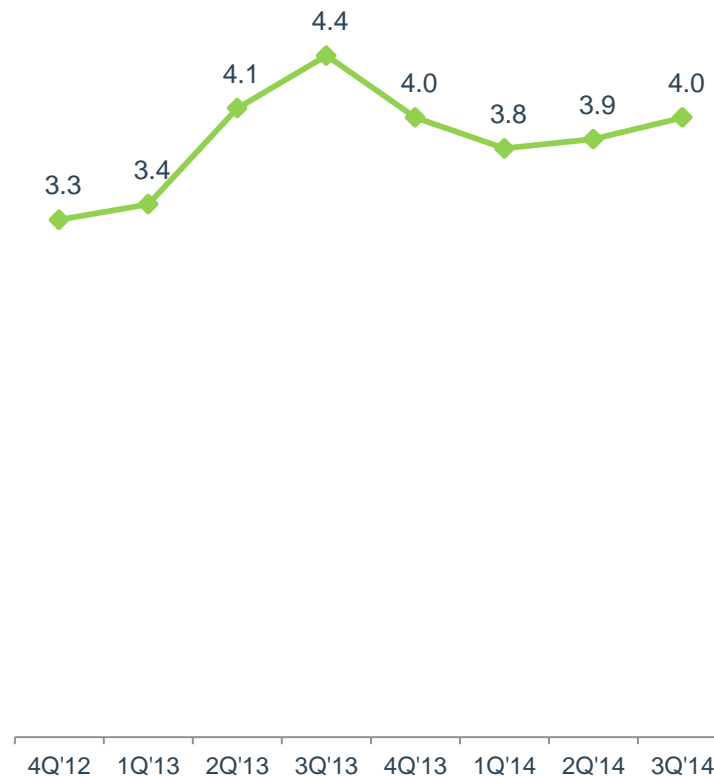
7.5 bn Issued Covered Bonds



Maturity profile



Average time to maturity of funding (in years)



Gjensidige Bank Boligkreditt AS

High Quality Cover Pool



Cover Pool (NOK Thousand)	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
Residential mortgages ¹⁾	4,569,828	6,434,299	7,175,301	8,125,704	9,481,950	9,818,344	10,241,467	10,557,369	9,774,093	9,854,942
Substitute assets	278,827	551,549	733,185	730,739	878,848	901,325	924,833	854,267	701,238	598,357
- Bank deposit Gjensidige Bank ASA	206,775	164,342	245,218	242,247	393,549	416,585	437,257	365,505	213,789	112,088
- Bank deposit other banks	22,100									
- Treasury bills		296,605	397,153	397,638	396,482	394,544	396,790	398,048	396,872	395,588
- Covered bonds	49,952	90,602	90,814	90,854	90,803	90,806	90,771	90,769	90,806	90,764
- Other					-1,986	-610	15	-55	-229	-83
TOTAL	4,848,655	6,985,848	7,908,485	8,856,443	10,360,798	10,719,669	11,166,300	11,411,637	10,475,331	10,453,299
Overcollateralization	12.8 %	45.5 %	43.8 %	40.6 %	31.1 %	30.7 %	25.5 %	28.2	26.2 %	38.5 %

1) Quarterly evaluation by Eiendomsverdi

Full Year 2013 and 3rd Quarter Financials



Income statement (Figures in NOK 1000)	YTD 2014	Q3 2014	Full Year 2013
Net interest income	106,699	30,721	121,024
Net commission income and other operating income	1,296	459	3,702
Total income	107,994	31,180	124,726
Operating expenses	(6,044)	(2,080)	(8,304)
Profit before loss	101,951	29,100	116,422
Write-downs and losses	1,024	462	(2,904)
Profit before tax expense	102,975	29,562	113,518

Balance sheet (Figures in NOK 1000)	30.09.2014	31.12.2013
Loans to and claims from customers	9,881,365	10,257,618
Liabilities opened for the issue of securities	7,622,776	8,898,981
Financing from Gjensidige Bank	2,093,433	1,510,139
Equity	769,999	695,351
Capital adequacy	17.1 %	16.6 %
Core tier 1 ratio	17,1 %	16,6 %



Gjensidige

Appendix

18. November 2014



Gjensidige Bank Group

Full Year 2013 and YTD September'14 Financials



Million NOK	YTD Sep'13	YTD Sep'14	B/(W)	B/(W) %	Full Year 2012	Full Year 2013	B/(W)	B/(W) %
Net Interest Income	398	441	42	11%	443	546	103	23%
Total Income	438	496	57	13%	488	599	112	23%
Expenses	249	250	(0)	(0%)	306	341	(35)	(11%)
Provisioning & Losses	48	41	7	14%	68	67	1	2%
Pre-Tax Earnings	141	205	64	46%	113	191	78	69%
Customer Assets	23,196	26,422	3,225	14%	17,324	24,194	6,870	40%
Customer Deposits	12,973	16,620	3,647	28%	11,580	14,938	3,358	29%
Net Interest Margin ¹⁾	2.5%	2.1%	(40 bps)		2.5%	2.4%	(10 bps)	
Pre-Tax ROE	12.3%	14.4%	214 bps		8.7%	12.0%	331 bps	
Cost / Income Ratio	57%	50%	652 bps		63%	57%	588 bps	

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

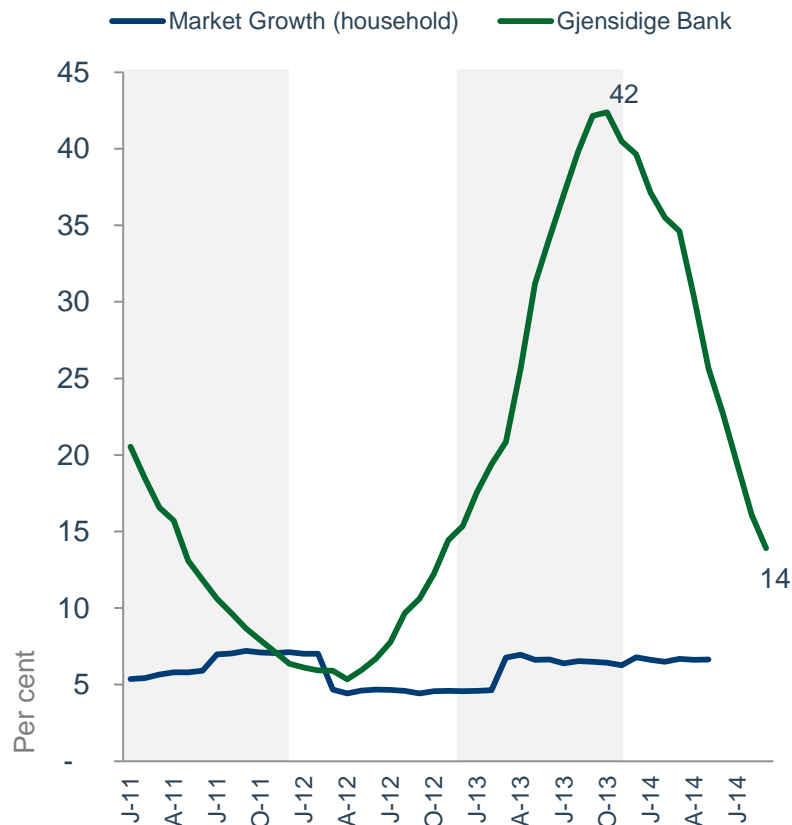
2) September YTD

Customer Asset & Deposit (Retail Market)

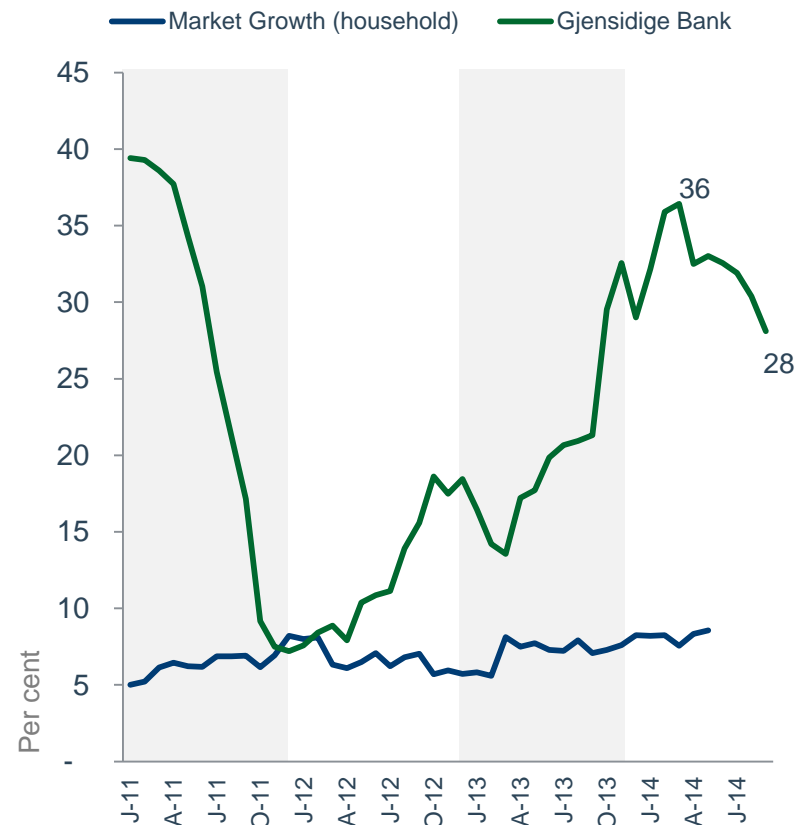
12 months percentage growth



Customer Asset (Retail Market)



Deposit (Retail Market)



Source: Statistics Norway, Household loans & Deposits 12 months percentage growth

Gjensidige Bank Boligkreditt AS

7.5 bn Issued Covered Bonds



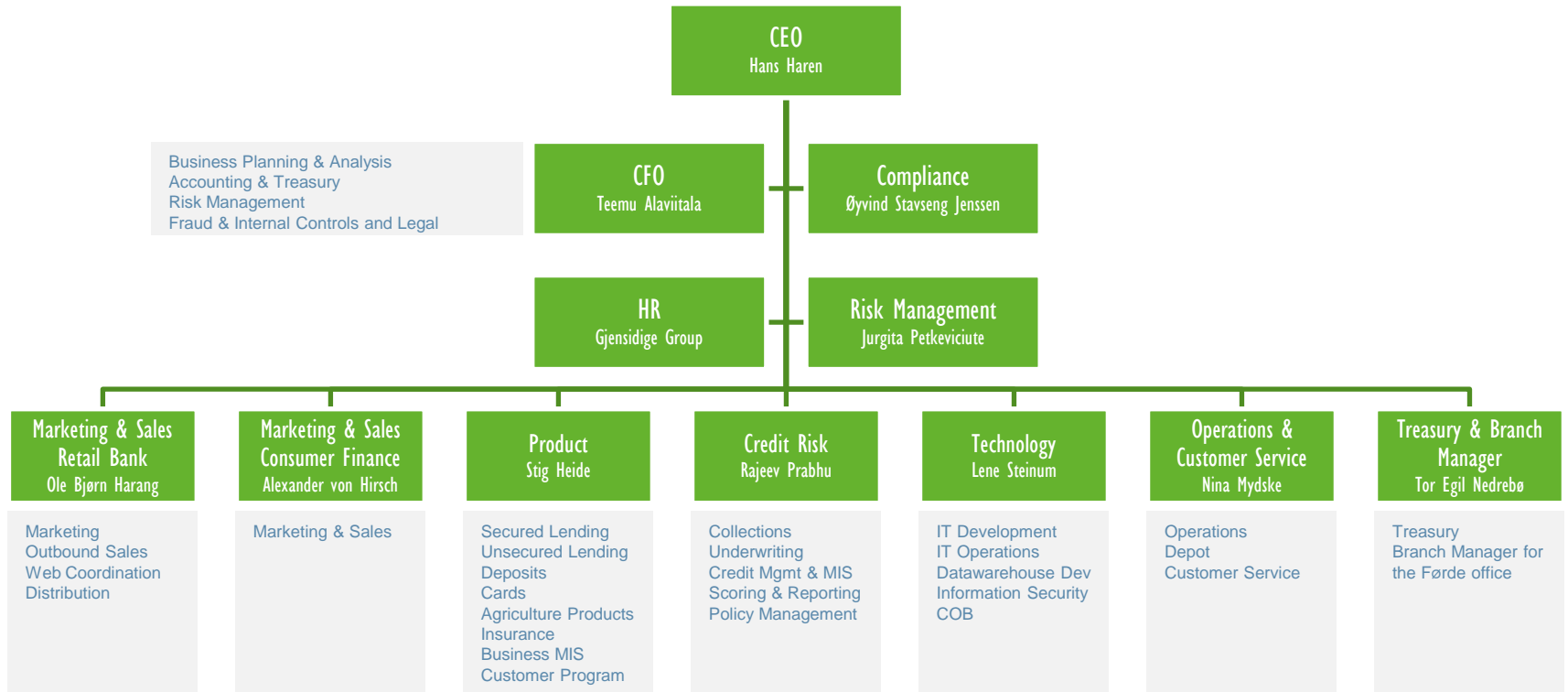
NOK thousand

ISIN NUMBER	CURRENCY	RATE	ISSUED	MATURITY	EXT. MATURITY	FACE VALUE	BOOK VALUE
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	198,000	197,816
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
NO0010629157	NOK	Floating	10.10.2013	21.11.2016	21.11.2017	700,000	713,090
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
NO0010687429	NOK	Fixed	27.03.2014	11.09.2020	13.09.2021	100,000	103,220
NO0010687429	NOK	Fixed	16.05.2014	11.09.2020	13.09.2021	100,000	104,079
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							(5,258)
Other adjustment							62,285
Total liabilities through the issuance of securities						7,548,000	7,622,776
Own Bonds							
Amortisation own bonds							
Total debt incurred through the issue of securities excluding own securities						7,548,000	7,622,766

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

Gjensidige Bank ASA

Organization



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