

Sandnes Sparebank

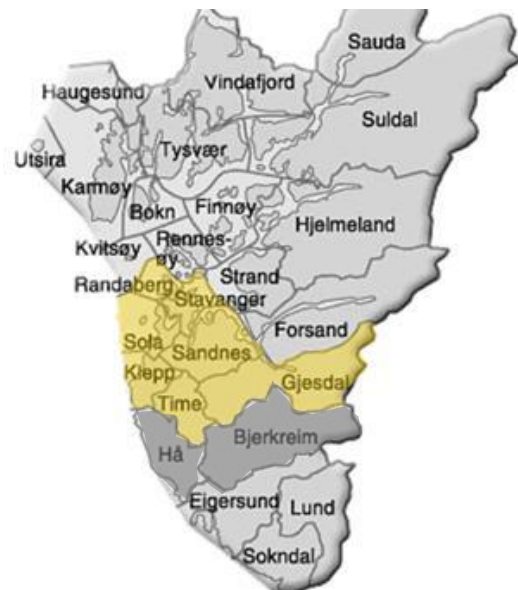
3rd Quarter Results
Oslo 26 October 2018

2nd largest savings bank in Rogaland

143 years of operations | Economies of scale through the Eika Alliance

Market and Customers

- Customer base of 40,000 retail customers and 5,000 businesses
- Our home market consists of nine municipalities in Rogaland: Sandnes, Gjesdal, Stavanger, Time, Klepp, Sola, Randaberg, Hå and Bjerkreim
- The home markets covers in total 300,000 people and 26,000 businesses



Organization

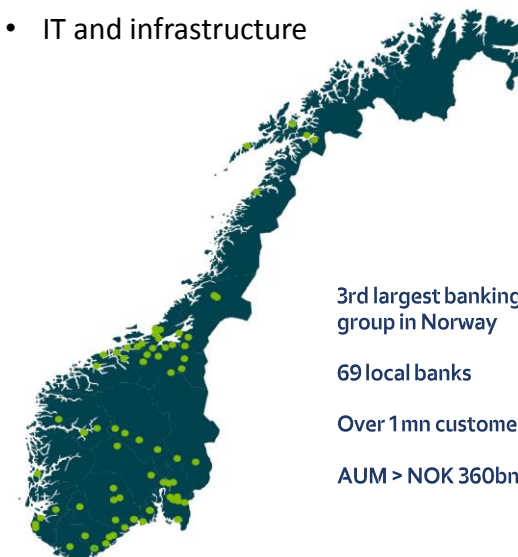
- 140 years of banking operations
- 135 man years
- SSB Boligkreditt was established in 2008 as a wholly owned subsidiary of SADG. The goal is to secure long-term funding for the bank by issuing covered bonds
- Sandnes Sparebank owns 60% of AKTIV Eiendomsmedling Jæren

Branches

- I **Sandnes:** Rådhusgata 3
- II **Stavanger:** Haakon VII's gate 7
- III **Oslo:** Haakon VII's gate 6

The Largest Bank in the Eika Alliance

- Cost efficiency
- Modern, safe and profitable payment solutions
- Asset management, insurance, credit cards, car loans and leasing
- IT and infrastructure



3rd largest banking group in Norway

69 local banks

Over 1 mn customers

AUM > NOK 360bn

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| Lower loan losses and reduction in doubtful loans | Reduced losses on loans Realised losses due to restructuring of loans, but drop in non-performing and doubtful loans Loss expectations are lowered |
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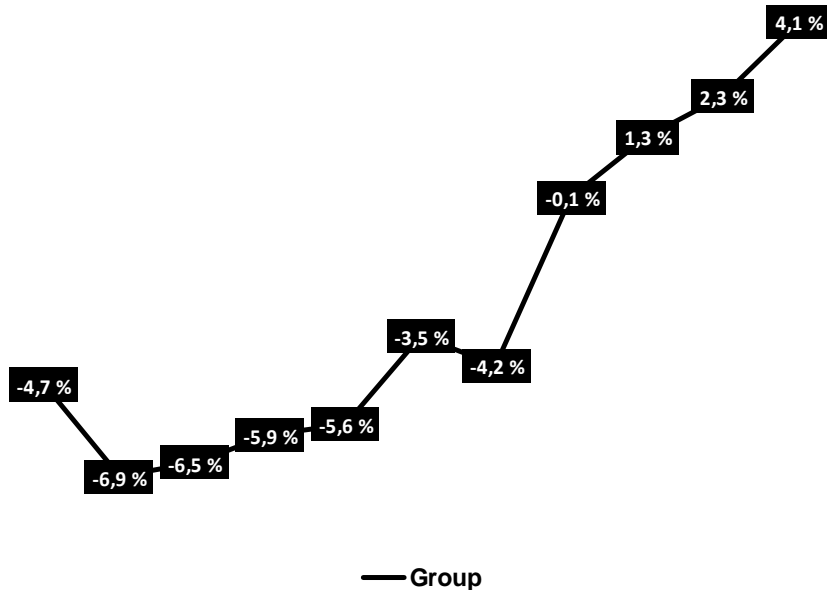
1 850 new customers

Lending Growth – 12 Month Growth Rate

The positive trend continues

Gross total lending growth (12mth)

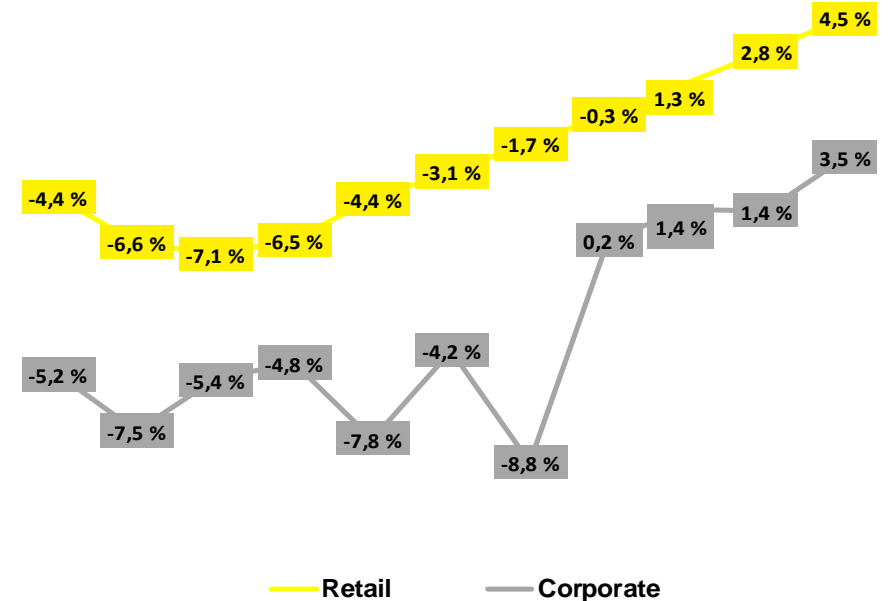
1Q16 2Q16 3Q16 4Q16 1Q17 2Q17 3Q17 4Q17 1Q18 2Q18 3Q18



- Lending growth of 4.1% YOY
- Retail lending up by MNOK 630 (4.5%) YOY
- Corporate lending up by MNOK 255 (3.5%) YOY

Gross lending growth distributed by division (12mth)

1Q16 2Q16 3Q16 4Q16 1Q17 2Q17 3Q17 4Q17 1Q18 2Q18 3Q18



- Lending growth of 0.5% last quarter
- Retail lending up by MNOK 224 (1.5%) last quarter
- Corporate lending down by MNOK 111 (-1.5%) last quarter

Brand Recognition Increased by 12 Percentage Points



Startside Tjenester Butikk Bilder Videoer Inr

Sandnes Sparebank
16. september · 🌐

Hos oss får du kundeutbytte! 😊 Her får du info om det meste du skulle lure på. Men er det noe mer du skulle hatt svar på, ta gjerne kontakt! 😊
<https://sandnes-sparebank.no/kundeutbytte>



Sandnes Sparebank
Økonomisk tjeneste

630 2 kommentarer 13 delinger

Liker Kommenter Del

Sandnes Sparebank PRIVAT BEDRIFT Bli kunde Logg inn MENY

Ingen renteøkning på Boliglån Ung

 **Fortsatt 2,22%**
Nom. rente

Velkommen til Sandnes Sparebank

Betaling Forsikring Lån Sparing

Åpningstider, adresser og telefonnumre

Kundeservice

Sandnes

Stavanger

Sperre kort



Kraftig nedgang av beltebruk ved SUS

! SIDE 30-31



– Eg hadde ikkje tenkt at eg skulle gi ut bok

! SIDE 47



Utvinning av kryptovaluta krever varvittig mye strøm og produserer ingenting av verdi for samfunnet.

Hilde Øvrebekk, kommentator

! SIDE 5

20.09.18

Personlig økonomi



– Få oversikt, sett opp et budsjett og planlegg bedre, er rådet fra banksjef Lene Nevland Sivertsen i Sandnes Sparebank. Til høyre Erik Kviv Hansen, direktør for personmarkedet.

! ANDERS MINGE

Stavanger Aftenblad

TORS DAG 20. SEPTEMBER 2018 Uke 38 · 126. årgang · Løssalg 35,- 125 år

Nå øker utgiftene

- ✓ RENTA
- ✓ STRØM
- ✓ DRIVSTOFF
- ✓ NYE BOMRINGER

ØKONOMI: Banksjef i Sandnes Sparebank, Lene Nevland Sivertsen, mener at så lenge folk har en sunn økonomi vil dette gå fint.

! SIDE 10, 11 OG 12

! ANDERS MINGE

NYHET! NÅ KAN VI DELE UT MER KUNDEUTBYTTE!

Sandnes Sparebank
enklere valg

Bli kunde nå, og få din del av overskuddet.
sandnes-sparebank.no

Er ikke bekymret over økte kostnader

ØKONOMI: I dag går trolig styringsrenten opp 0,25 prosentpoeng. I tillegg er bensinprisene og strømprisene høye, og 1. oktober åpner bomringene for Nord-Jæren. Banksjef i Sandnes Sparebank, Lene Nevland Sivertsen, mener at så lenge folk har en sunn økonomi vil dette gå fint.

Håkon Jonassen Norheim
hakon.norheim@aftenbladet.no

Folks økte utgifter i forbindelse med renteøkning, økt strømpris, økte bensinpriser og bompenger utgifter vil påvirke privatøkonomien til folk, mener direktør for personmarked Erik Kviv Hansen og banksjef Lene Nevland Sivertsen i Sandnes sparebank. Men de mener likevel at folk som har en frisk og sunn økonomi vil klare dette godt.

– Når vi i banken gir lån, tar vi høyde for at lånetaker skal kunne tåle en renteøkning på minimum 5 prosent. De skal kunne betjene bolig, strøm, bil og alle utgifter som ligger. Vi har all grunn til å tro at dette vil gå fint. Samtidig vil de med presset økonomi kjenne enda mer press, på grunn av økte utgifter, mener Nevland Sivertsen.

– Vurder kollektivtransport
– Hvis er det beste tipset privatpersoner kan ta for å få ned forbruket?

– Det beste tipset er å få oversikt, og sette opp et budsjett og planlegge bedre. Vi anbefaler alle kunder å ha en buffer for å kunne håndtere uforutsette utgifter. Der har mange en vei og gå, ser vi. I tillegg er det noe som kan kuttes. Treningsentre og strømme-tjenester er klassiske eksempler. I tillegg bør flere vurdere kollektivtransport. Desom har flere forskjellige smålån bør samle disse, og en kan ta en gjennomgang av forsikringer om det er lenge si-

den sier, sier Nevland Sivertsen. Torsdag vil trolig Norges bank sette opp renten med 0,25 prosentpoeng, og andre banker vil trolig følge etter. Sandnes sparebank har ikke tatt noen beslutning enda, men følger med.

– Foreløpig vil ikke renteøkningen ha noe å si, men med en forventning om høyere renter fremover så vil dette også kunne påvirke våre kunder, både på innskudd og utlån. Vi skal være konkurransedyktige på renten, sier han.

– Er nå det beste tidspunktet å binde renten?
– Ja, for de som har presset økonomi og ikke tåler en renteøkning og det som kommer fremover. Nå er fastrenten historisk lav, så den vurderingen bør folk ta i familieøkonomien, sier banksjef Nevland Sivertsen.

Sjeføkonom i Sparebank 1 SR Bank, Kyrre Knudsen, er ikke bekymret over økte utgifter i folks privatøkonomi.
– Inflasjonen har kommet en god del opp som følge av høyere

strømpriser, og siden prisene akkurat nå stiger i samme takt som lønn, er det slik at reallebensveksten er nær null. Men om vi ser dette over litt tid, hva vi tror gjennomsnittlig privatvekst blir i år, og neste år, vil det være en høyere reallebensvekst, mener han.

Knudsen tror styringsrenten vil øke nokså moderat de neste to årene, og mener at det ikke vil utgjøre de store utfordringene på privatøkonomien med lønnsøkningene som er forespilt.
– Vi tror det starter med en forsiktig økning på 0,25 prosentpoeng torsdag, så kanskje 0,5 prosentpoeng i 2019. Det er en ganske gradvis og moderat økning, mener han.

– Løft blikket
Han mener det er viktig å løfte blikket litt i bompengedebløtt, og se på hva en slik investering vil gjøre for regionen.

– For vår region er det viktig at vi har god infrastruktur og kommunikasjon. Historisk har det gitt regionen ekstra vekst, både

innenfor næring og bolig. Det er fornuftig nå å ha en større og bredere debatt, for jeg tror vi vil nytte godt av en region med bedre infrastruktur, sier han.

– Hva med de som ikke har mulighet til å tilpasse seg?
– Det er klart det finnes personer som bor slik til at det ikke er mulig. Da må man se på kollektivtilbudene, mener han.

Han gleder seg over bedringen i økonomien, det at det skapes flere jobber og at arbeidsløsheten går ned, i stedet for de økte utgiftene som kan være krevende, men mulig å tilpasse seg.
– Jeg oppfordrer imidlertid alle til å ta en titt på gjeldsnivå og renteutsikter og være godt forberedt, avslutter han.

» Nå er fastrenten historisk lav, så den vurderingen bør folk ta i familieøkonomien.
Lene Nevland Sivertsen, banksjef



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Lower loan losses and reduction in doubtful loans

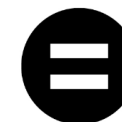
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Positive regional outlook

Businesses are reporting increased order inflow and increased investments
Increase in labour demand
Stable residential markets

Roadmap and updated guidance

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Loss-guidance reduced by MNOK 10



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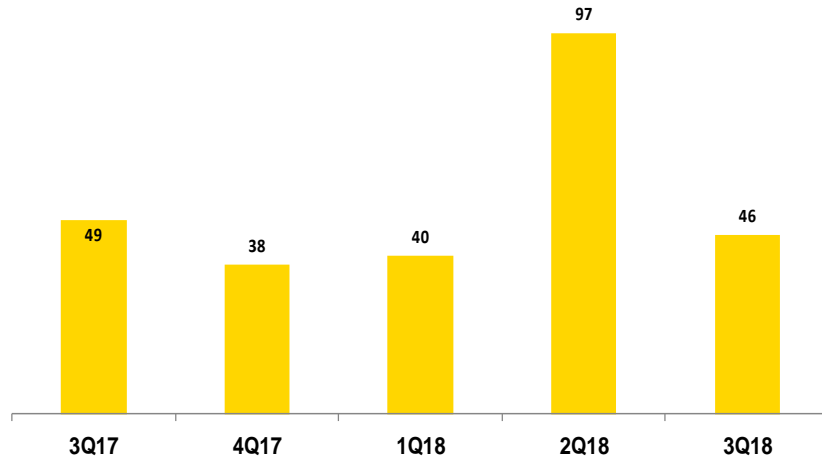
- enklere valg

Financial Results



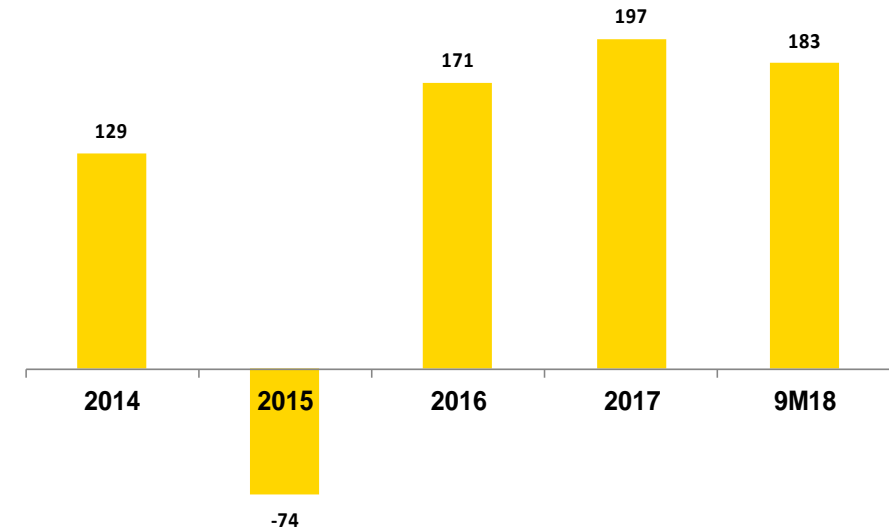
Stable operations and positive development i earnings

Profit after tax, quarterly



- EPS last quarter at NOK 1.3 vs. 1.4 in Q3-17

Profit after tax, EOY / YTD



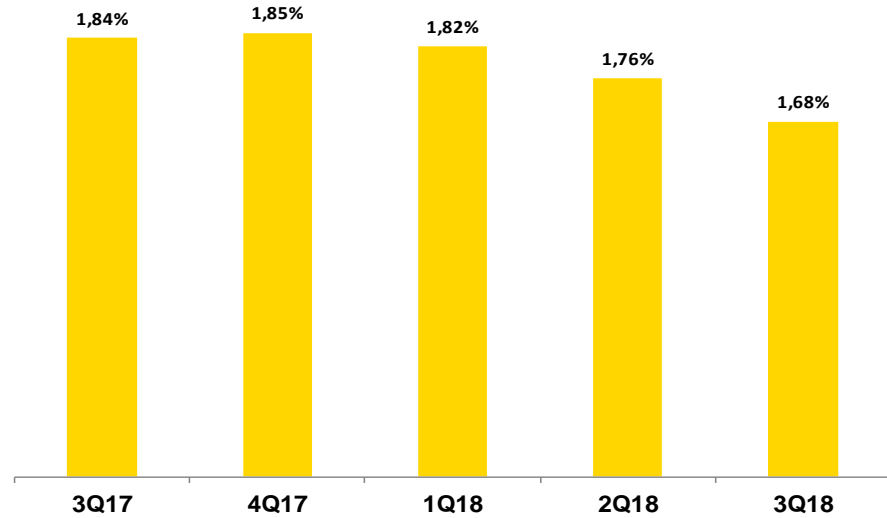
- EPS at NOK 5.2 YTD, up from 4.5 in 2017

Net Interest Margin

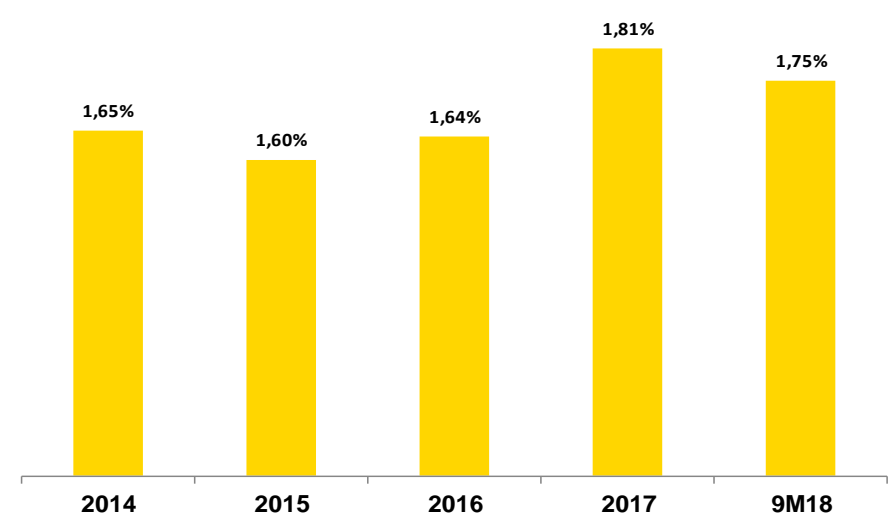
Solid interest margin



Net interest margin, quarterly



Net interest margin, EOY/YTD



- Reduced interest margin QoQ. Largely explained by lower lending margin due to higher market rates.
- Interest rate adjustments on deposits and loans with effect from mid-Q4

Higher Mortgage Rates - Except for Young Customers (18-34yrs)

sandnes-sparebank.no

Ingen renteøkning
på Boliglån Ung

Fortsatt
2,22%
Nom. rente

 **Sandnes Sparebank**
- enklere valg

Eff.Rente: 2,32%, kr 2 mill. over 25 år, sikkerhet innenfor 85 %. Totalt kr 2.631.597

Boligdrømmer på jenterommet eller egen leilighet?

Nå kan du låne opptil 85% av kjøpesummen,
og betingelsene er blant landets beste!

KONTAKT OSS!

 **Sandnes Sparebank**
- enklere valg



Stuck på gutterommet eller egen leilighet?

Nå kan du låne opptil 85% av kjøpesummen,
og betingelsene er blant landets beste!

KONTAKT OSS!

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- enklere valg

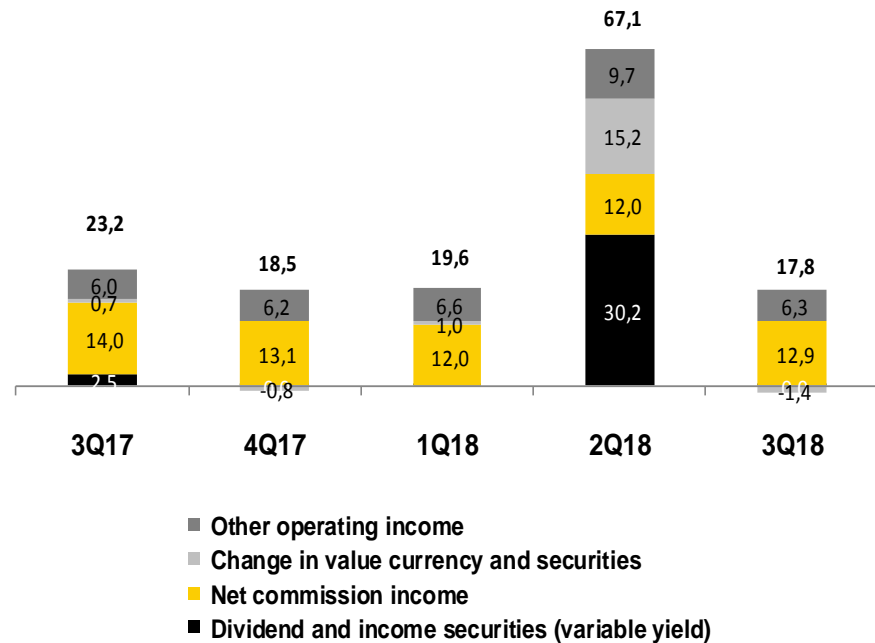


 **Sandnes Sparebank**
- enklere valg

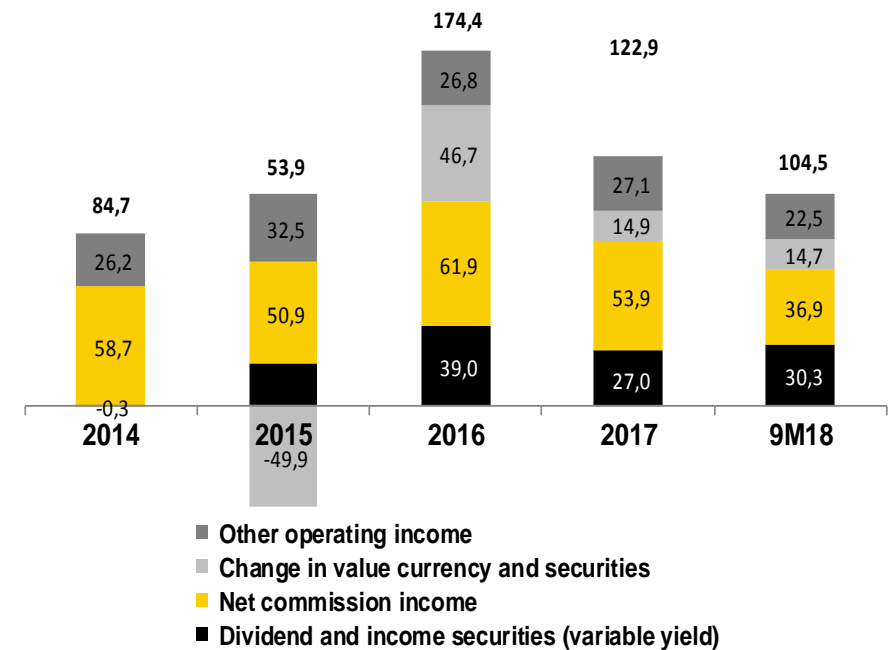
Other Income



Other income, quarterly



Other income, EOY / YTD



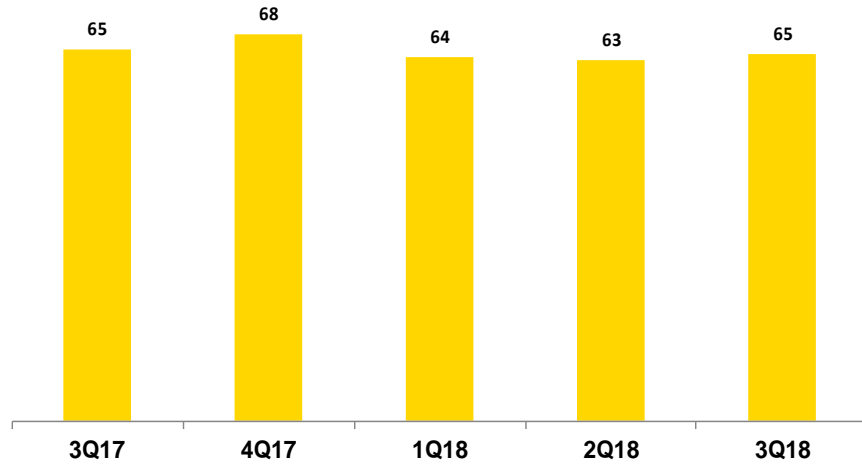
- Pressure on transaction related fees
- Increased saving and insurance volumes, but reduced margins
- Eika paid a dividend of MNOK 29 for 2017

Operating Cost

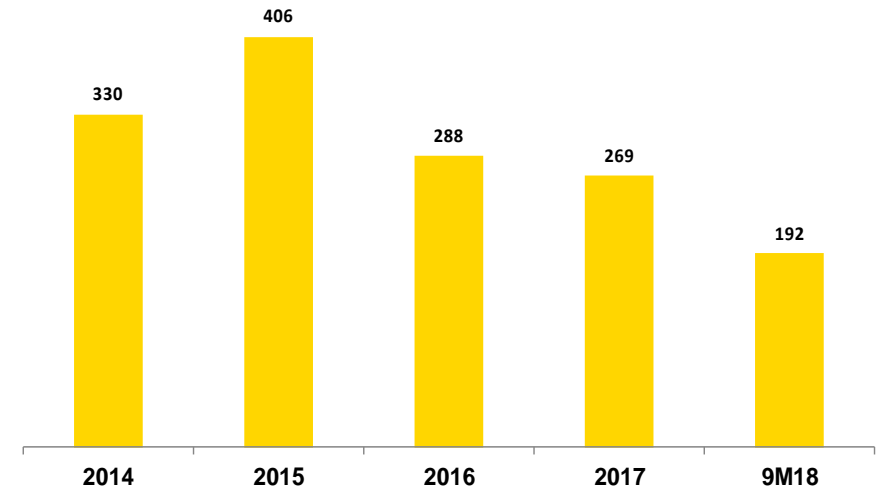
Stability in operating cost | Cost to income ratio is 43% YTD

Estimate:
< 275 MNOK

Other operating costs, quarterly



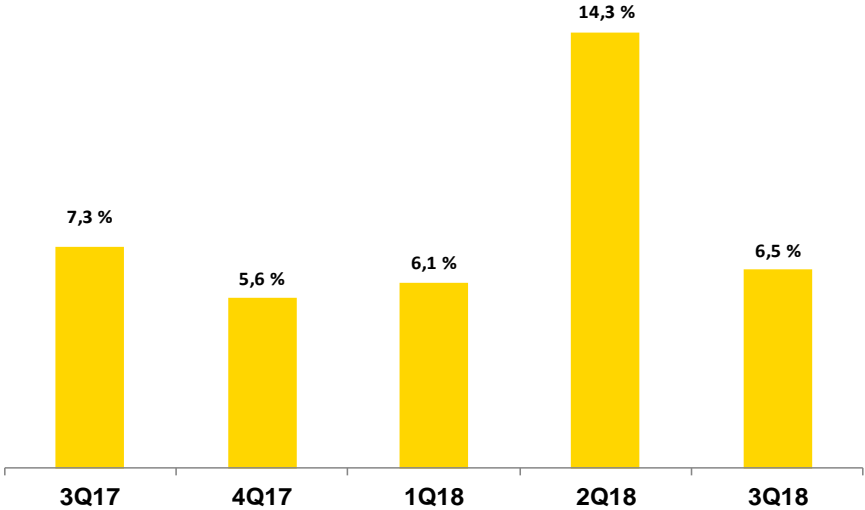
Other operating costs, EOY / YTD



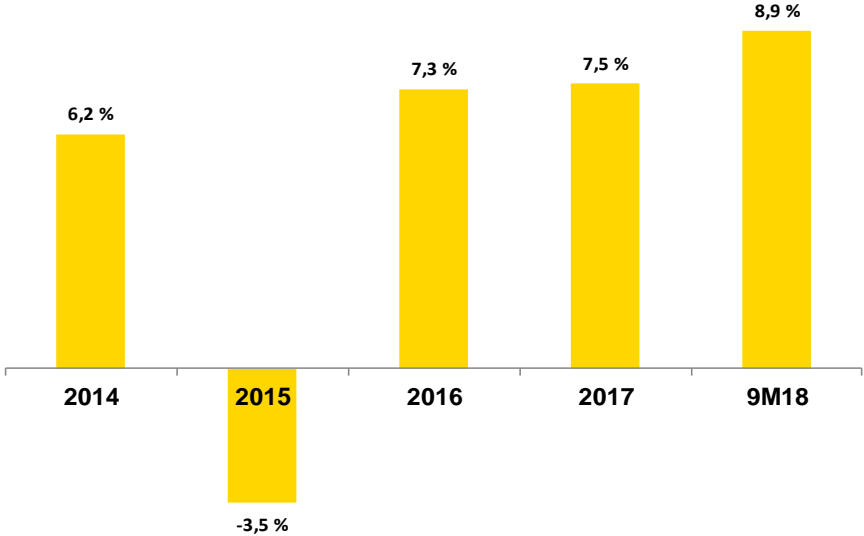
Return on Equity



ROE, quarterly



ROE, EOY/YTD

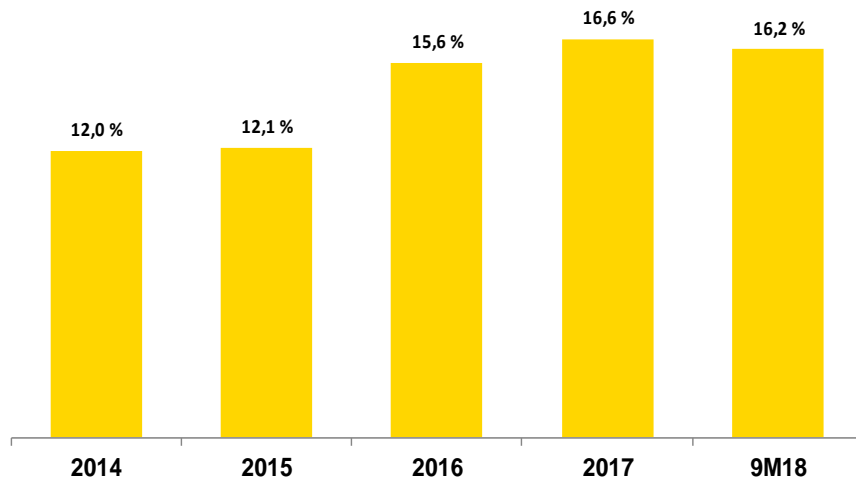


Well Capitalised

CET1 at 16.2 % | 17.4 % incl. YTD profit

Mål:
> 15,2 %

CET1, EOY/YTD



- Regulatory minimum requirement increased from 14% til 14.5% per EOY 2017
- Strategic target of minimum 15.2%
- 17.4 % incl. YTD profit

Well Capitalised

- Growth capacity of NOK 4bn, which corresponds to 18% growth
- Strong dividend capacity (50-75%)
- Loss-absorbing capacity versus FSA's minimum requirement of 14.5% is NOK 530mn

Leadership, Management by Objectives, Culture



Resultatdrivere:

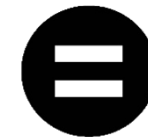
- Ledertrening og lederutvikling
- Målstyring og tavlemøter
- Kulturbygging



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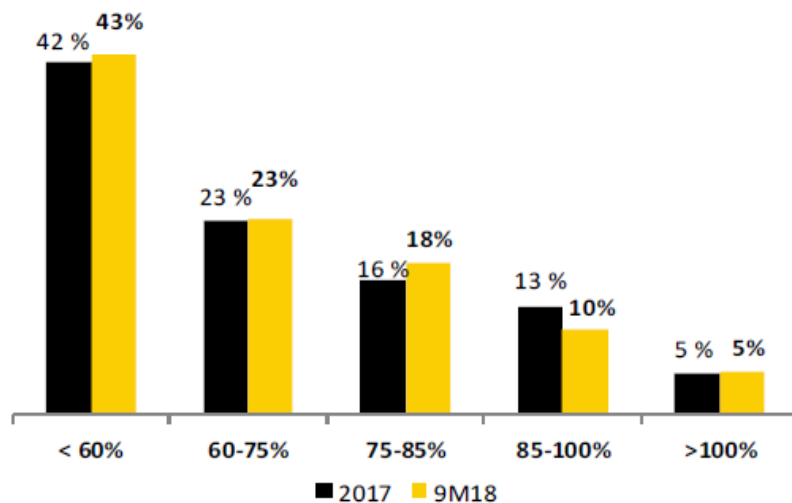
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Loan Portfolio - Retail lending (67%)



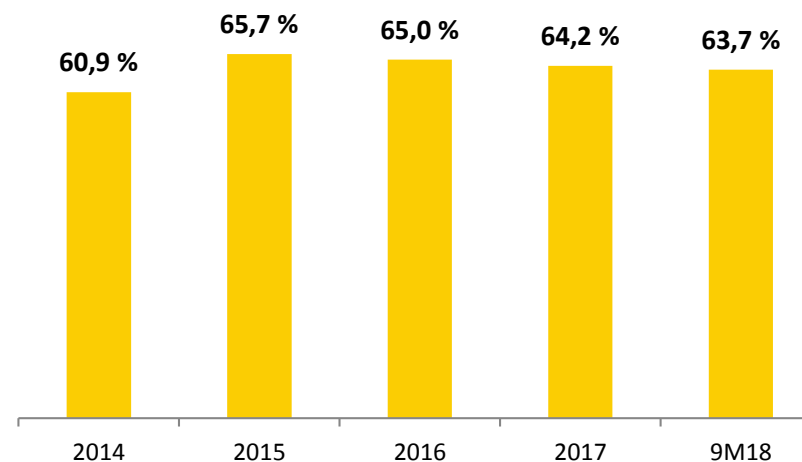
Weighted average LTV drops despite lending growth

Eksponering per LTV



- 66% av porteføljen med LTV under 75%
- 88% av porteføljen med LTV under 85%
- Positiv utvikling i boligverdiene bidrar til å reversere mengden lån som tidligere falt utenfor 85%-grensen

Gjennomsnittlig volumvektet LTV



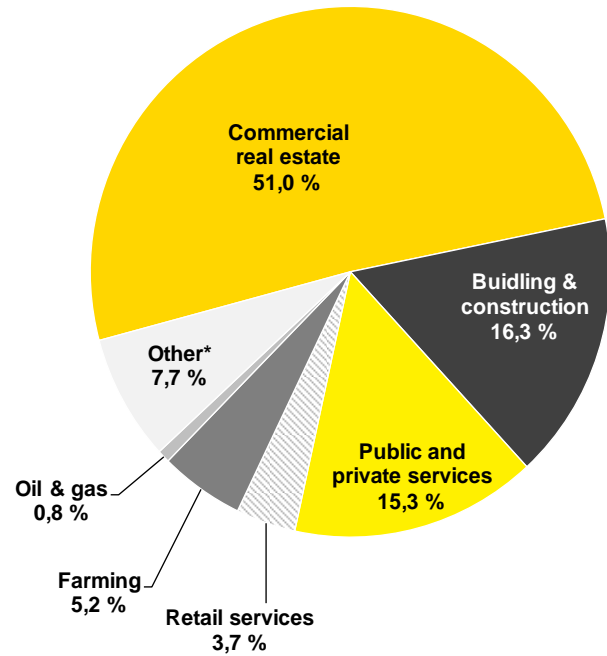
- Siste 12 mnd er boligprisene marginalt opp i bankens markedsområde
- Stigende boligpriser og avdrag bidrar til fallende LTV-nivåer
- Nye lån inn har generelt høyere LTV enn snittet i eksisterende portefølje

Loan Portfolio – Corporate (33%)



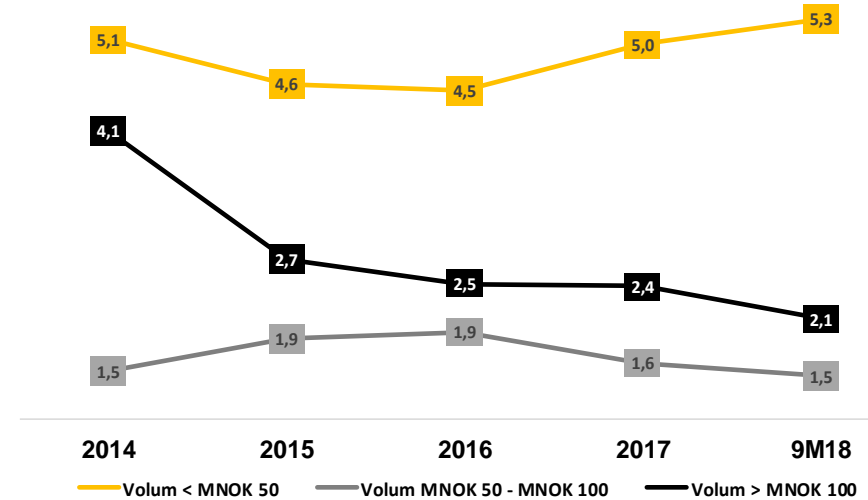
Stable sector distribution | Growth in SME | Reduction in loans above MNOK 100

Sector distribution



- Lending to corporate stable at 33% of total loan book
- Increase in lending to agriculture and services
- Exposure to oil-related and hotel/restaurant is insignificant

Loan size distribution, volume *



- The bank continues to reduce the concentration risk on the corporate loan book

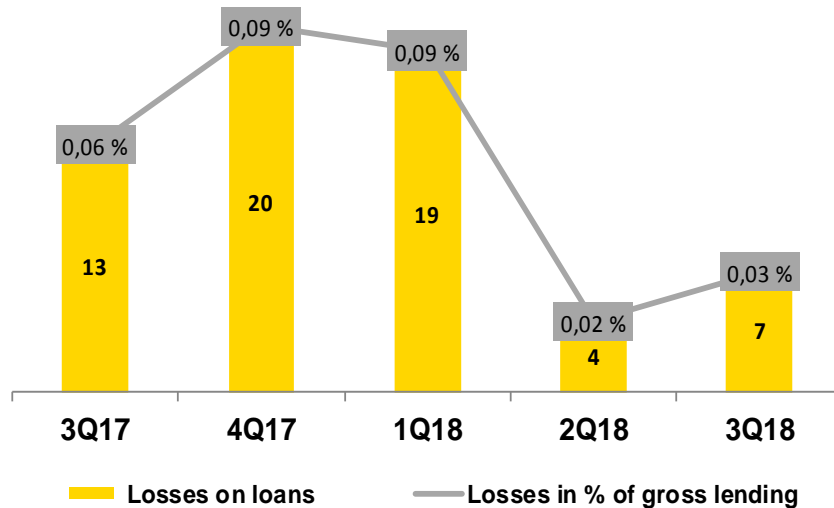
* # loans and volume based on single exposures, not Basel II-grouping

Losses on Loans and Guarantees

Within guidance for 2018 | Guidance lowered by MNOK10

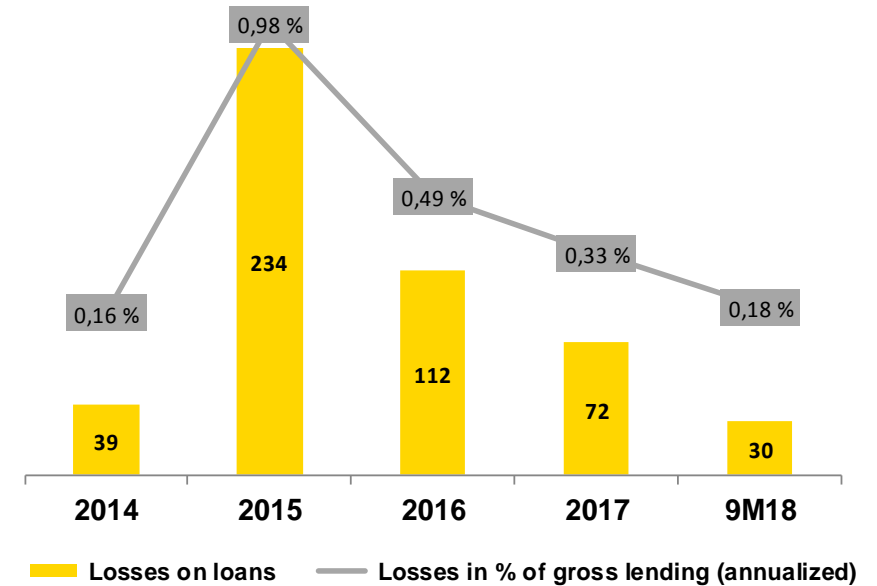
Estimate:
MNOK 30-60

Losses on loans and guarantees, quarterly



- Booked MNOK 6.8 in losses on loans and guarantees in the 3rd quarter
- Step 3 provisions (former individual write-downs) reduced by MNOK 94.8
- Step 1 and 2 provisions (former collective write-downs) were reduced by MNOK 8.4
- Realised losses are MNOK 110

Losses on loans and guarantees, EOY/YTD



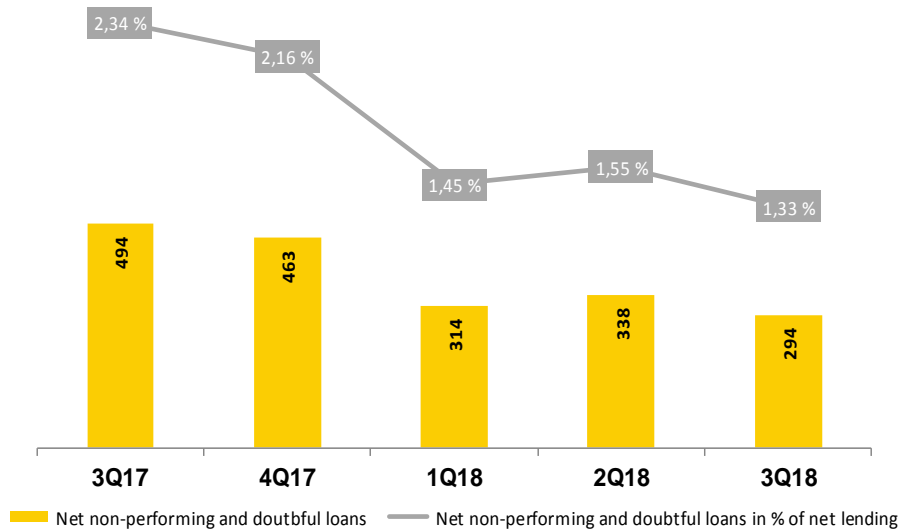
- Group level losses are MNOK 30 YTD
- The loss-absorbing capacity with regards to the strategic CET1-target (15,2%) is MNOK 400 incl. YTD profits

Non-performing and Doubtful Loans

Positive development YTD

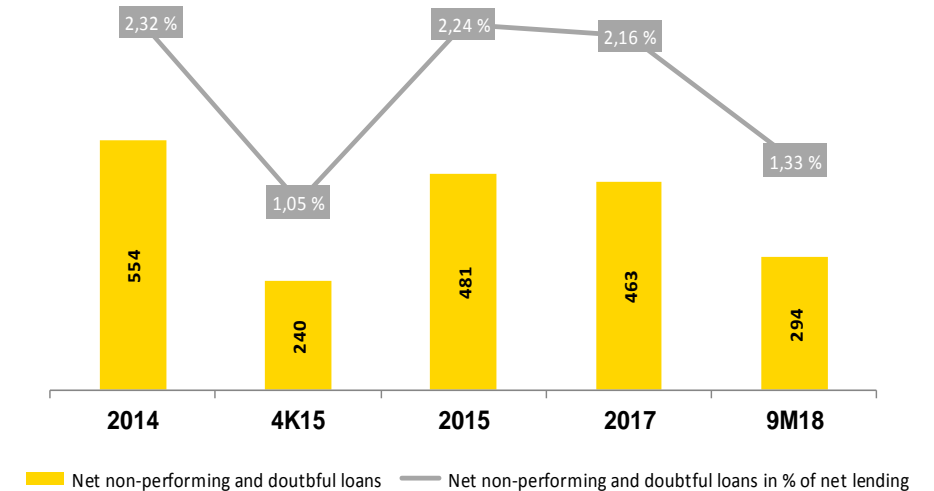


Net non-performing and doubtful loans, quarterly



- Generally more favourable macroeconomic conditions in the region
- Restructuring of loans contribute to a reduction in doubtful loans

Net non-performing and doubtful loans, EOY / YTD

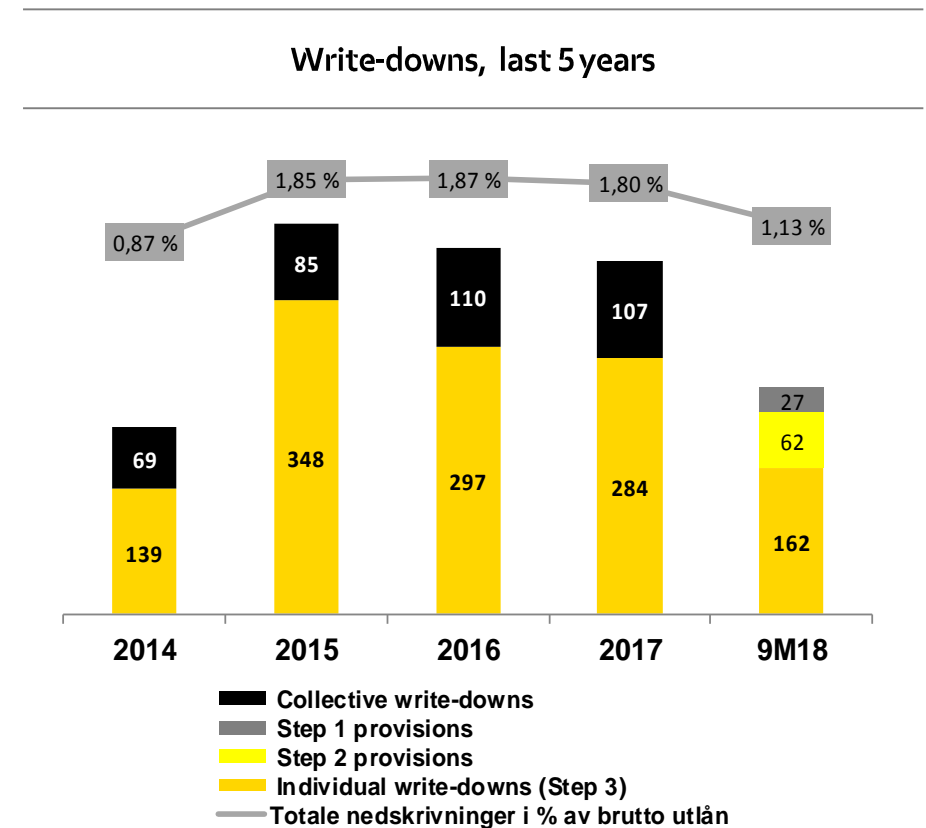
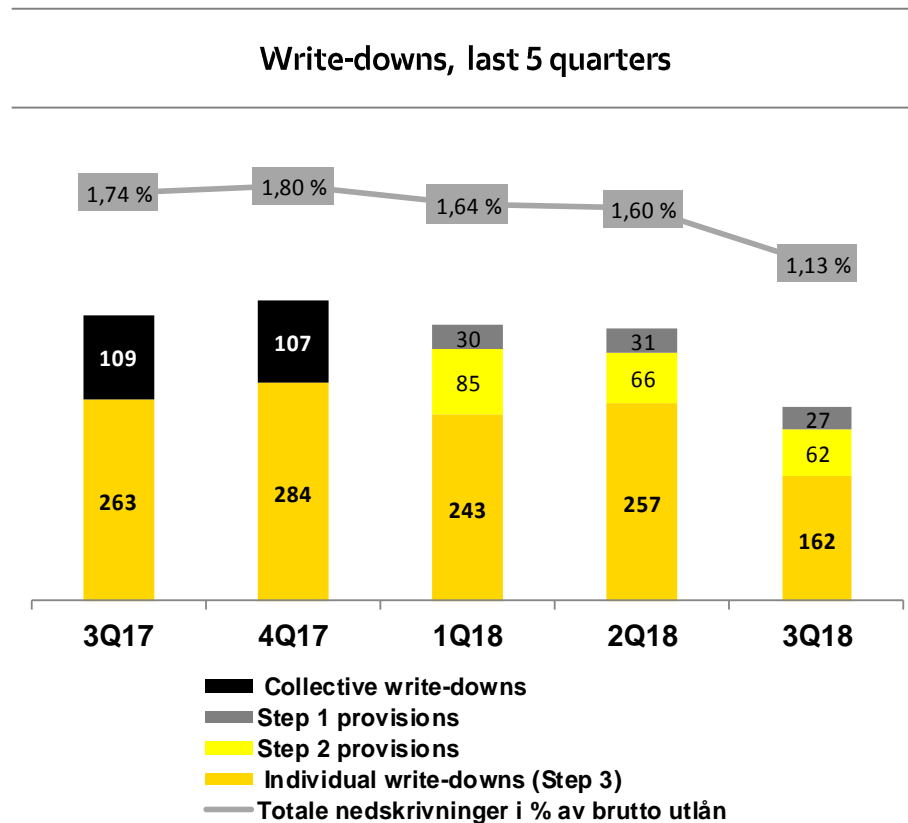


- Restructuring of certain exposures contribute to a significant reduction in non-performing loans from 2017

Write-downs on Loans



Reduction due to realization on doubtful loans with previous provisions



- From 1 January 2018 IFRS 9 was implemented. The new standard replaces IAS 39. The numbers according to the new standard are not directly comparable to the historical numbers



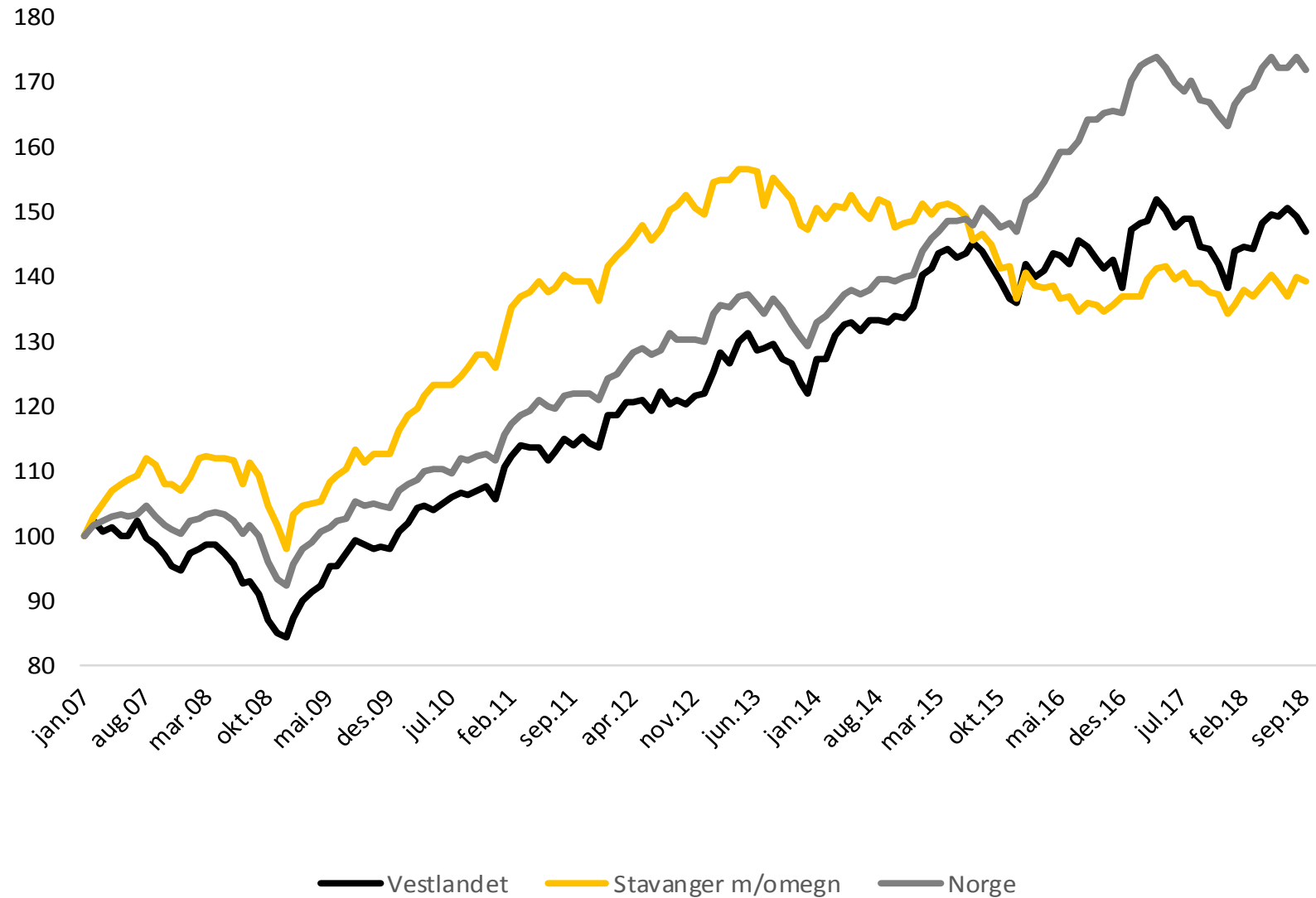
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Real Estate Prices

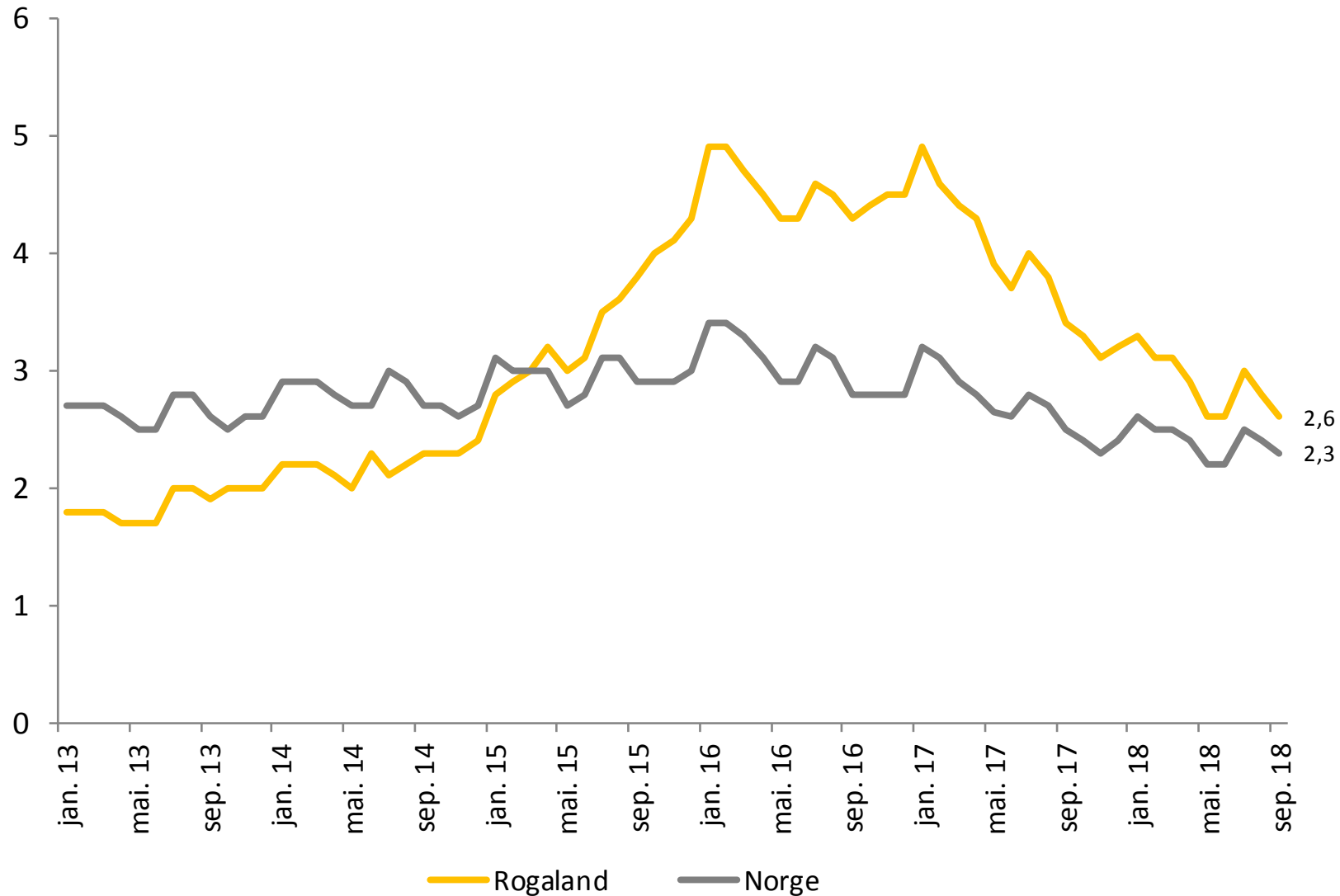


Stavanger area vs rest of Norway | Peaked in the summer of 2013, sideways last two years



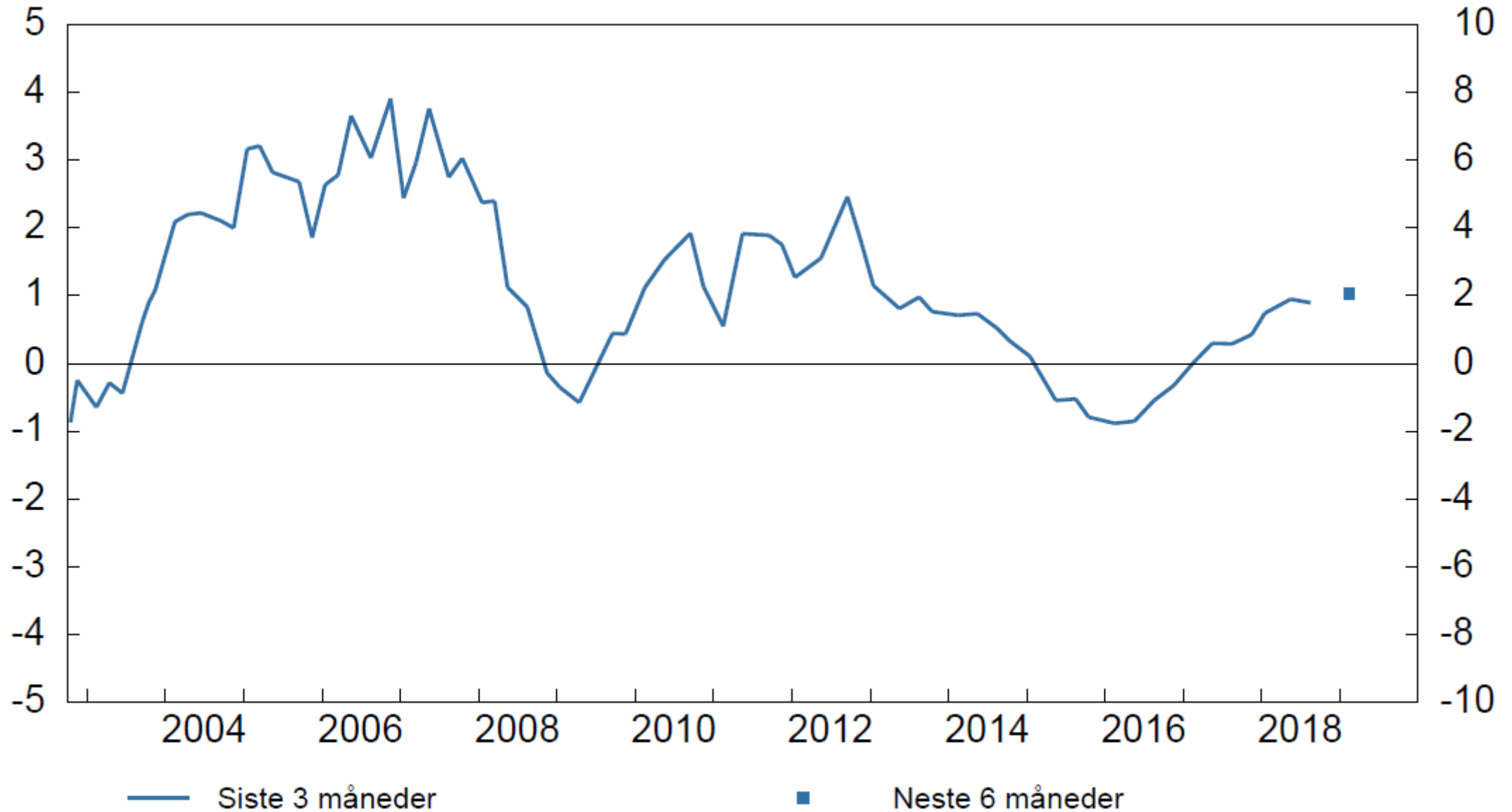
Unemployment Rate in Rogaland

Approaching the national average



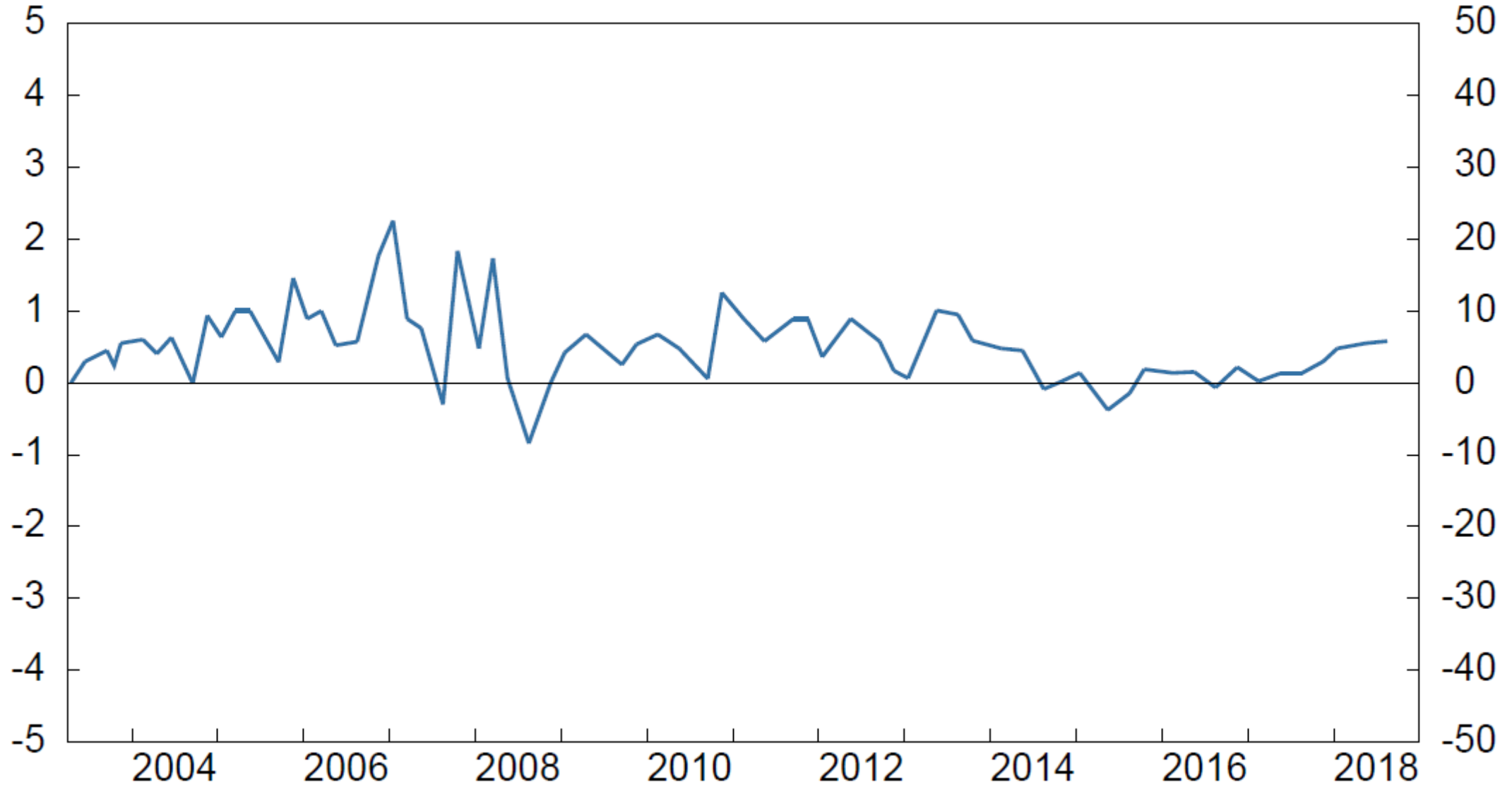
Norges Bank – Regional Network

Region Sørvest – Growth in Production



Norges Bank – Regional Network

Region Sørvest – Growth in Investments





Summary

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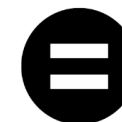
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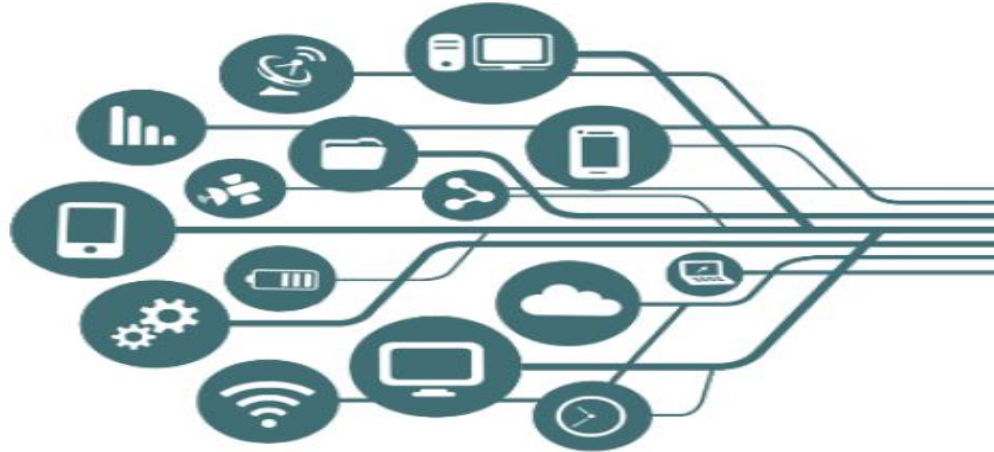
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Sandnes Sparebank

- enklere valg

Road Map



- Increased digitalisation
- Personalized customer service for those who want it
- Increased sale of savings and insurance products, and increased lending
- Risk reduction
- Cost control
- Leadership, management by objectives and building of internal culture
- Continue to build in what we have started

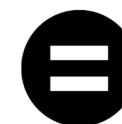


Estimates for 2018



Improved guidance on costs and lowered guidance on losses

| | Results 2017 | Estimate 2018 (16/8) | Estimate 2018 (26.10) |
|-----------------------|--------------|----------------------|-----------------------|
| Operating Costs | 269 MNOK | 275 MNOK | <275 MNOK |
| Total Losses | 72 MNOK | 40-70 MNOK | 30-60 MNOK |
| CET1 | 16,6 % | > 15,2 % | > 15,2 % |
| Dividend Payout Ratio | 50 % | 50-75 % | 50-75 % |



Sandnes Sparebank

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Questions?



Contacts

Trine Karin Stangeland

CEO

Phone: +47 934 88 117

E-mail: trine.stangeland@sandnes-sparebank.no

Tomas Nordbø Middelthon

CFO

Phone: +47 922 11 865

E-mail: tnm@sandnes-sparebank.no

Carl Fredrik Hjelle

Head of Treasury

Phone: +47 5120 72 96

E-mail: cfh@sandnes-sparebank.no

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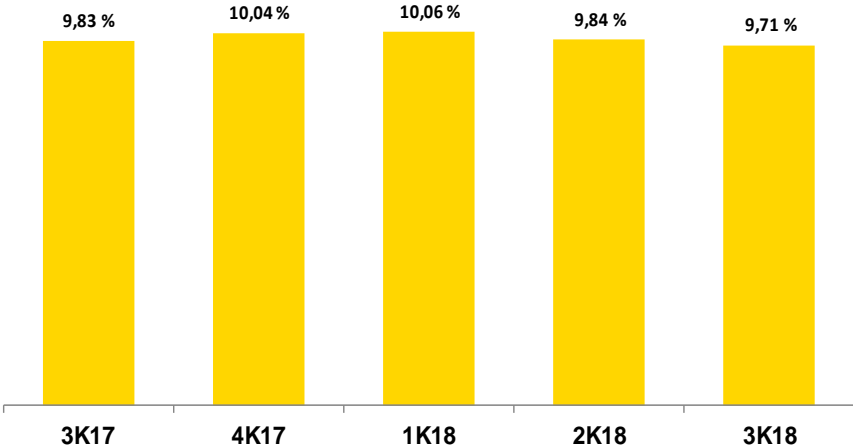


Appendices

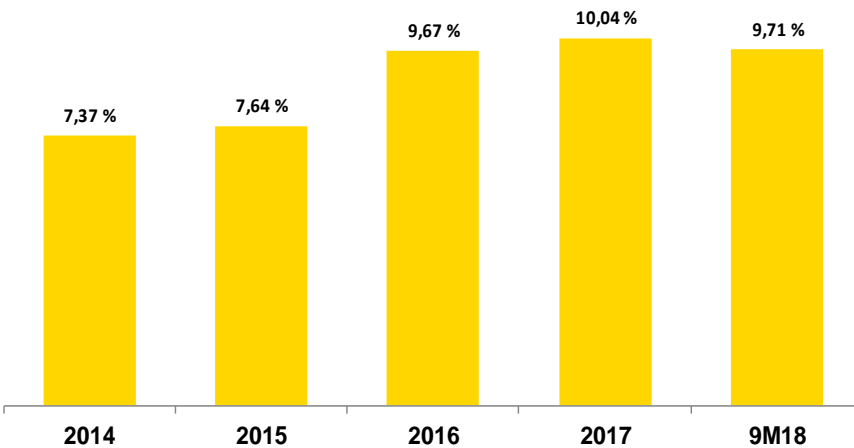
Solidity – Leverage Ratio



Leverage (Equity/Total assets), quarterly



Leverage (Equity/Total assets), EOY / YTD

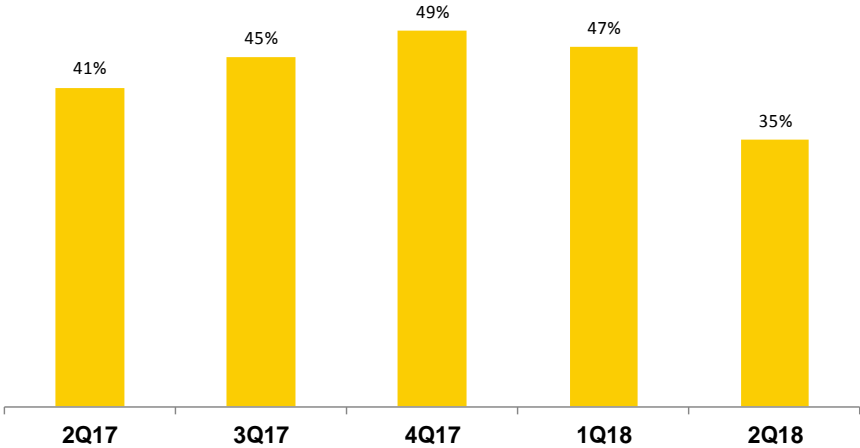


Cost-to-Income

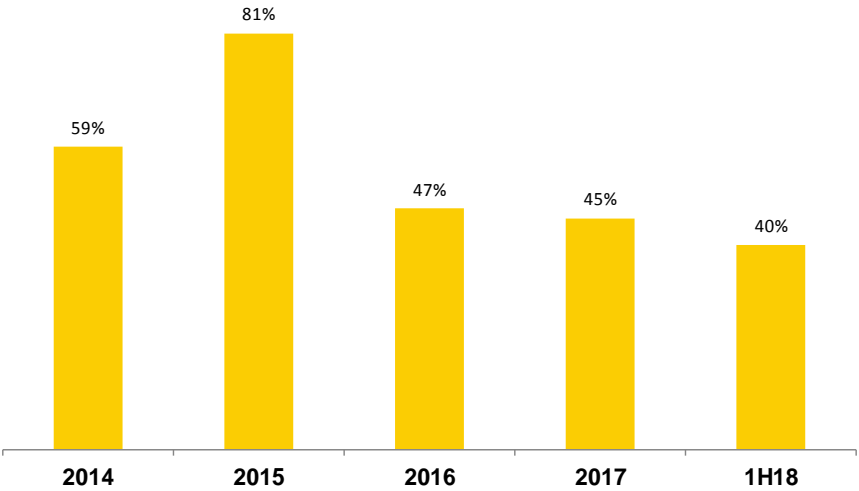
Positive trend last 12 months



Cost-to-income, quarterly



Cost-to-income, EOY / YTD

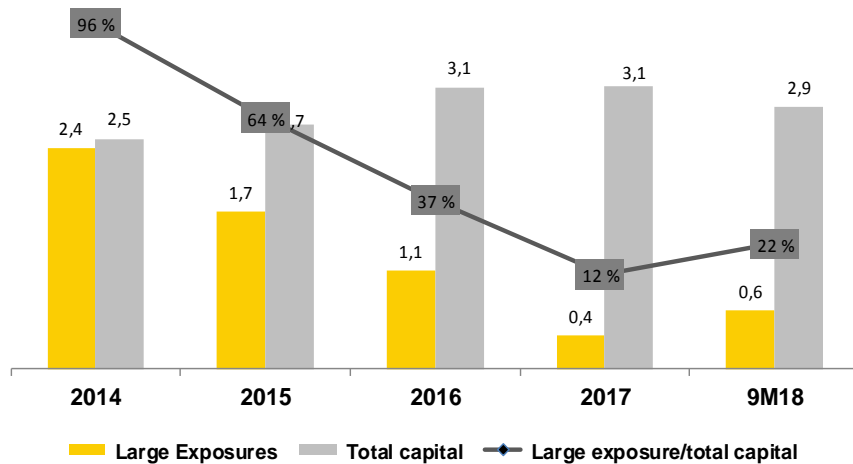


Loans to Customers



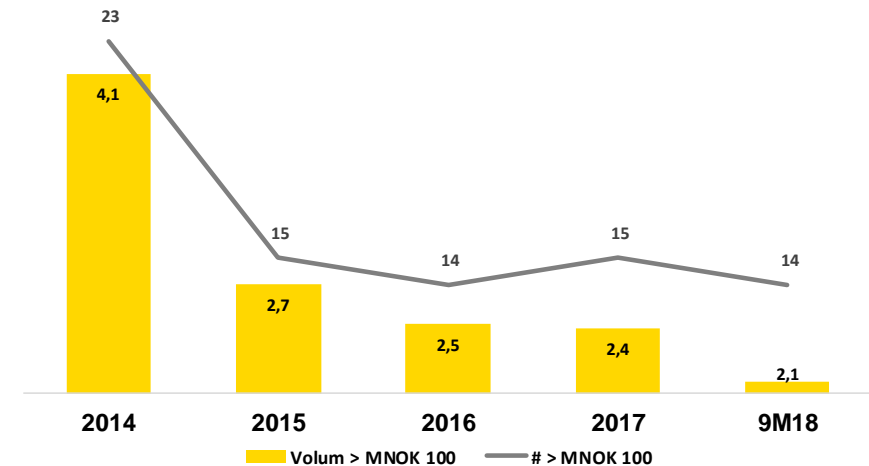
Growth in SME | Reduction in loans above MNOK 100

Large Exposures, EOY / YTD.



- Large exposures are regulatory defined as exposures > 10 % of total capital (MNOK ~ 300). As per 9M18 two customers are defined as large, in total MNOK 631
- Increase is due to a reduction in total capital, which results in two exposures being larger than the 10 % limit vs. one exposure as per EOY2017

Loan Size*, EOY/YTD



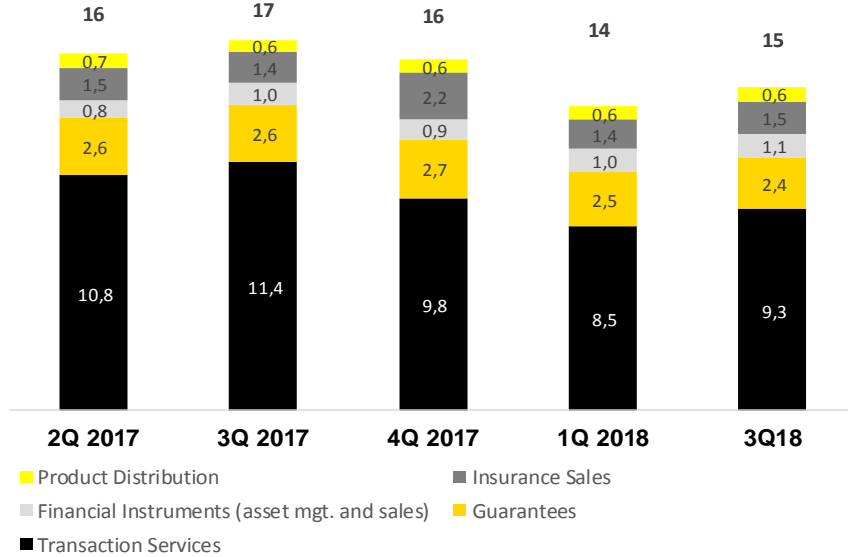
- The bank continues to reduce the concentration risk on the corporate loan book

Gross Commissions

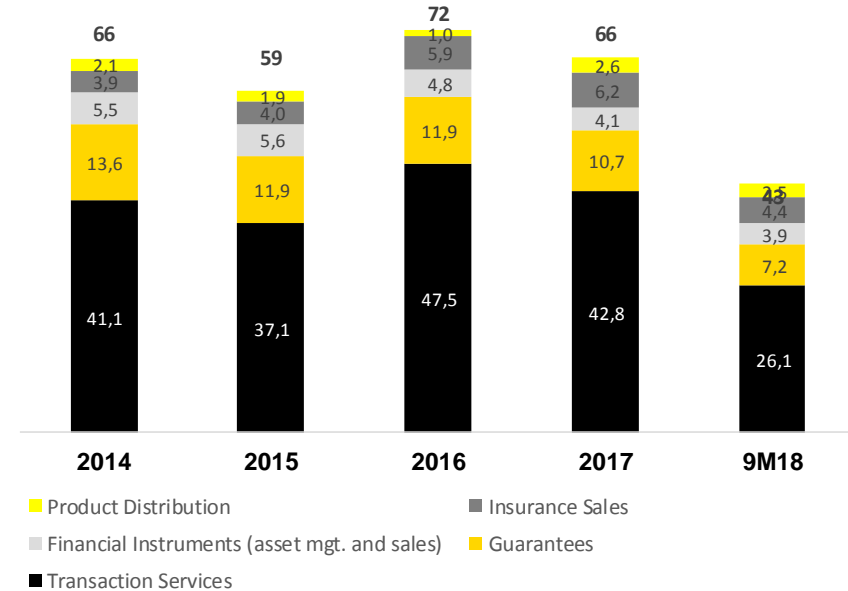


Transaction fees are under pressure | Positive development in insurance sales

Gross commission income, quarterly



Gross commission income, EOY/YTD.



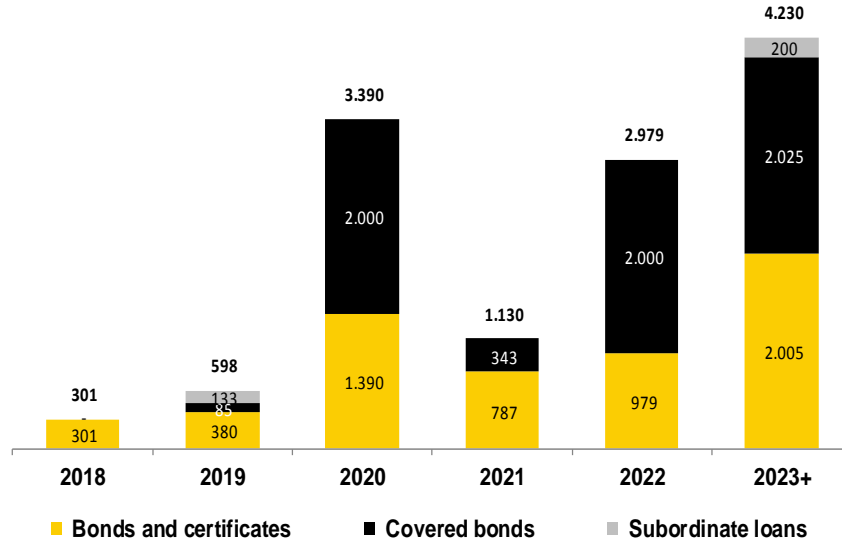
- Reduced margins from payment and transaction services
- Increased volume in savings and insurance, but reduced margins
- Reduced income due to lower volume of guarantees

Liquidity

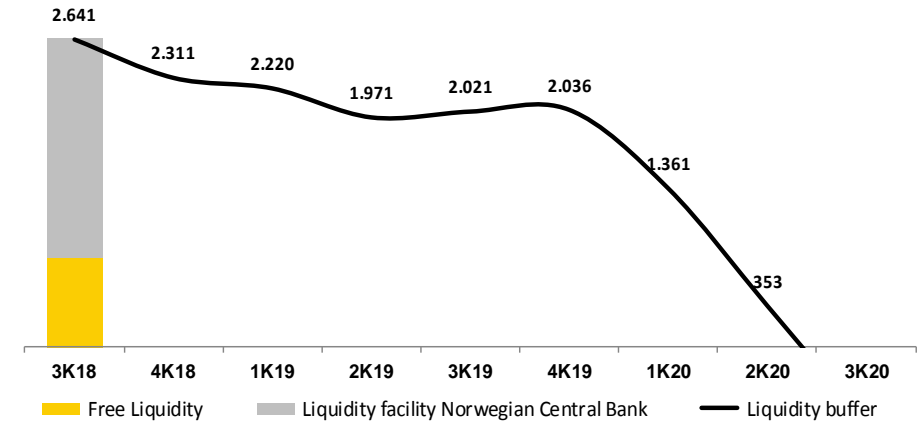
Good Liquidity– compliant with all regulatory requirements



Net Maturities (MNOK)



Liquidity Reserve (MNOK)

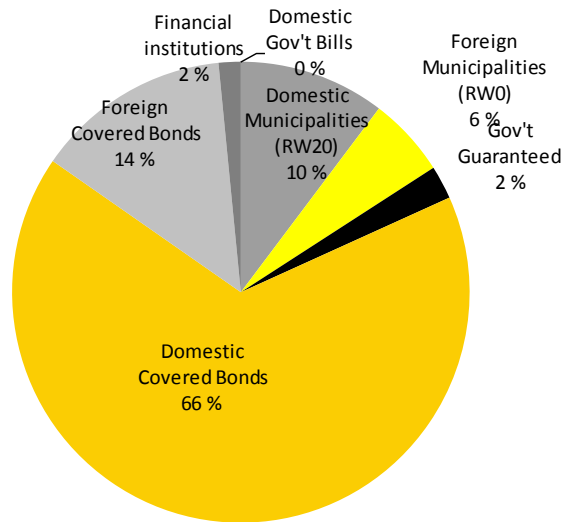


Liquidity Reserve

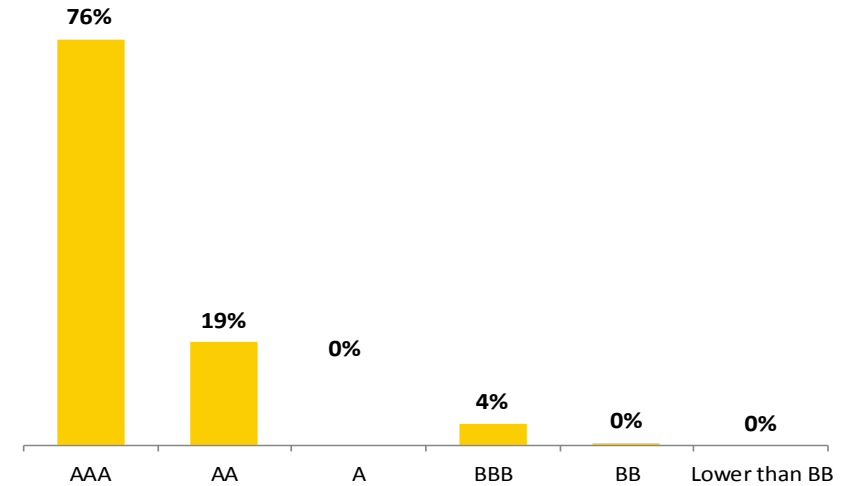
NOK 3,3 mrd excl. cash | 95 % with AA-rating or better



Composition of liquidity reserve



Liquidity reserve distributed by ratings

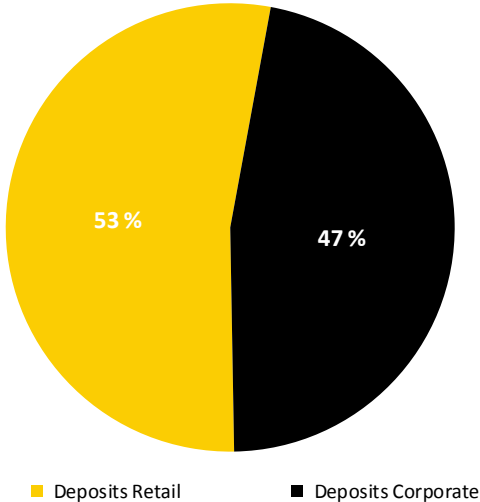


Deposits from customers

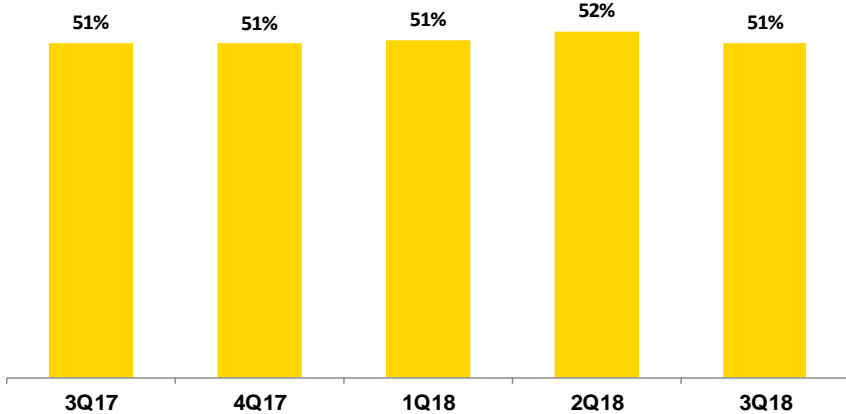
Satisfactory mix and deposit-to-loan ratio within targeted range



Divisional distribution



Deposit-to-loan ratio

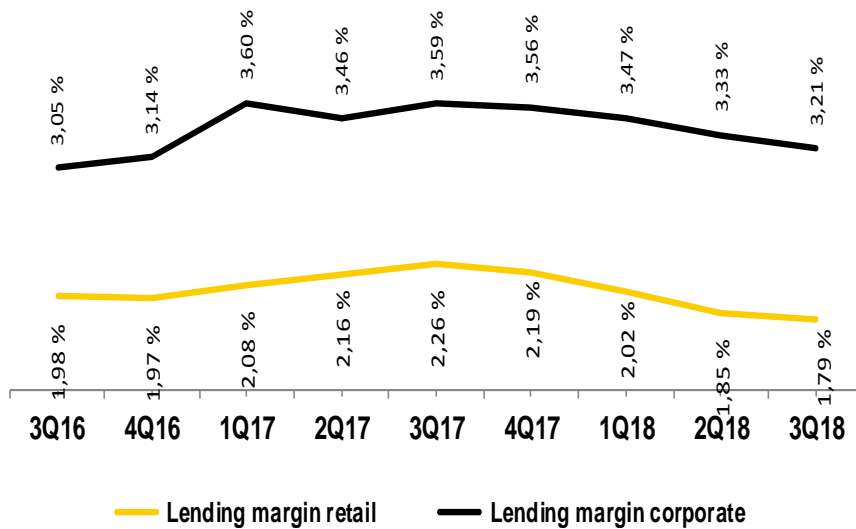


Margins on Loans and Deposits

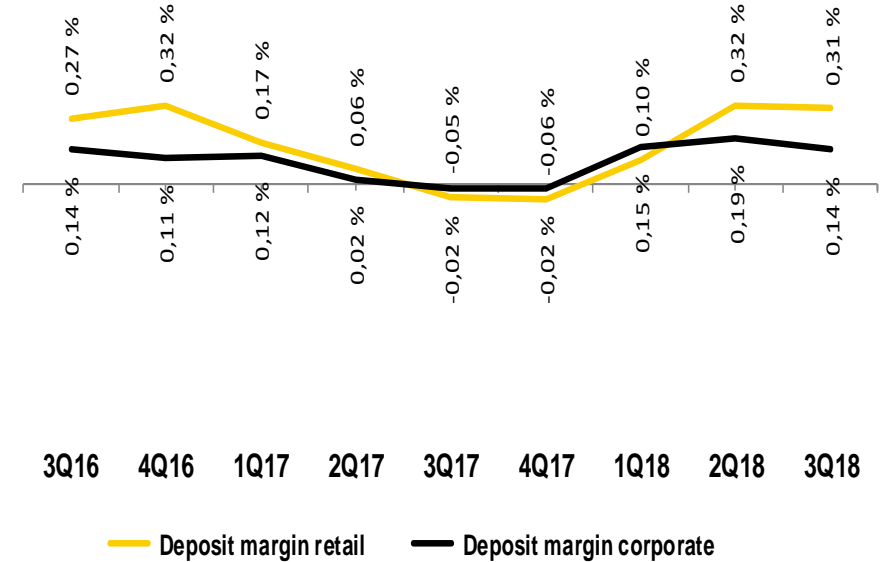
Positive development in deposit margins



Lending margins



Deposit margins

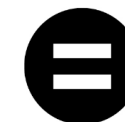


- Interest rate adjustment on loans and deposits will have an effect from October/November for corporate customers and in mid-November for retail customers

Key Figures



| | 4Q16 | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| Growth assets | -0,7 % | -0,2 % | -0,6 % | -1,0 % | 0,6 % | 0,3 % | 2,1 % | 1,1 % |
| Growth lending | -2,1 % | -1,0 % | 0,2 % | -1,2 % | 2,0 % | 0,4 % | 1,2 % | 0,5 % |
| Growth deposits | 2,7 % | 1,5 % | -1,1 % | -2,6 % | 1,8 % | 1,7 % | 3,7 % | -2,4 % |
| Net interest margin | 1,70 % | 1,78 % | 1,78 % | 1,84 % | 1,85 % | 1,82 % | 1,76 % | 1,68 % |
| Other income % of total income | 21,0 % | 22,2 % | 29,2 % | 16,1 % | 13,2 % | 14,3 % | 36,7 % | 13,6 % |
| Cost-to-income ratio | 54,2 % | 45,0 % | 41,4 % | 45,4 % | 48,7 % | 46,7 % | 34,6 % | 49,1 % |
| Costs as % of av. total assets | 1,2 % | 1,0 % | 1,0 % | 1,0 % | 1,0 % | 1,0 % | 1,0 % | 1,0 % |
| Return on equity before tax | 6,4 % | 9,8 % | 11,6 % | 9,6 % | 7,5 % | 8,2 % | 17,1 % | 8,6 % |
| Return on equity after tax | 4,1 % | 7,3 % | 9,5 % | 7,3 % | 5,6 % | 6,1 % | 14,3 % | 6,5 % |
| Capital adequacy ratio | 19,7 % | 19,1 % | 19,6 % | 19,6 % | 20,0 % | 19,5 % | 18,4 % | 18,3 % |
| Tier 1 capital ratio | 17,5 % | 17,2 % | 17,6 % | 17,7 % | 18,1 % | 18,3 % | 17,7 % | 17,7 % |
| CET1 | 15,6 % | 15,8 % | 16,1 % | 16,2 % | 16,6 % | 16,8 % | 16,3 % | 16,2 % |
| Risk-weighted assets | 15.659 | 15.407 | 15.229 | 15.182 | 15.440 | 15.371 | 15.570 | 15.630 |
| Number of man-years | 136 | 132 | 134 | 135 | 135 | 134 | 138 | 135 |
| Stock exchange price | 40 | 40 | 44 | 53 | 55 | 50 | 51 | 60 |
| Equity capital certificate % of equity | 64,9 | 64,9 | 65,0 | 65,0 | 64,5 | 65,1 | 65,2 | 65,3 |
| Earnings per equity capital certificate | 0,7 | 1,3 | 1,8 | 1,4 | 1,1 | 1,1 | 2,7 | 1,3 |
| Book value per equity capital certificate | 72,8 | 74,3 | 75,2 | 76,5 | 76,6 | 75,6 | 78,4 | 79,7 |
| Individual write-downs in % of gross lending | 1,36 % | 1,20 % | 1,20 % | 1,23 % | 1,30 % | 1,11 % | 1,16 % | 0,73 % |
| Coll. write-downs in % lending after ind. wr.-d. | 0,51 % | 0,53 % | 0,54 % | 0,51 % | 0,50 % | 0,53 % | 0,44 % | 0,40 % |
| Deposits to loans ratio | 50,8 % | 52,0 % | 51,3 % | 50,6 % | 50,6 % | 51,1 % | 52,4 % | 50,7 % |
| Deposits to loans ratio parent bank | 73,6 % | 76,0 % | 75,3 % | 74,2 % | 73,3 % | 73,7 % | 78,0 % | 74,7 % |

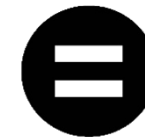


Sandnes Sparebank

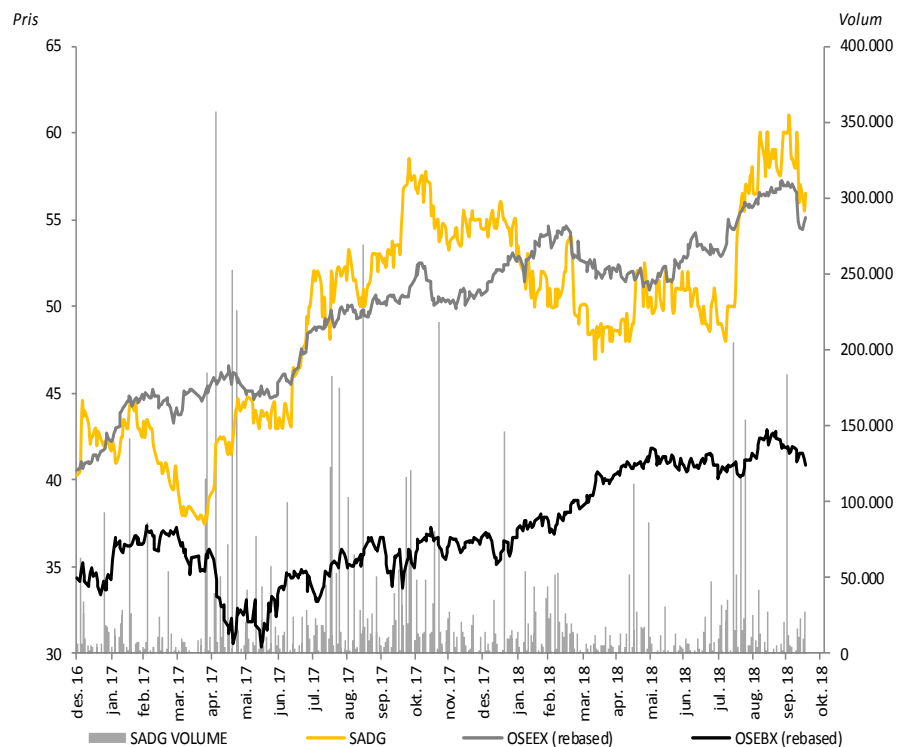
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The Equity Capital Certificate (ECC)

Development and 20 largest shareholders



SADG: Development in price and volume on OSE



Shareholders

| 20 largest owners of equity certificates as at 30.09.2018 | No. of equity certificates | Share |
|---|----------------------------|---------------|
| 1. Sparebank 1 SR-Bank C/O SR-Investering | 3.485.009 | 15,14 % |
| 2. Merrill Lynch | 2.270.083 | 9,86 % |
| 3. AS Clipper | 1.088.738 | 4,73 % |
| 4. VPF EIKA Egenkapital C/O Eika Kapitalforvaltning | 950.422 | 4,13 % |
| 5. Espedal & Co AS | 886.861 | 3,85 % |
| 6. Wenaasgruppen AS | 650.000 | 2,82 % |
| 7. Holmen Spesialfond | 500.000 | 2,17 % |
| 8. Salt Value AS | 475.000 | 2,06 % |
| 9. Skagenkaien Investering AS | 350.000 | 1,52 % |
| 10. Nordhaug Invest AS | 309.957 | 1,35 % |
| 11. Meteva AS | 261.881 | 1,14 % |
| 12. Kristian Falnes AS | 260.000 | 1,13 % |
| 13. Grunnfjellet AS | 217.000 | 0,94 % |
| 14. Velde Holding AS | 204.353 | 0,89 % |
| 15. MP Pensjon PK | 196.726 | 0,85 % |
| 16. Innovemus AS V/Oskar Bakkevig | 185.000 | 0,80 % |
| 17. Barque AS | 159.651 | 0,69 % |
| 18. Tirna Holding AS | 156.255 | 0,68 % |
| 19. Parra Eiendom AS | 150.000 | 0,65 % |
| 20. VPF Nordea avkastning C/O JP Morgan Europe | 150.000 | 0,65 % |
| Sum | 12.906.936 | 56,1 % |

Fitch Ratings Confirmed the Bank's rating (BBB), Positive Outlook

Press release from 1 October 2018



Fitch Revises Sandnes' Outlook to Positive; Affirms 'BBB'

Fitch Ratings-London-01 October 2018: Fitch Ratings has revised Sandnes Sparebank's Outlook to Positive from Stable while affirming the bank's Long-Term Issuer Default Rating (IDR) on at 'BBB'.

A full list of rating actions is at the end of this rating action commentary.

The Outlook revision reflects our expectation that the Viability Rating (VR) and the IDRs are likely to be upgraded within one or two years on the back of improving asset quality metrics.

Long-Term IDR affirmed at 'BBB'; Outlook revised to Positive from Stable

Short-Term IDR affirmed at 'F3'

Viability Rating affirmed at 'bbb'

Support Rating affirmed at '5'

Support Rating Floor affirmed at 'No Floor'

-

Definition of Key Figures



Rate of deposits to loans

OB net loans to customers / OB deposits from customers

Liquidity coverage ratio (LCR)

Liquid assets / net liquidity output within 30 days in a stress scenario

Net Interest Income (NII)

Interest income – interest expenses

Interest margin

$((\text{Net interest income} / \text{days in the period}) \times \text{days in a year}) / \text{average total assets}$

Lending margin

Average loan rate – rolling average of 3month NIBOR rate

Deposit Margin

Rolling average of 3month NIBOR rate – average deposit rate

Cost / income ratio

Total operating costs / (net interest income + total other operating revenues)

Costs as a percentage of average total assets

$((\text{Total operating costs} / \text{days in the period}) \times \text{days in a year}) / \text{average total assets}$

Return on equity before tax

$(\text{Operating profit before taxes} / \text{days in the period} \times \text{days in a year}) / ((\text{OB total equity} + \text{IB total equity}) / 2)$ [excl. T1 hybrid instruments]

Return on equity after tax

$(\text{Operating profit after taxes} / \text{days in the period} \times \text{days in a year}) / ((\text{OB total equity} + \text{IB total equity}) / 2)$ [excl. T1 hybrid instruments]

Equity certificate capital in % of equity

$(\text{Equity certificate capital} + \text{own equity certificate} + \text{share premium} + \text{dividend equalisation reserve}) / (\text{Equity certificate capital} + \text{own equity certificate} + \text{share premium} + \text{dividend equalisation reserve} + \text{savings bank`s fund} + \text{gift fund})$

Earnings per equity certificate

$(\text{Operating profit after taxes} \times \text{equity certificate capital in \% of equity}) / \text{number of equity certificates}$ **Book value per equity certificate**

OB total equity x equity certificate capital in % of equity / number of equity certificates

Price / Book (P/B)

Market price / book value per equity certificate

Operating profit before write downs and taxes

Operating profit after tax + tax cost + write downs on lending and guarantees

Contacts

Trine Karin Stangeland

CEO

Phone: +47 934 88 117

E-mail: trine.stangeland@sandnes-sparebank.no

Tomas Nordbø Middelthon

CFO

Phone: +47 922 11 865

E-mail: tnm@sandnes-sparebank.no

Carl Fredrik Hjelle

Head of Treasury

Phone: +47 5120 72 96

E-mail: cfh@sandnes-sparebank.no

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