

Sandnes Sparebank

4th Quarter and Preliminary Results for 2020

11.02.2021

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- 1 Results Q4 and 2020
- 2 Results strategy period 2017-2020
- 3 Technology
- 4 Growth and ambitions
- 5 Portfolio, losses and capital
- 6 Macro

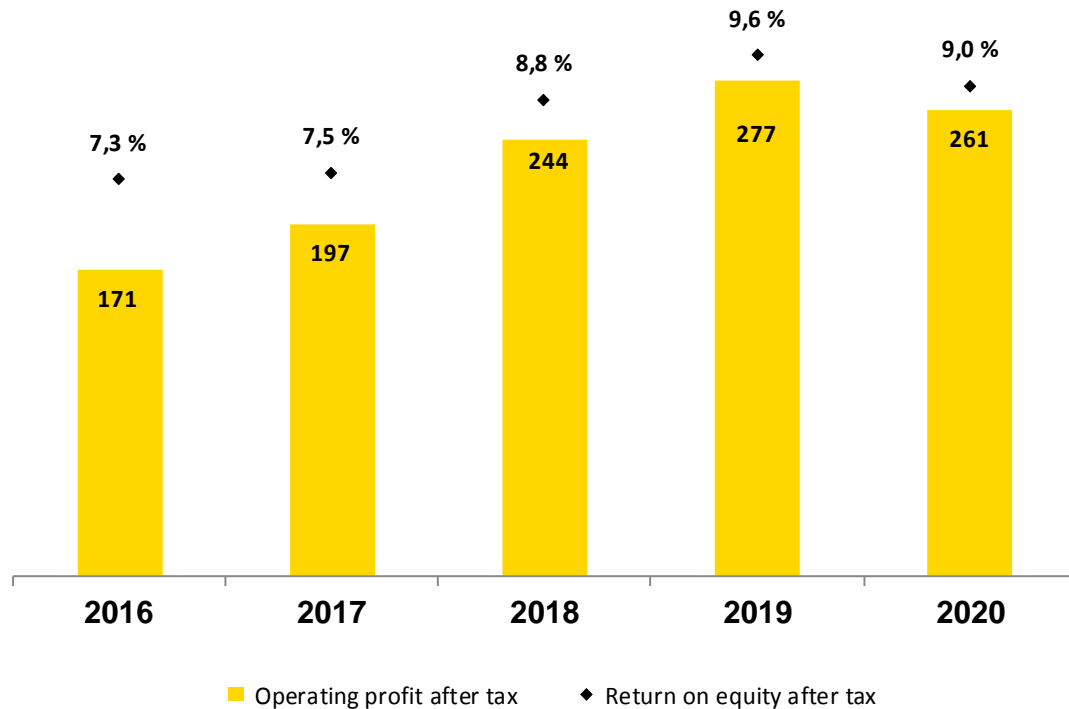
"VI SKAL VÆRE BEST I KLASSEN PÅ GODE OG PERSONLIGE KUNDEOPPLEVELSER."



Good results and strong growth in a challenging year

We are constantly striving to create good customer experiences - creating results over time

ROE

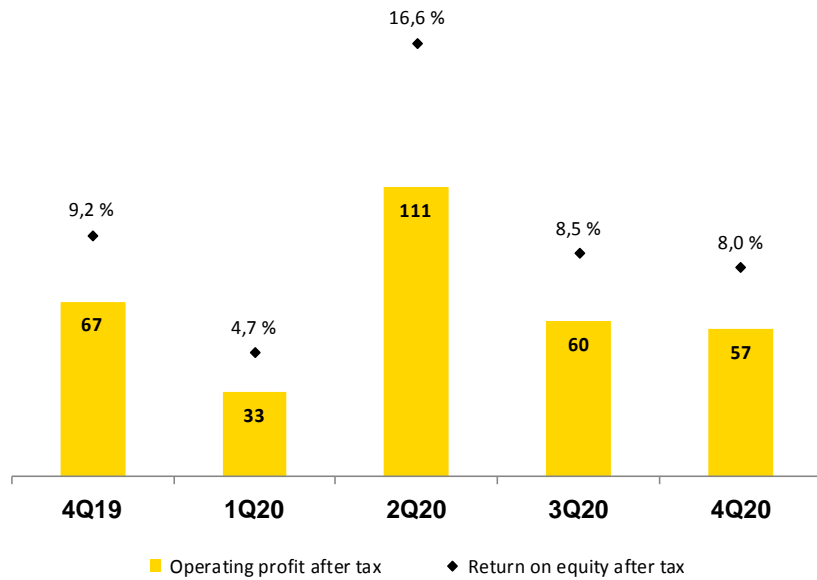


YTD Summary

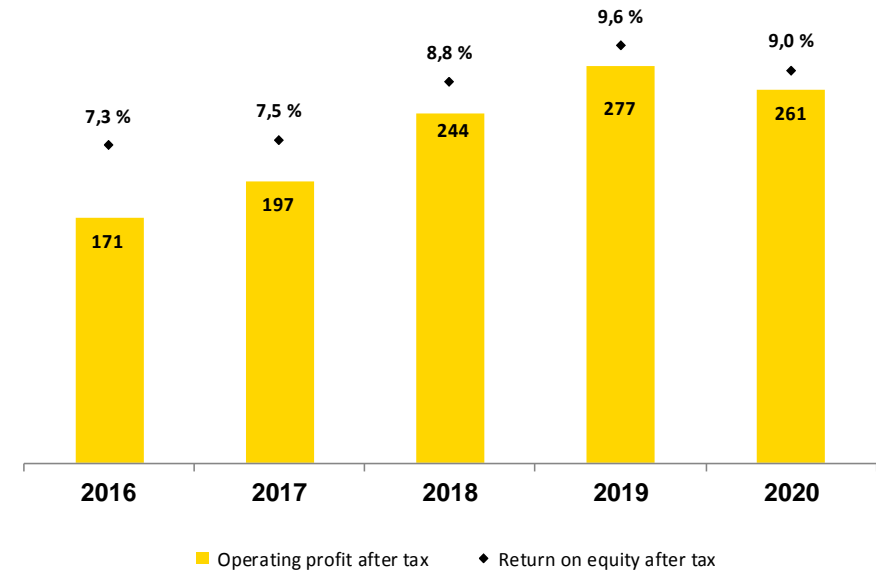
- Profit after tax MNOK 261 (277)
- ROE at 9,0 % (9,6 %)
- YTD EPS of 7,9 kroner (7,9)
- 4,9 % (2,3 %) loan growth
- Net interest margin at 1,64 % (1,72 %)
- Moderate loan losses of MNOK 25 (13) and sound credit quality
- Solid cost control, -0,2%
- Solid bank with 17,8 % CET1 (incl. YTD results)
- The board plans to pay a dividend to owners, customer dividends and gift funds for the fiscal year 2020, within the adopted dividend policy (50% -75%) in the fourth quarter of 2021, if conditions permit

Profitability

ROE, Quarterly



ROE, YOY/YTD

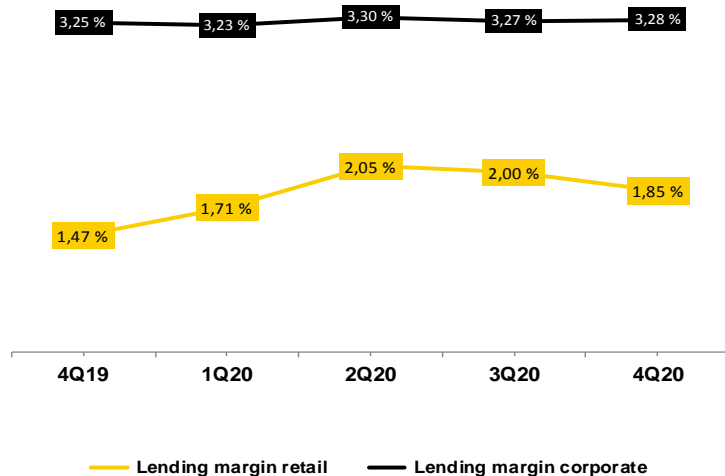


- EPS of NOK 7,9 in both 2020 and 2019, as a result of the repurchase of 10% of outstanding ECC's in February 2020.

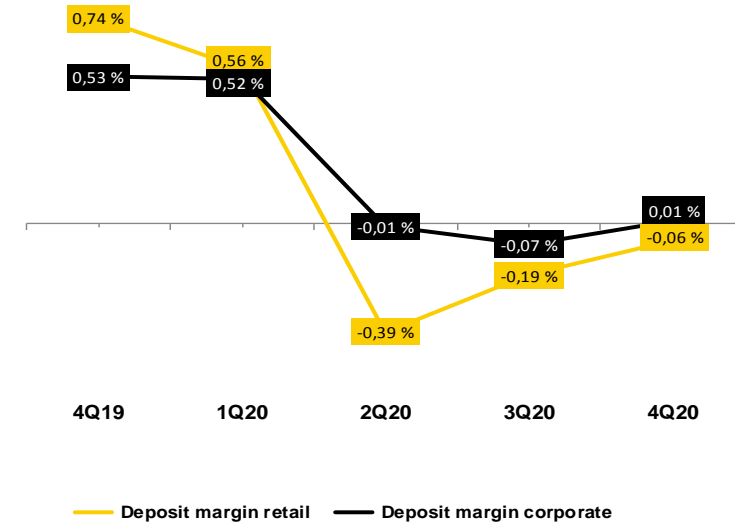
Margins on Loans and Deposits

Strong competition for mortgage customers, stable margin in the corporate market

Ledning Margins



Deposit Margins



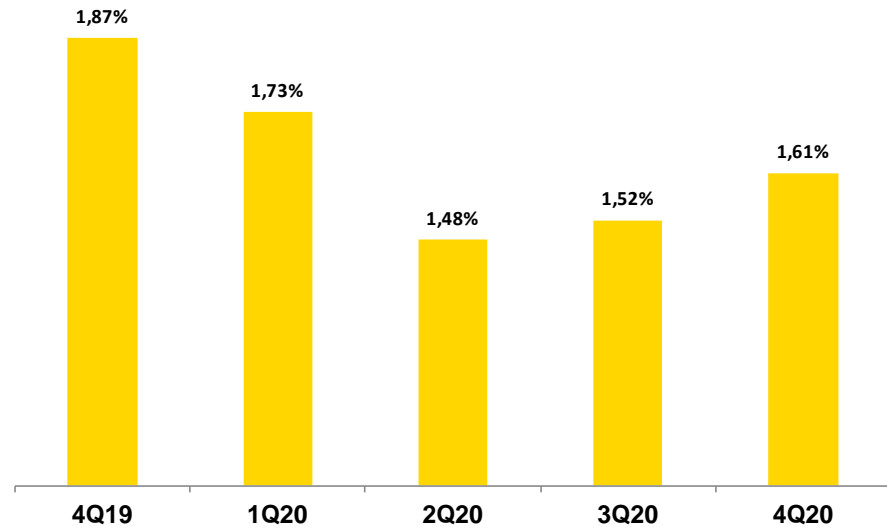
- High and stable lending margin for the corporate market
- Increased lending margin for the retail market as a result of lower NIBOR

- Falling deposit margin due to lower NIBOR

Net Interest Margin

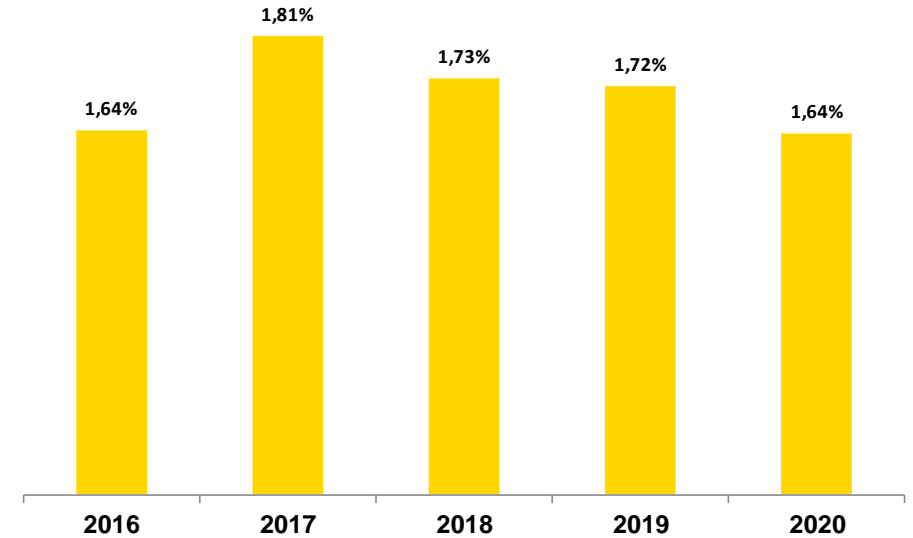
Solid interest margin despite low key interest rates

Net Interest Margin, quarterly

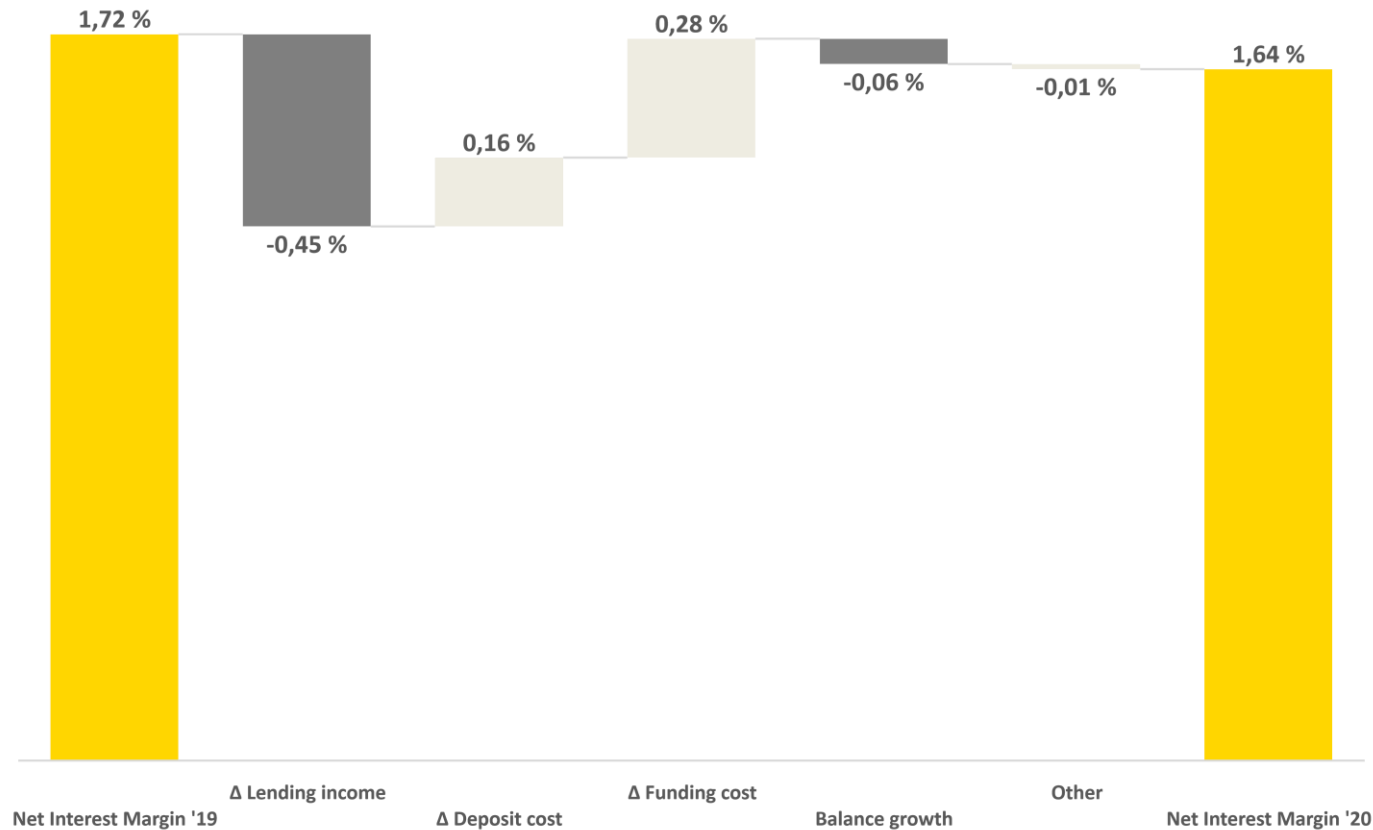


- Temporary drop in May due to reduction in mortgage rates prior to reduction in deposit rates / bond costs
- Lower deposit margin due to lower market rates
- Net interest margin is stable when adjusted for temporary effects

Net Interest Margin, EOY/YTD



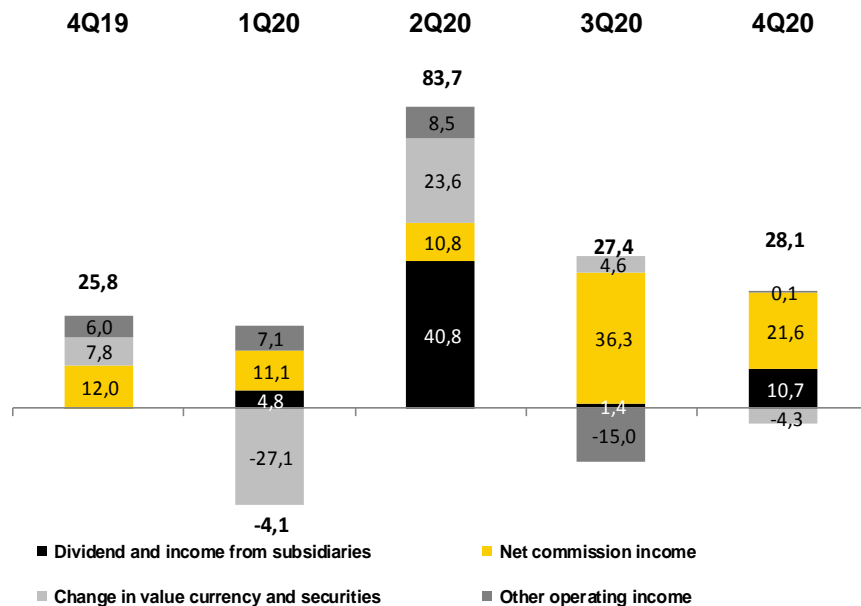
Net Interest Margin - Development in 2020



- Reduced lending rates as a result of Norges Bank lowering interest rates in the first half of the year
- Lower deposit rates compensate somewhat, but not fully
- Lower NIBOR contributes positively to funding costs related to wholesale funding
- Margin pressure on the lending side gives a somewhat lower margin on new loans

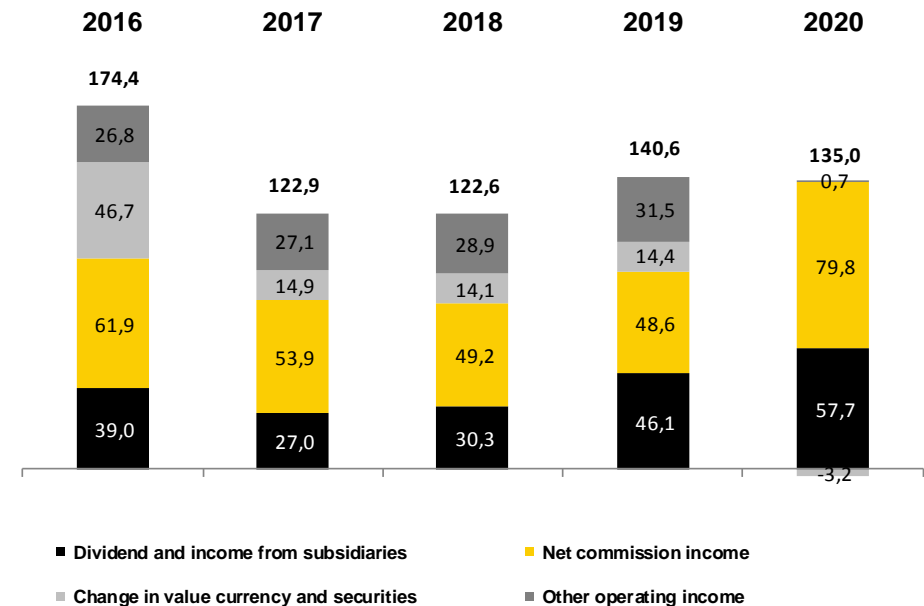
Other Income

Other Income, quarterly



- Great volatility in financial instruments in 2020
- Shares in VN Norge (Visa) have been converted and sold in 4Q. - 7.5 MNOK value change shares, + 7.5 MNOK dividend
- For the 4th quarter of 2020, income from real estate amounts to NOK 9.4 million of total commission income

Other Income, EOY/YTD

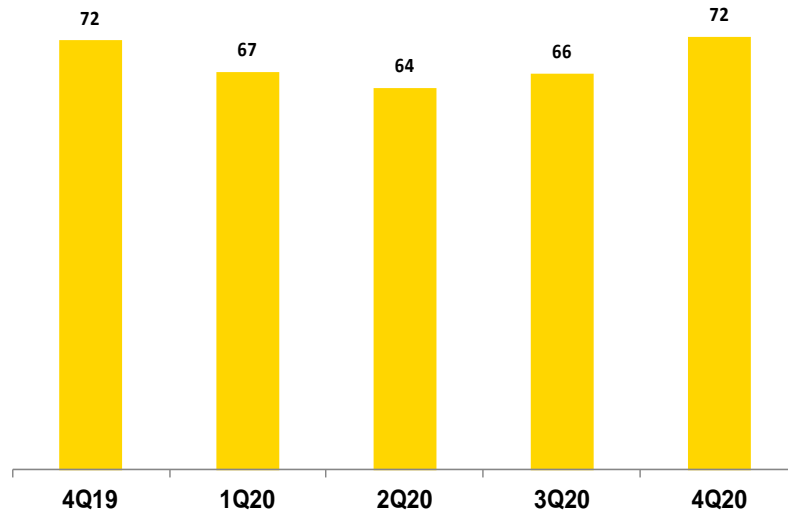


- From the third quarter of 2020, the group has chosen to reclassify income from real estate activities from other income to commission income.

Operating Cost

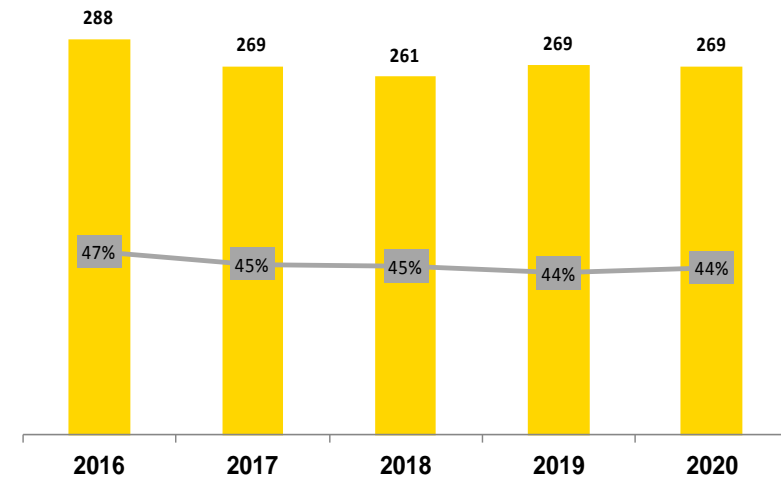
Strong cost control

Other Operating Costs, quarterly



- Preparations for the conversion of core banking systems from SDC to TietoEvy have been charged with NOK 2.5 million in Q4

Other Operating Costs, EOY / YTD



- Expect moderate development in costs related to ordinary operations in 2021
- Change of core banking systems from SDC to TietoEvy entails investments of 50-60 MNOK which will be expensed in 2021 and 2022

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"VI SKAL VÆRE BEST I KLASSEN PÅ GODE OG PERSONLIGE KUNDEOPPLEVELSER."



Strategy 2017 - 2020



Svært fornøyde kunder og ypperlig omdømme

- KOI (Kundeopplevelse Indeks)
- Sterk merkevare
- Tillit i markedet - funding bank3, gjennom hele perioden



Lønnsom vekst

- Volumvekst utlån høyere enn kredittvekst
- Volumvekst andre produkter
- Rentenetto
- Kostnadsprosent
- Tap / forvaltningskapital



Kompetente, engasjerte og prestasjonsorienterte medarbeidere

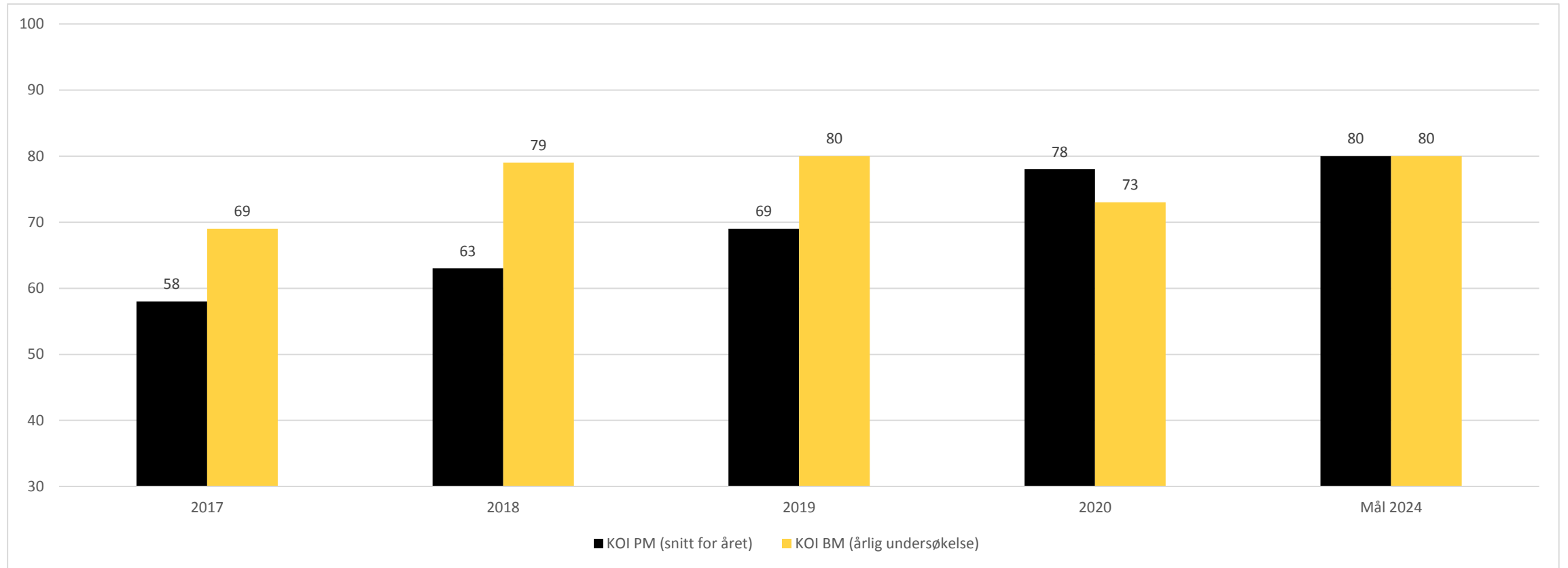
- Medarbeiderengasjement
- Attraktiv arbeidsplass
- Sykefravær
- Riktig person, riktig kompetanse, riktig rolle
- Målstyring satt i system



EK-avkastning over snittet

- Målt mot sammenlignbare banker, estimert til 9%

Customer Experience



* KOI = Score kundeopplevelsesindex

Development in The Strategy Period 2017-2020, Incl. Goals Towards 2024

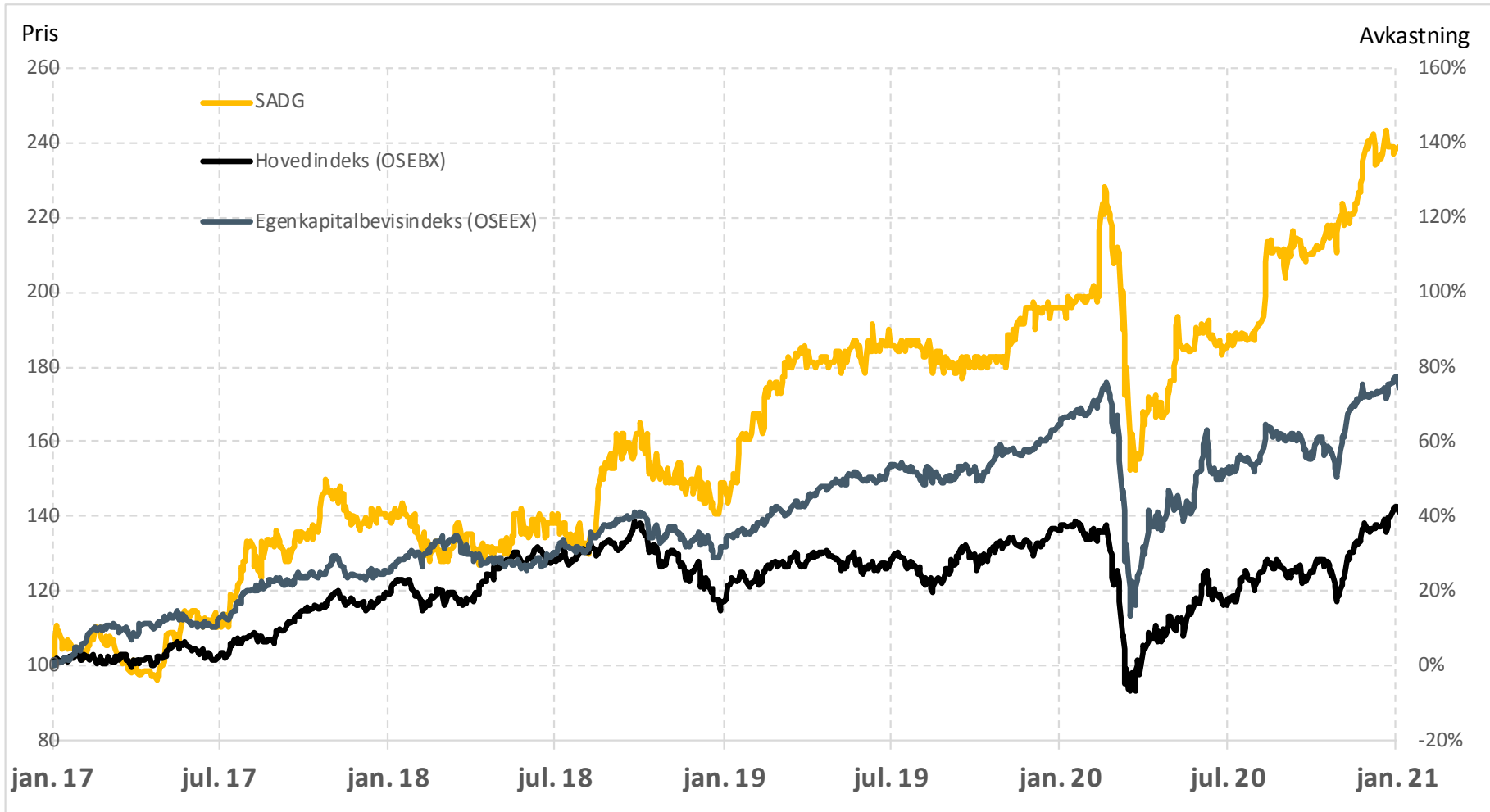
	2017	2018	2019	2020	Target 2024
ROE	7,5 %	8,8 %	9,6 %	9,0 %	> 10 %
Dividends	50 %	75 %	63 %	50-75 %*	50-75 %
CET-1	16,6 %	16,6 %	17,4 %	17,9 %**	>14,1 %
Profitable Growth	-0,1 %	2,7 %	2,5 %	4,9 %	> 5 %***
Customer Experience (KOI)	BM: 69 PM: 52	BM: 79 PM: 56	BM: 80 PM: 69	BM: 73 PM: 79	Corporate (BM): 80 Retail (PM): 80

* The group is solid and is well capitalized within all capital requirements. The board plans to pay a dividend to owners, customer dividends and gift funds for the financial year 2020 within the adopted dividend policy (50% -75%) in the fourth quarter of 2021, subject to market conditions and approval from the authorities

** includes the entire profit for 2020. Dividends within 50% -75% will result in a reduction in CET1 of between 0.8% - 1.2%

*** Will depend on credit growth in the market area

Return throughout the strategy period 2017-2020



Return 2017-2020 :

SADG (incl. dividends): 139%

Sparebankindeksen(OSEEX): 77%

Oslo Børs hovedindeks (OSEBX): 42%

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"VI SKAL VÆRE BEST I KLASSEN PÅ GODE OG PERSONLIGE KUNDEOPPLEVELSER."



New IT supplier in Eika

Not translated

PRESS RELEASE

Sandnes Sparebank og Eika Alliansen har inngått avtalen med TietoEvry om fremtidia kjernebankløsning

SANDNESPOSTEN

Send leserbrev Direktesport Tips oss Kjøp annonse Krimserien Outlier

Meny

SUBSCRIBE

ØKONOMI SANDNES FORHANDLINGER NÆRING SANDNES SPAREBANK

Sandnes Sparebank inngår stor IT-avtale



Finansavisen

Min side

Tips oss

Nyheter

Børs

Forum

TV

Premium

Motor

Markedsoversikt

Kursliste

Valuta

Oslo Børs 998,00 0,15%

Brent spot 60,10 0,91%

US Dollar 8,52 -0,07%

EUR 10,25 -0,16%

GBP 11,67 -0,34%

Søk på ti

Eika-bankene bytter IT-system til TietoEVRY



 Sandnes Sparebank

- enklere valg

Digitalisation - New Agreement With TietoEvry

- Better, more future-oriented and adapted to the Norwegian market
- Increased flexibility to act on needs, trends and opportunities in the market
- Enables more efficient banking and access to and use of relevant data
- Lower costs
- Costs and savings for Sandnes Sparebank:
 - MNOK 50-60 in increased costs spread over 2021 and 2022
 - Estimated annual savings of 15-20 million from fully implemented in 2024
 - Estimated repayment period is between 3-4 years



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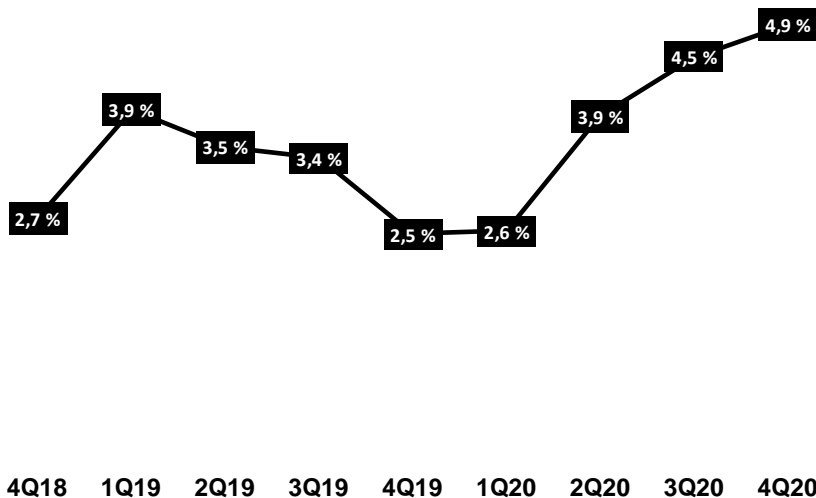
"VI SKAL VÆRE BEST I KLASSEN PÅ GODE OG PERSONLIGE KUNDEOPPLEVELSER."



4,9 % Loan Growth YOY

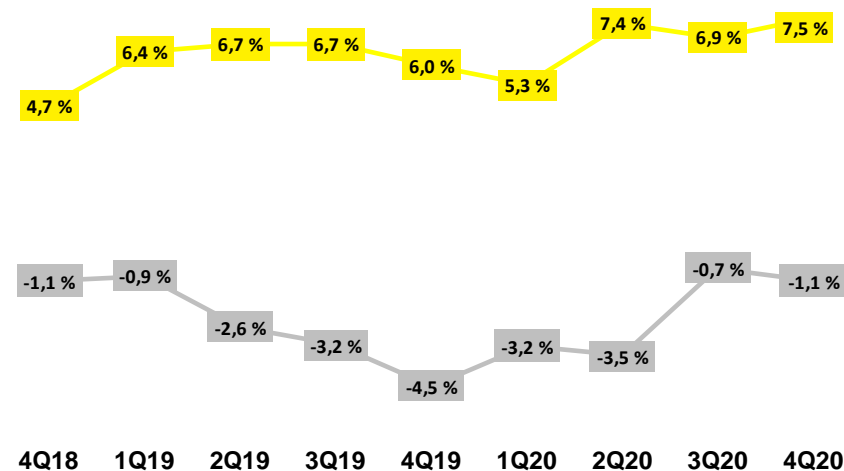
Continued increase in retail market share

Lending Growth (12mth)



- Lending to private customers is up NOK 1.2 billion (7.5%) in the last 12 months.
- Lending growth last quarter was MNOK 244 (1.4%)
- 12-month credit growth in the bank's market area is 3.0% (figures from Early Warning)
- The bank continues to gain market share in the retail market

Lending Growth by Division (12mth)



- Gross lending volume for the corporate market is down MNOK 75 (-1.1%) in the last 12 months.
- Last quarter, lending to corporate customers was down MNOK 214 (-3.0%)

Strategic map 2021 - 2024

Best in class on good and personal customer experiences

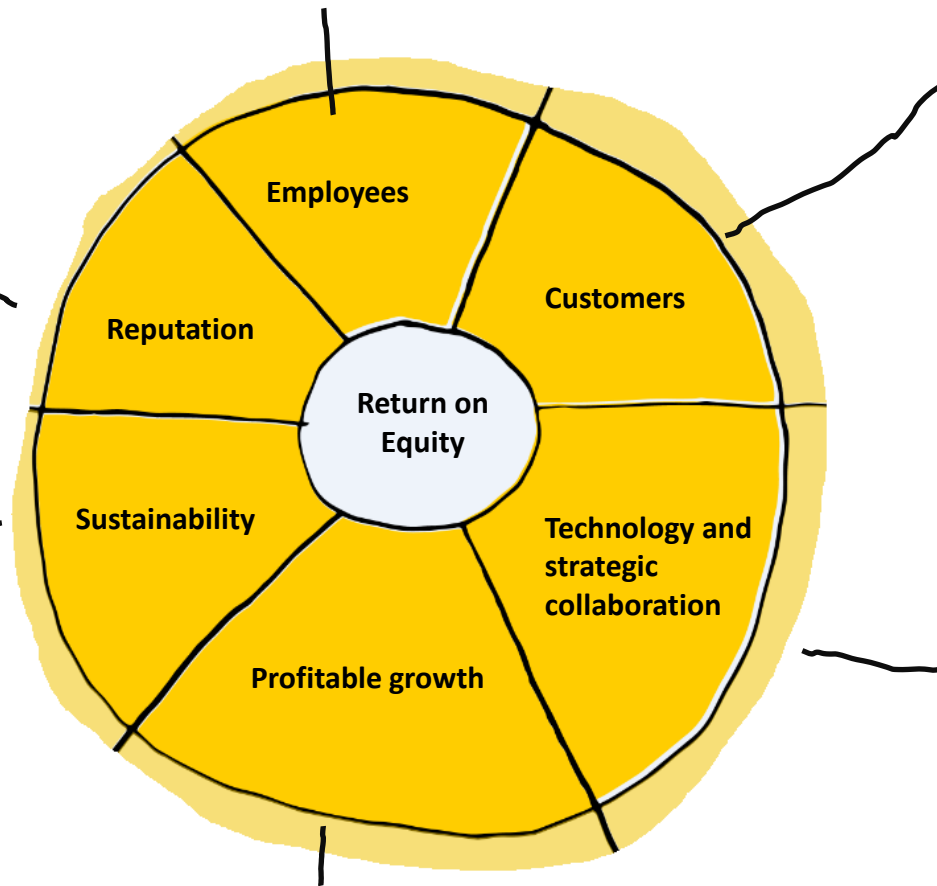


Regulatory Framework

We must have, take care of and be relevant to the most committed, competent and performance-oriented team players

We will be aware and work to further develop and strengthen the bank's reputation towards the bank's stakeholders.

We will differentiate ourselves from our competitors by offering the best customer experiences for the right customers



We are committed to contributing to a better and more sustainable future for our employees, our customers and our environment.

We will ensure value creation in existing and new partnerships, and ensure technology development that makes us attractive to customers, and that provides efficient internal operations

We will grow more than the market and we will balance growth against price and risk.
We are committed to creating profitability in what we do.

Retail is in place in the neighboring town of Sola

Not translated

NÆRINGSLIV SOLA ØKONOMI

Sandnes Sparebank rigger seg til i 40femti: - Vi har mange kunder i Sola og vil vise at vi er til stede



DEL – Vi skal ha en del av lokalet der Aktiv allerede har flyttet inn. Det er litt ombygging igjen, men vi ligger godt an, sier administrerende direktør i Sandnes Sparebank, Trine Stangeland.

De velger nå å satse på Sola, hvor de allerede har en stor kundegruppe.

– Vi har også et tett samarbeid med Sola håndball. Det er et veldig viktig område for oss. Nå dukket det opp en mulighet, sammen med Aktiv og vi

Sandnes Sparebank etablerer kontor i Sola. Det samme gjør Aktiv Eiendomsmedling



Trine Stangeland er administrerende direktør i Sandnes Sparebank. Snart etablerer banken kontor i Sola sentrum. Foto: Sandnesposten

Balansebank More Visible

Tekst: Steffen Thorsen

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Refinansiering er ikke nok!

Stadig flere aktører tilbyr refinansiering av gjeld for de som ikke kan bli kunder i ordinære banker. Banksjef Steffen Thorsen i Balansebank, opplever derimot hver dag at refinansiering alene ikke er nok.



– Refinansiering alene er ingen «quick fix» for mennesker som av ulike årsaker sliter med privatøkonomien. Når vi går i dialog med en potensiell kunde om å inngå en avtale, er det viktig at begge parter lykkes. Viktigere enn refinansiering er god rådgivning og en god plan. Først da løser vi de reelle utfordringene, sier Thorsen i Balansebank.

Thorsen sier han provoseres av enkelte tilbydere av refinansiering.

«Mange kunder lammes litt av en utfordrende privatøkonomi, og trenger rettleiding.»

– Vi ønsker at kunden skal få tilbake sin privatøkonomiske frihet. Vårt mål er derfor at kunden etter hvert kan refinansiere i en ordinær bank. Da er vår jobb over.

Individuell handlingsplan



Kan vi hjelpe deg?



Hva gjør vi?

Gjennom tett og personlig oppfølging, hjelper Balansebank til med å friskmelde din økonomiske situasjon.

[Søknadsskjema](#)

Hvordan virker det?

- > Vi lager en individuell handlingsplan sammen.
- > Vi følger deg opp så tett som det trengs.
- > Følger du planen, blir din økonomi friskmeldt og du kan søke om ordinært lån.

[Kom i gang](#)

> [Les mer om refinansiering](#)



Går du gjennom en økonomisk krise?

Trenger du hjelp til å komme deg på beina igjen?

Hilde Røyland
Autorisert finansrådgiver

[Søk refinansiering](#)

 balansebank

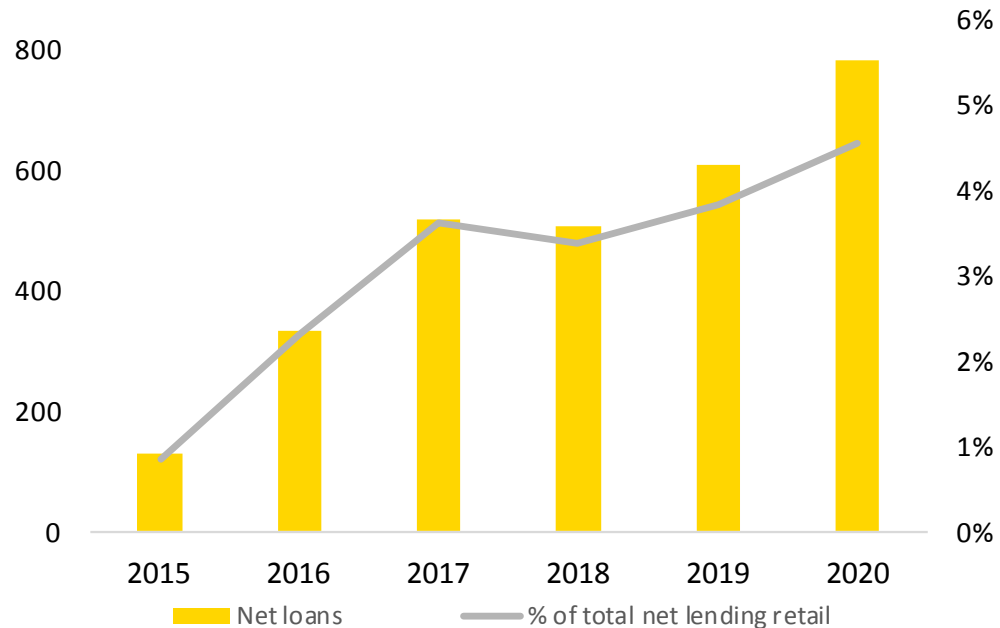
Refinansiering med pant i bolig | Lån kr 2.000.000,- | Løpetid 25 år | Nominell rente 5,45% | Effektiv rente 5,68% | Totalt å betale 3.696.827,-

[Sjekk om vi kan hjelpe deg](#)

Balansebank - profitable and experience gained over time

Continued growth ambitions in a growing market

Net Lending, Balansebank (MNOK)



Portfolio Details:

- Net interest income approx. 6%
- Defaults around 10%
- Loss provisions approx. 2%
- Realised losses approx. 0.25%
- All mortgages within 85% LTV

Increased Focus on New Corporate Customers

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Hvorfor bli bedriftskunde

Bedrifter på Klepp vil ha en bank som er kjapp, enkel og aktiv.

Hvorfor bli bedriftskunde

Bønder på Randaberg vil ha en fleksibel bank.

Hvorfor bli bedriftskunde

Bedrifter i Stavanger vil ha en bank som er der når det trengs.

Hvorfor bli bedriftskunde

Bedrifter i Sandnes vil ha en bank som er akkurat passe stor



DEN ER GUL.

 Sandnes Sparebank
- enklere valg, for bedrifter

DEN ER GUL.

 Sandnes Sparebank
- enklere valg, for bedrifter

Dugnad - korona

Not translated

Sandnes Sparebanks Gavefond gir over en million kroner i støtte til lokale restauranter, artister, lydteknikere, fotografer, sjåførar og eventyrarkere i form av flere hundre julegaver.



Sandnes Sparebank
Publisert av Marit Tesdal
28. nov. 2020 · 🌐

Det blir bra igjen!

Da skal vi være sammen med alle de vi er glad i — og klemme hverandre igjen 🧡

Vi tok med oss en gruppe elever fra danselinja på [Vågen VGS](#) til Dalsnuten. For at de skulle skape noe fint for alle oss som trenger det nå. Det klarte de 🥰

Vi støtter lokale artister og restauranter i en krevende tid. Gjennom vårt gavefond gir vi flere hundre julegaver i form av gavekort og minikonsserter i hagen eller på terrassen din. Fristen går snart ut, men det er ennå ikke for sent å nominere seg selv eller noen som fortjener det 🧡

Ta vare på hverandre 🧡

Her kan du nominere og se listen over lokale artister og restauranter:

https://www.linticket.no/registrering2/index.php3?Req=2012D45R2651&fbclid=IwAR0amX19SmSAGa_AiR

re bank og bankens gavefond fortsetter å bidra til holde

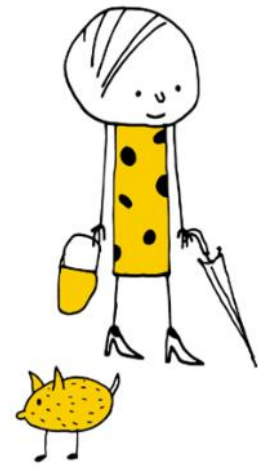
ortjener å få en ekstra oppmerksomhet. De gule julegavene er lokale restauranter i Sandnes, Stavanger og Sola. Eller du kan lokale artister hjem på din egen terrasse!

**SANDNES
SPAREBANKS
GAVEFOND**

Sustainability in Sandnes Sparebank

2020

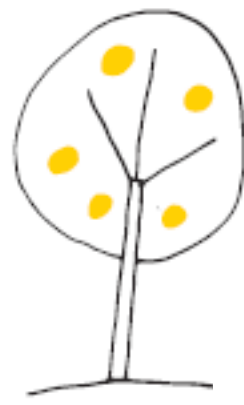
2021



Retail

- Green mortgage
- Green car loan 40% share
- Responsible savings
- Balansebank

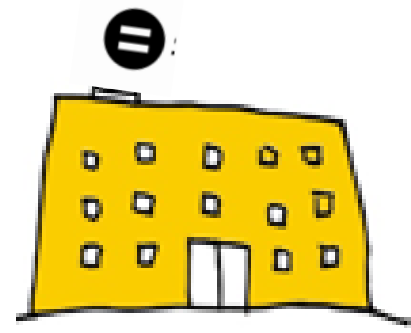
- Green transition loans
- Growth in green lending
- Competence development



Corporate

- Green agricultural loan
- ESG risk in credit
- Assistance - Covid-19

- System support
- Energy labelling of CRE
- Competence development



The Bank

- Climate-neutral bank
- Reduction target achieved
- Electric car and electric bike leasing
- Certified reporting

- Ambitious reduction targets
- Follow-up of suppliers



SANDNES
SPAREBANKS
GAVEFOND

CSR

- Fulfilled goals - green gift fund purposes
- Yellow Christmas presents

- Dedicated 10% for green purposes
- The Sustainability Games

Customer Dividends 4 Years Running

Not translated



Lån: kr 2 millioner
Innskudd: kr 500 000



Innskudd: kr 1 million



Lån: kr 4 millioner *
Innskudd: kr 50 000



Lån: kr 20 millioner
Innskudd: kr 1,5 million

2020

Utbetaling av kundeutbytte for året 2020 blir på omtrent samme nivå som fjoråret og planlegges utbetalt i løpet av høsten 2021

2019

ca. 5 625 kr

ca. 2 250 kr

ca. 9 112 kr

ca. 7 875 kr

2018

ca. 6 281 kr

ca. 2 513 kr

ca. 10 176 kr

ca. 8 794 kr

2017

ca. 2 500 kr

ca. 1 000 kr

ca. 4 050 kr

ca. 3 500 kr

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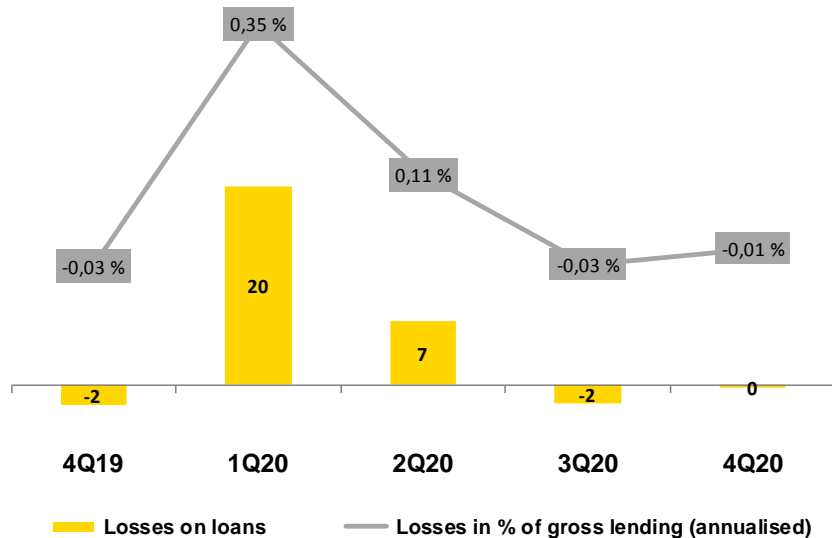
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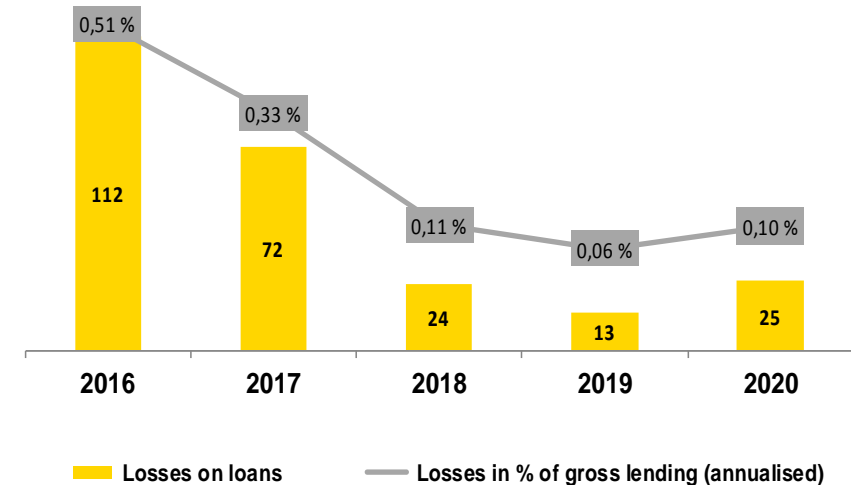
Losses on Loans and Guarantees

Losses in the quarter reflect a stable portfolio in an uncertain market

Losses on loans and guarantees, quarterly



Losses on loans and guarantees, EOY/YTD



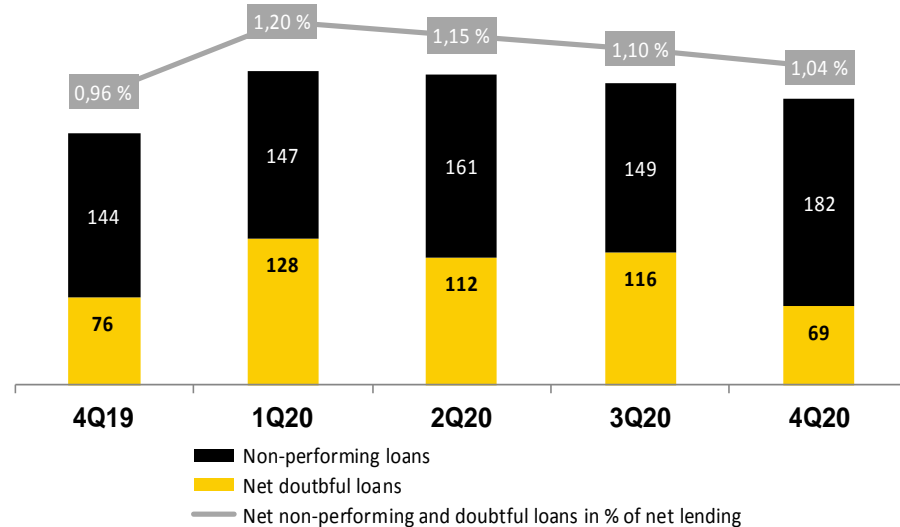
- Individuelle/spesifikke nedskrivninger redusert med MNOK 1,4 i kvartalet
- Steg 1 og 2 avsetningene (modellavsetninger) redusert med MNOK 2,9 i kvartalet
- Øvrige konstateringer utgjør MNOK 4 i kvartalet

- Fordeling avsetninger pr. steg YTD 2020 – totalt MNOK 25
 - + 5,7 MNOK Steg 1
 - 23,5 MNOK Steg 2
 - 6,9 MNOK Steg 3

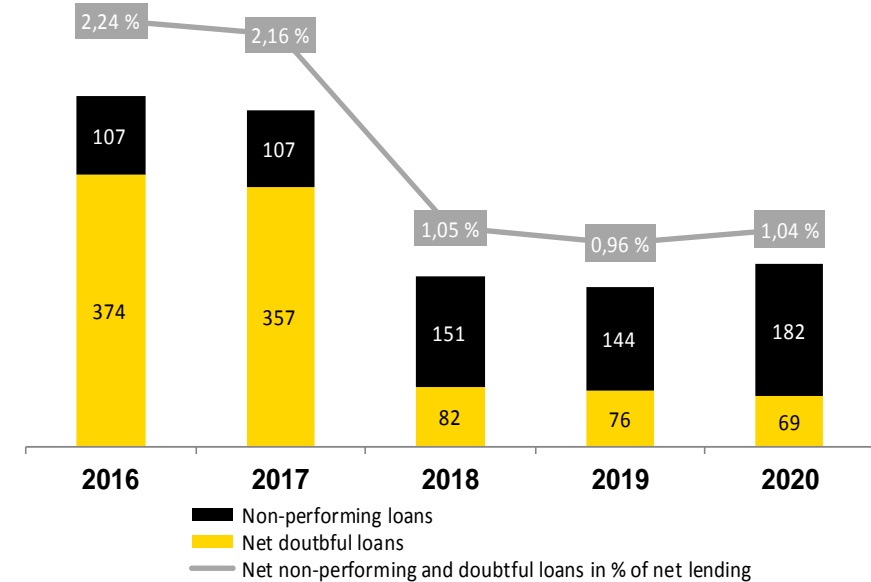
Non-Performing and Doubtful Loans

Stable levels, somewhat increase in 2020 due to market conditions

Non-performing and doubtful loans, quarterly

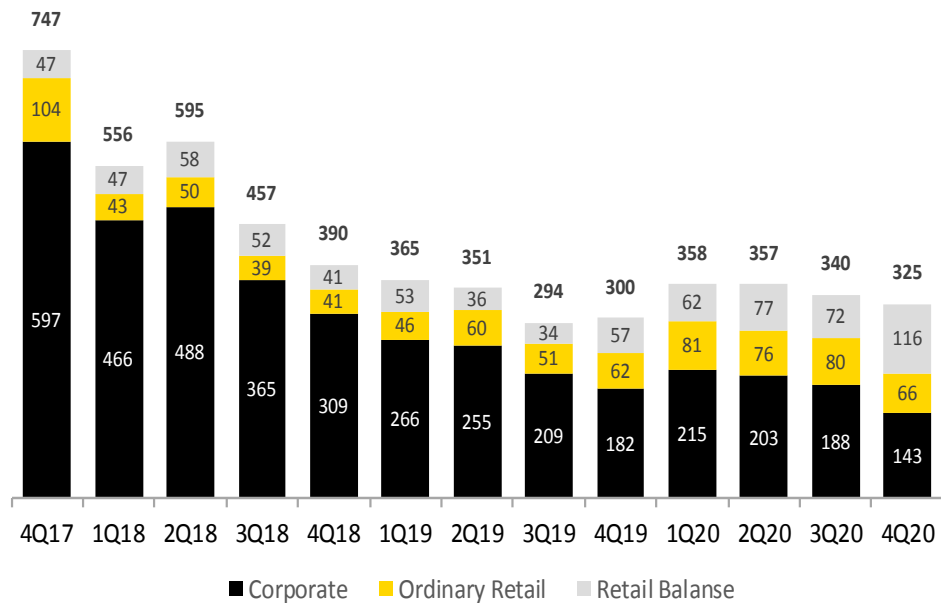


Non-performing and doubtful loans, quarterly

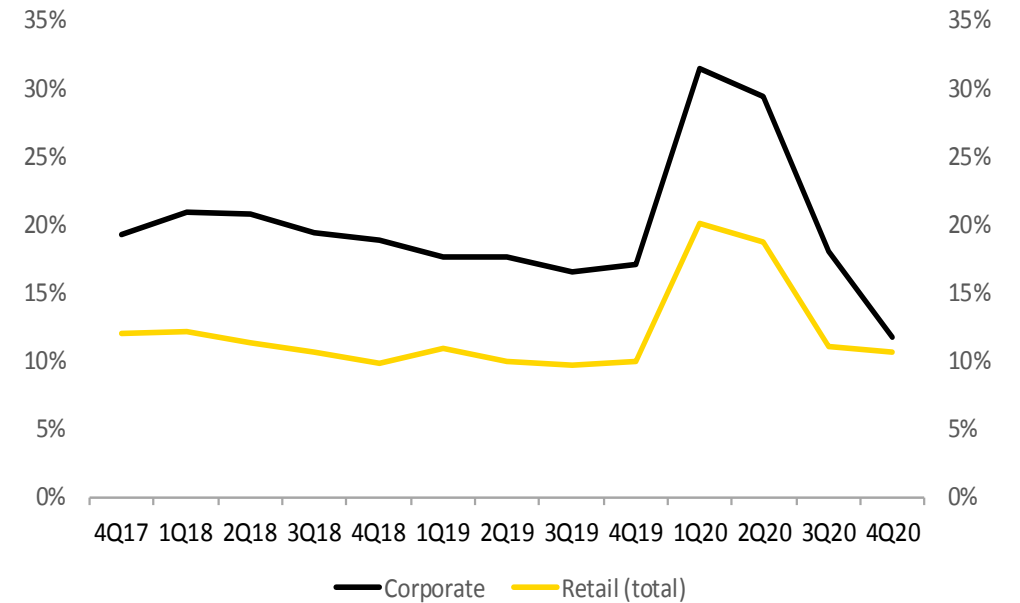


Defaults and Payment Holidays

Gross NPL and defaults (90 days)



Share of Payment Holidays / Interest Only

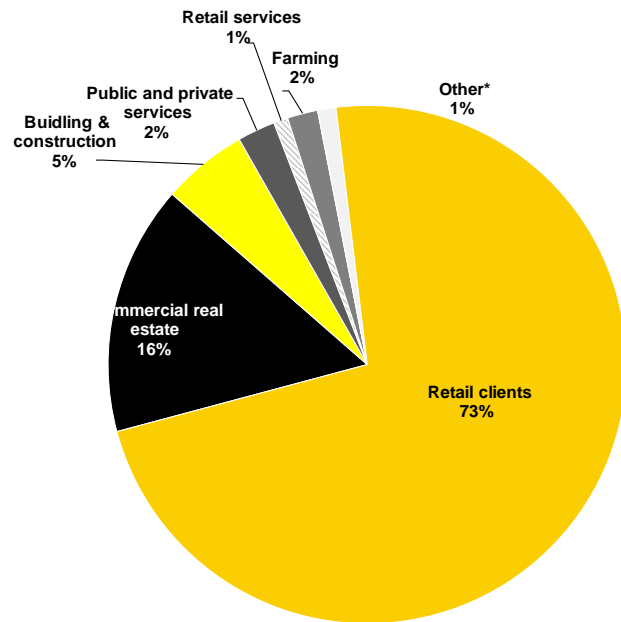


- Normalised levels of payment holidays/interest only
- Interest only loans to households is mainly flexible loans with low LTV
- Financing og land is the largest component of non-amortising loans to businesses

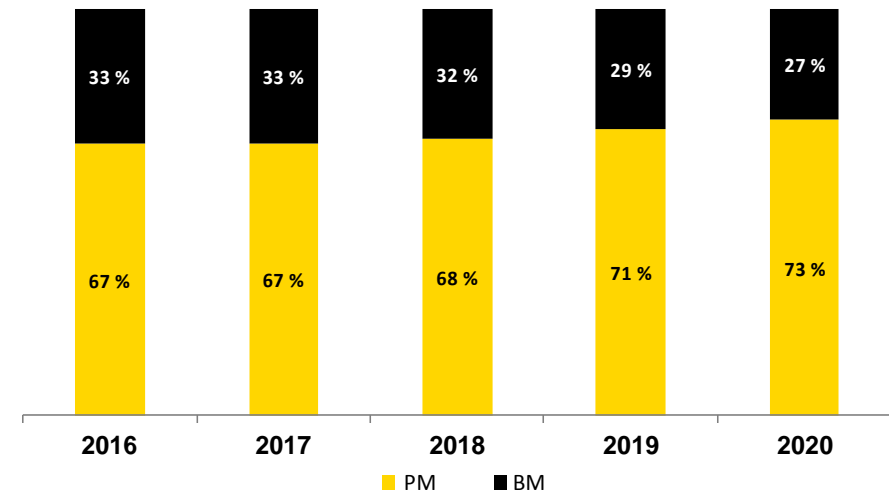
Loans to Customers by Division

The share of lending to the retail market has increased significantly in the last 5 years

Distribution by sector



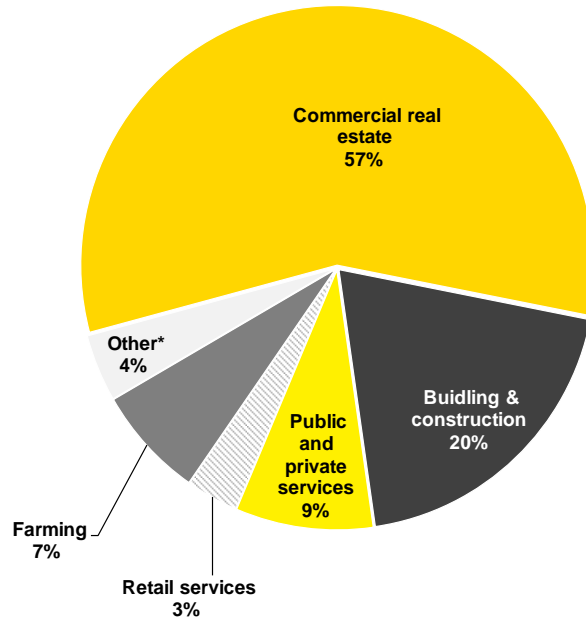
Distribution by division



Loans to Corporate Customers by Sector

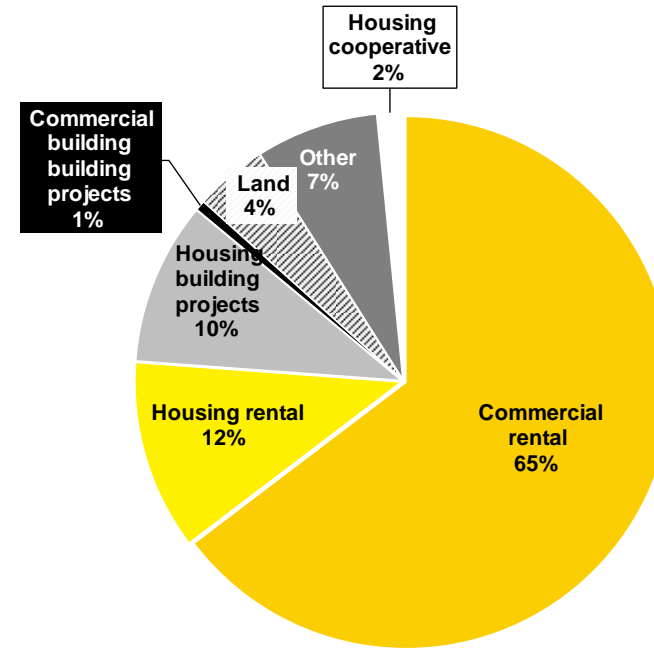
Focus on reducing risk over time | Strongest growth in farming and SME

Distribution by sector



- Low exposure to cyclical industries
- Largest growth in farming
- Farming will continue to be an important focus area going forward
- Insignificant direct exposure to oil-related activities
- Insignificant direct exposure to travel related services

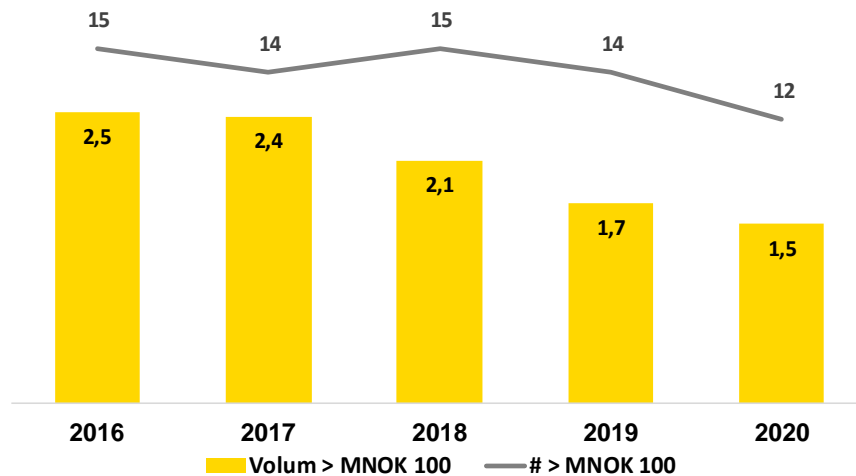
Corporate loans to real estate



Corporate Loans by Size

Growth in smaller loans (SME) | Reduction in loans above MNOK 100

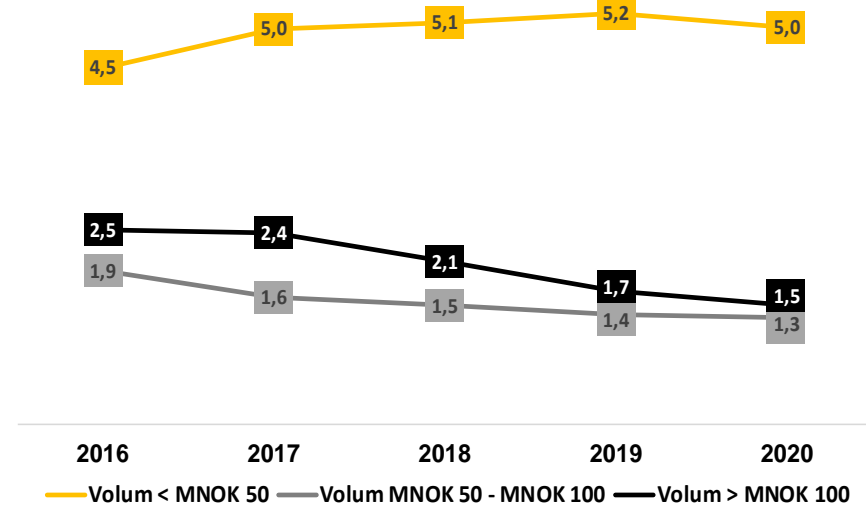
Loan balance > MNOK 100, volume and # customers



- Total volume of loans > MNOK 100 continues to drop
- # of customers with loans > 100 also decreasing
- Avg. loan balance halved compared to Q217
- # of customers almost doubled last two years

lån og volum basert på enkeltstående engasjement, ikke Basel II-gruppering

Loan size distribution, volume

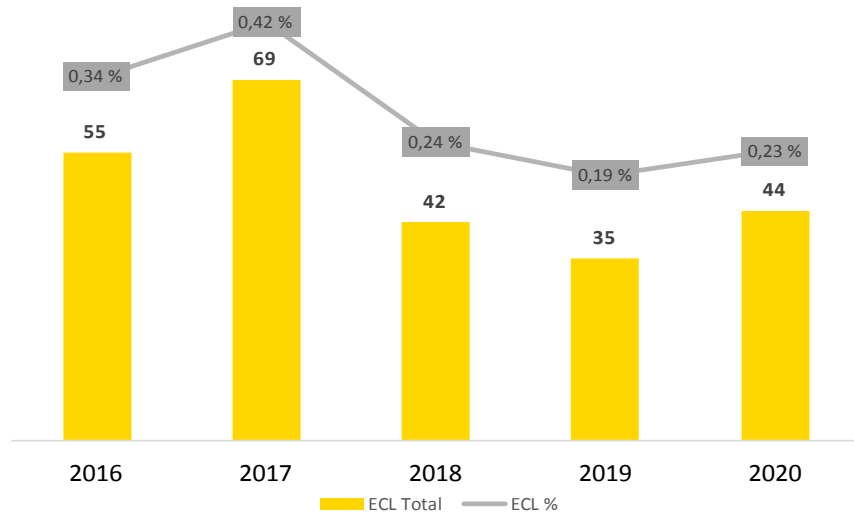


- Continued strategy to reduce concentration risk in corporate loan book

Loans to Customers by Division, Credit Risk

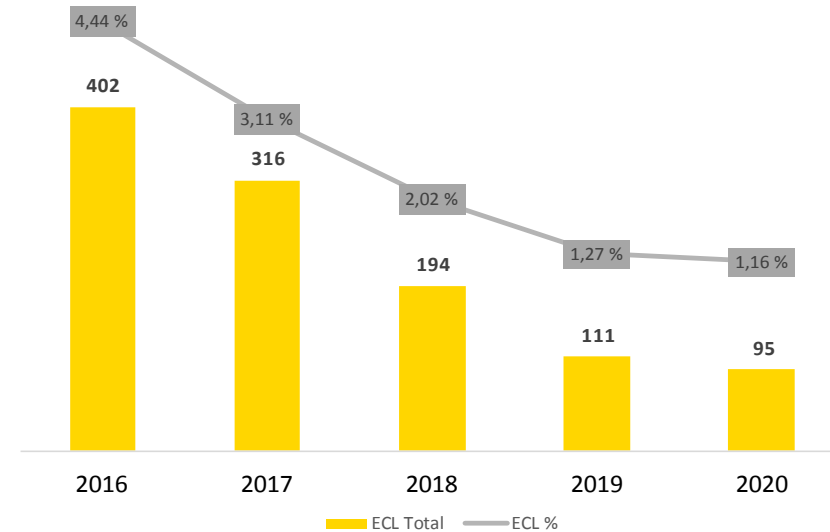
Risk expressed by expected credit loss (ECL)

Retail



- Added macro factor in 1Q20 which increases ECL by stressing customer PD
- Adjustment gives a relative increase in individual PD's of 40 %
- Expected increase in unemployment increases ECL

Corporate

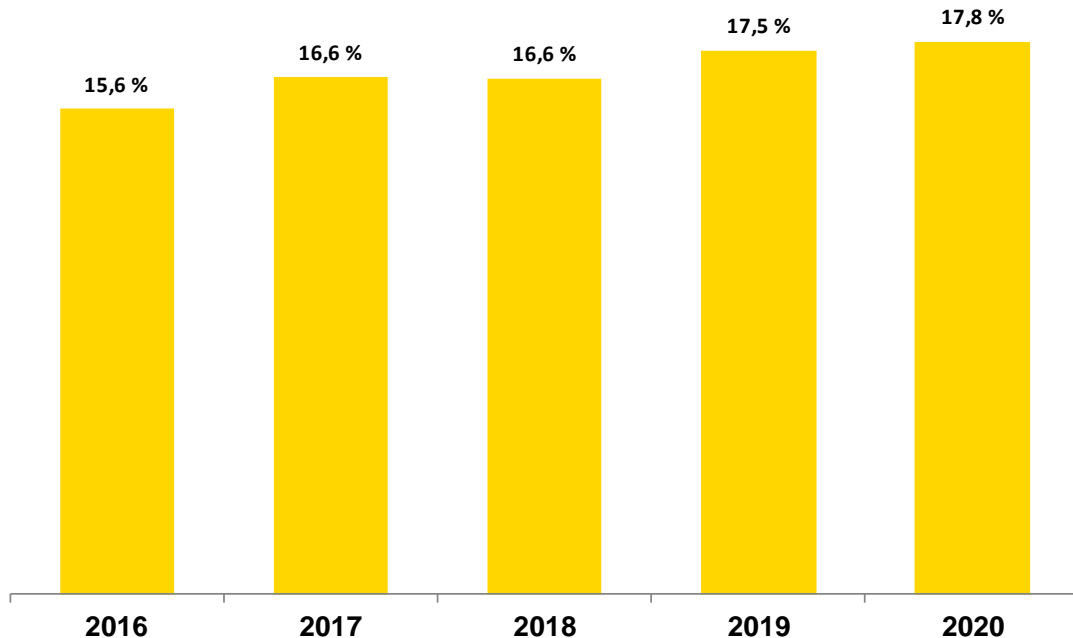


- Added macro factor in 1Q20 which increases ECL by stressing customer PD
- Adjustment based on sector
- Adjustment gives a relative increase in individual PD's of 12 %

Well capitalized and equipped for uncertain times

Common equity tier 1 capital ratio of 17.8% including profit for the year

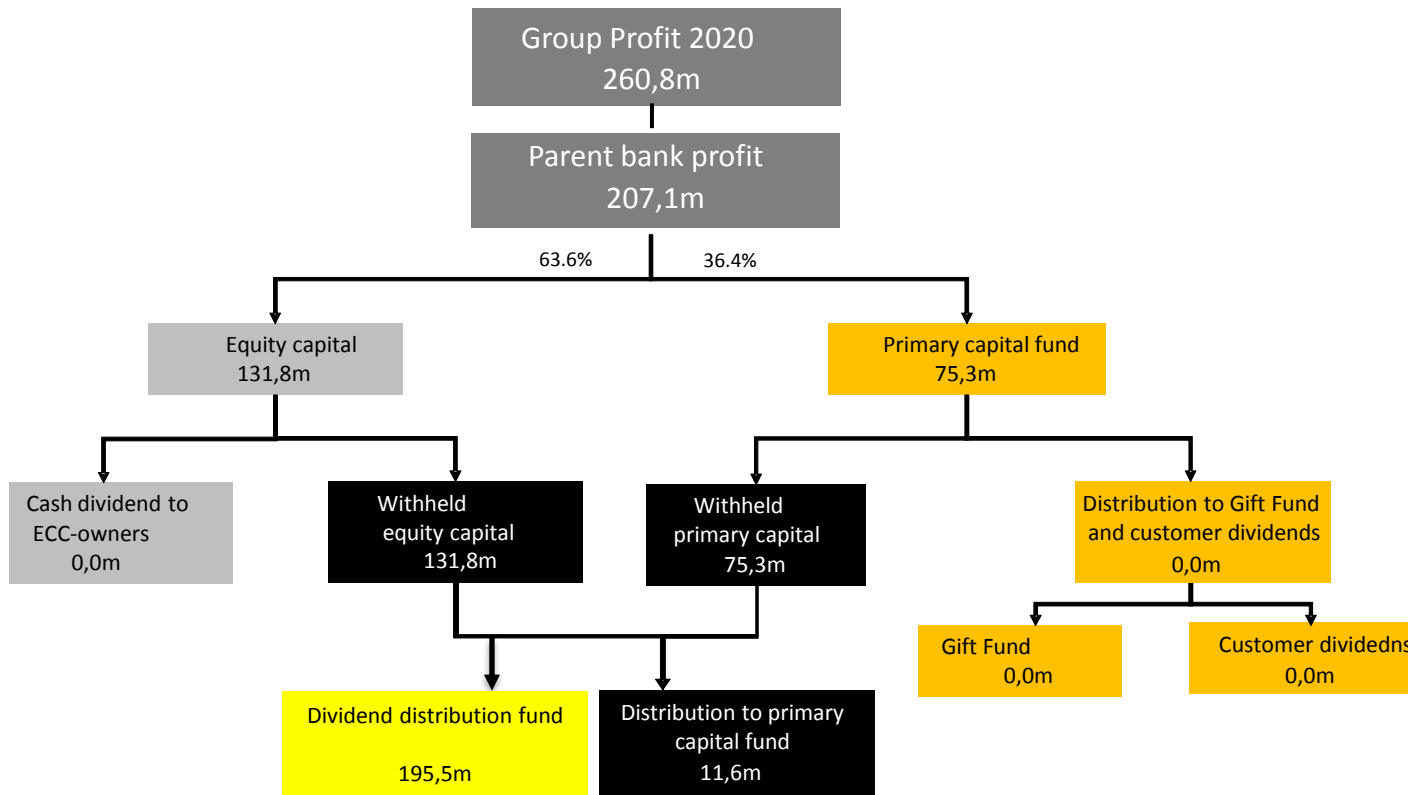
Common Equity Tier 1 Ratio (CET1)



A well-capitalized bank

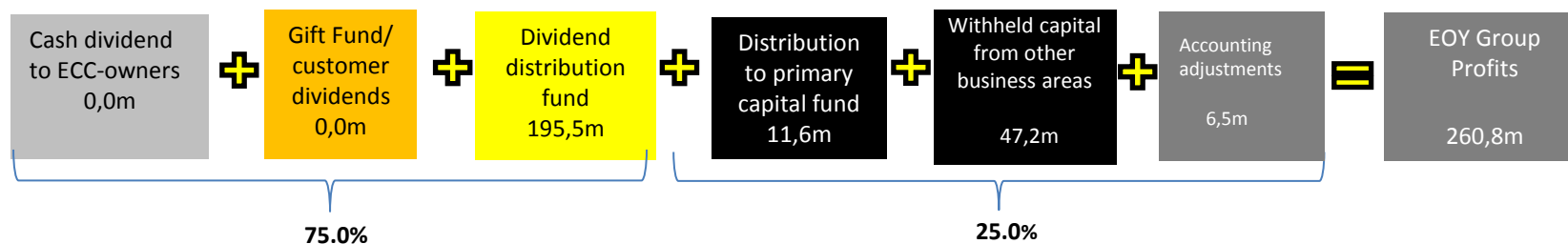
- FSA minimum CET 1 requirement of 13.1%
- Pillar-2 requirement of 2.1%,
- Target for Common Equity Tier 1 capital (CET1) > 14.1%
-
- Dividend for 2020 within 50% -75% will lead to a reduction in CET1 of between 0.8% - 1.2%
- The bank successfully repurchased equity certificates in February 2020. The repurchase reduced CET1 by \approx 1%

Dividend ratio, Distribution of Group Profit



- Temporary distribution restrictions from the authorities until 30.09.21 entail withheld distribution of dividends to owners, customer dividends and gift funds.
- The group is solid and is well-capitalized within all capital requirements. The board plans to pay a dividend to owners, customer dividends and gift funds for the fiscal year 2020 within the adopted dividend policy (50% -75%) in the fourth quarter of 2021, subject to market conditions and regulatory approval.
- Of the group's profit, NOK 195.5 million (75.0%) is allocated to a dividend distribution fund, that can be disbursed dependent on a board decision (by power of attorney).
- The appropriations do not change the ECC-ownership, it remains unchanged at 63.6%.

Oppsummering utbyttegrad (gitt utbetaling av utdelingsfond):



Content

- 1 Results Q4 and 2020
- 2 Results strategy period 2017-2020
- 3 Technology
- 4 Growth and ambitions
- 5 Portfolio, losses and capital
- 6 Macro

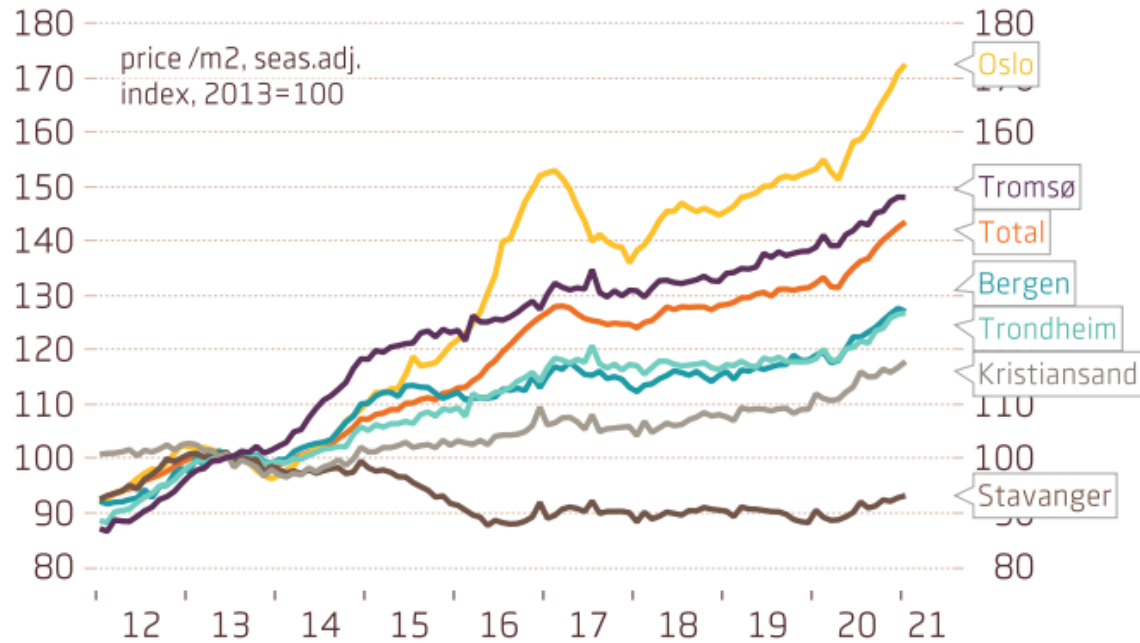
"VI SKAL VÆRE BEST I KLASSEN PÅ GODE OG PERSONLIGE KUNDEOPPLEVELSER."



The housing market is improving - price increase of 5.3% in 2020

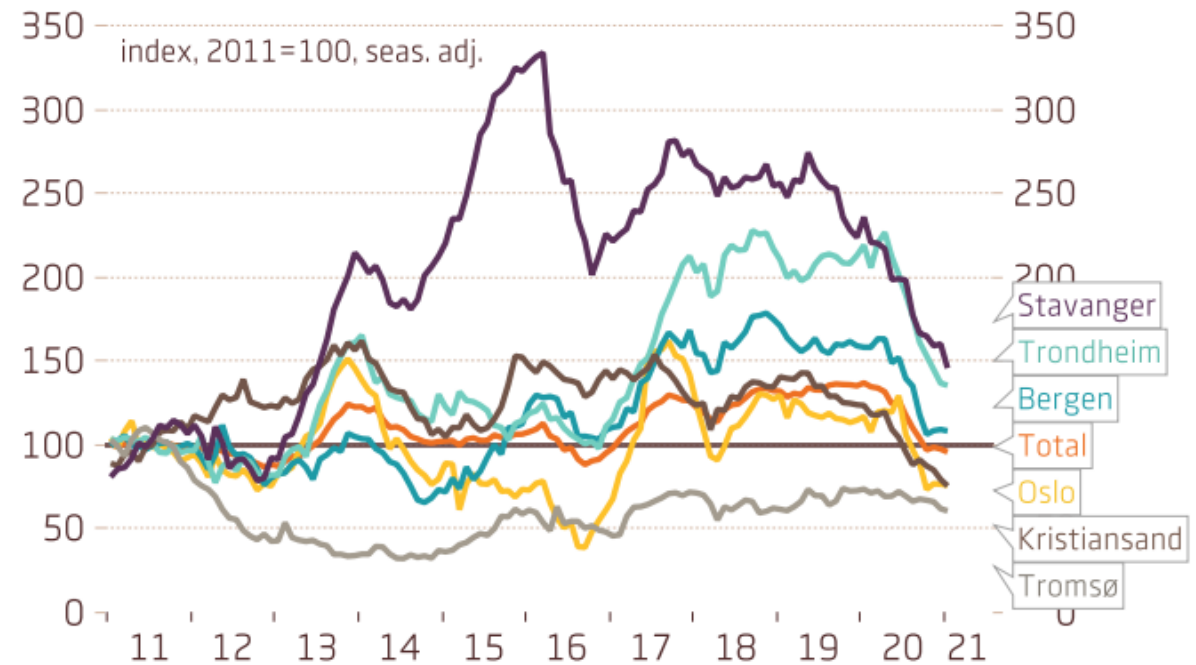
Fewer unsold homes - better ratio between supply and demand

House Prices



Sources: Swedbank & Macrobond

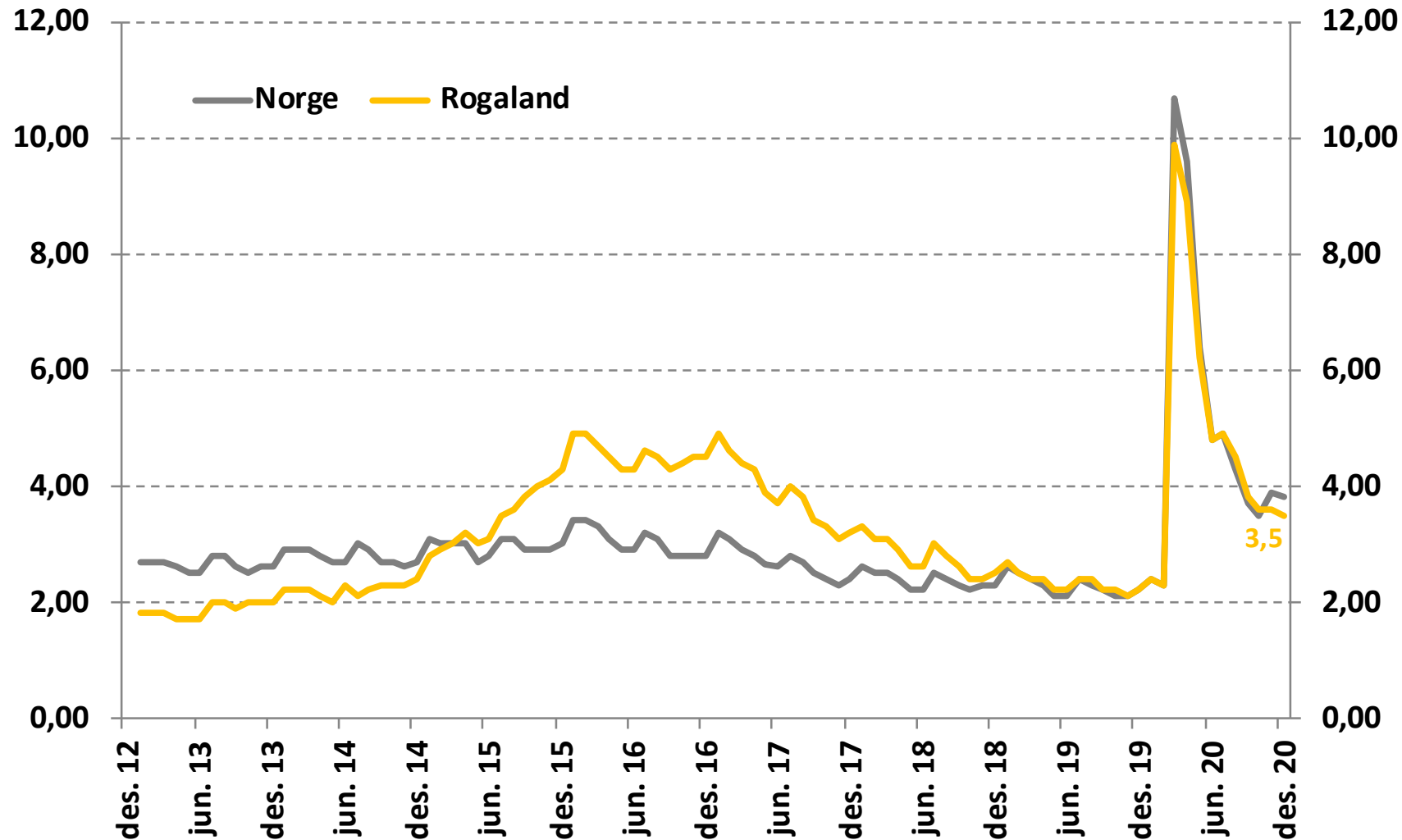
Unsold Homes



Sources: Swedbank & Macrobond

Unemployment - Rogaland

Slightly lower unemployment than the rest of the country, no signs of higher "oil unemployment"



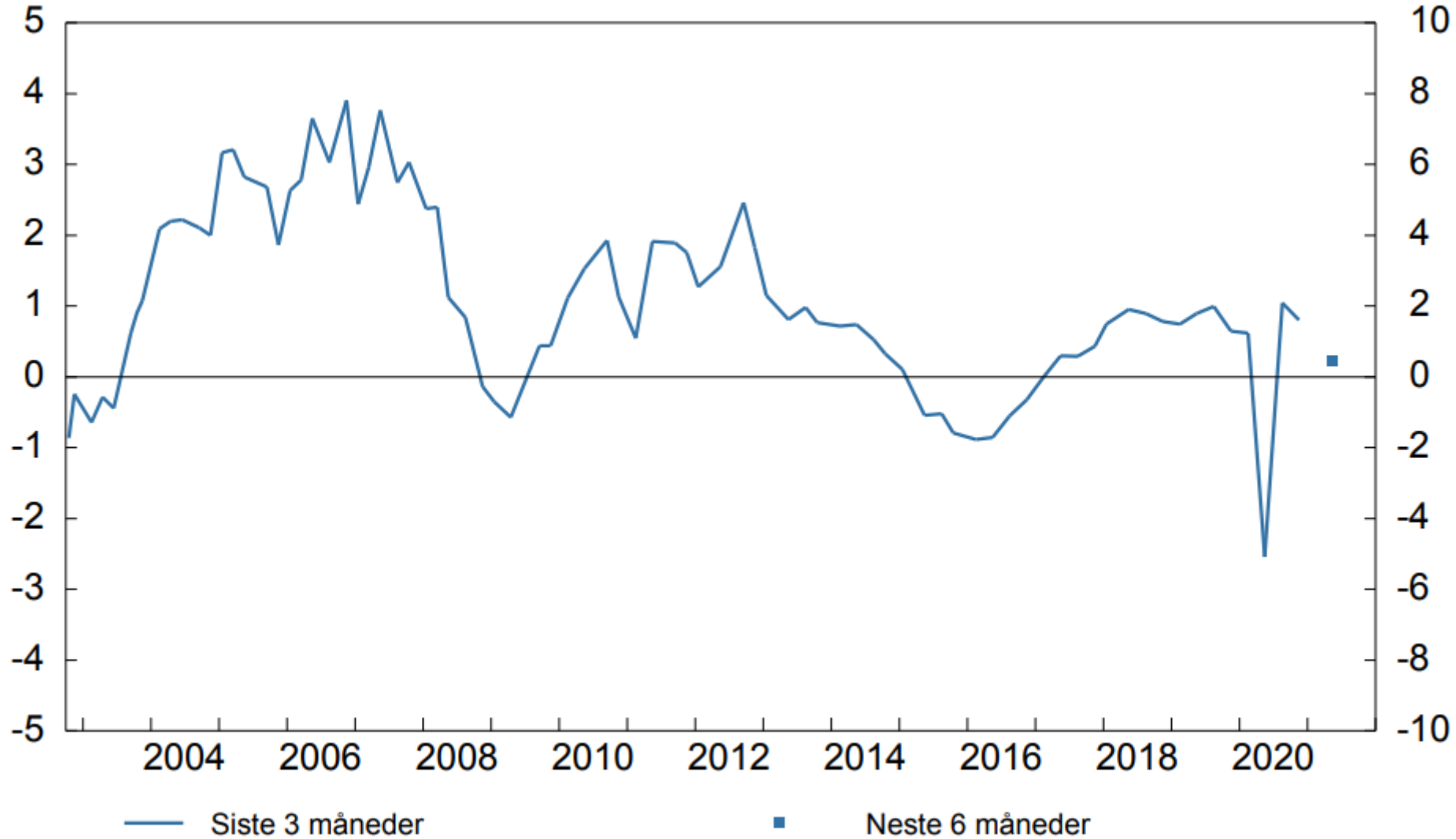
"We expect an increase in unemployment at the beginning of 2021. Natural seasonal variations and strict infection control restrictions mean that unemployment will rise."

"At the end of January, 16,919 people were registered as jobseekers, figures from NAV show. This is an increase of 637 people compared to December last year. 10,480 people are currently completely out of work. It accounts for 4.1 per cent of the labor force in the county. 5,314 people are partially unemployed, which is 2.1 per cent."

NAV Rogaland 29.01.21

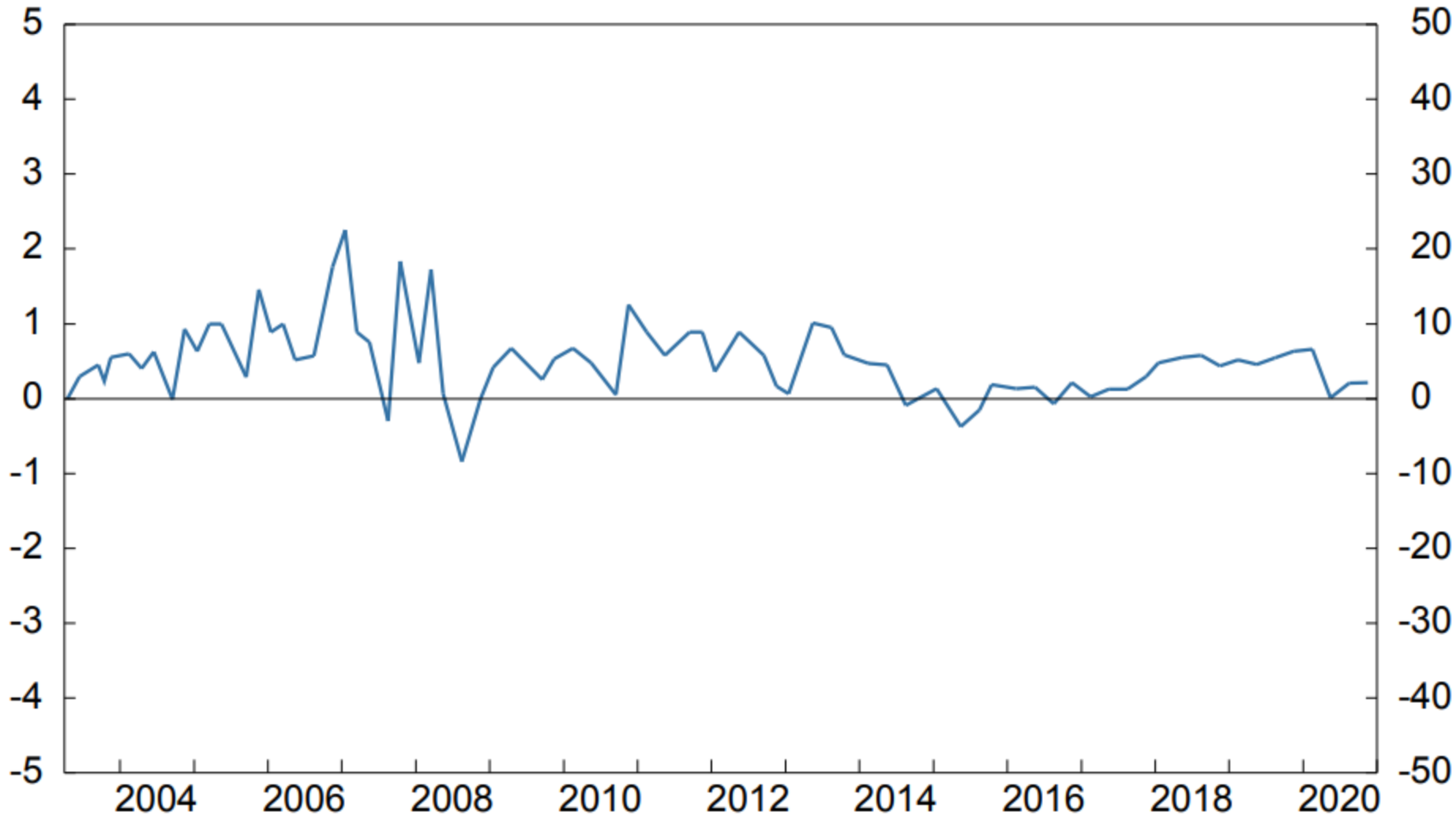
Norges Bank Regional Network

Region Sørvest - Growth in production



Norges Bank Regional Network

Region Sørvest - Growth in investments



TAKK TIL DERE SOM JOBBER I FØRSTELINJE. SOM PLEIER DE SYKE, SOM TRØSTER DE ENGSTELIGE. TAKK TIL DERE SOM FÅR HJULENE TIL Å GÅ RUNDT, IKKE BARE BUSSJÅFØRER, MEN DERE SOM SITTER I KASSEN OG SELGER MATEN VI SPISER, OG SOM MED ET SMIL FORSIKRER OSS OM AT DET ER NOK TIL ALLE.

TAKK TIL DERE SOM HENTER SØPPELET NÅR SPANNET ER FULLT, OG DERE SOM ARRANGERER KONserter SELV OM DERE IKKE HØRER APPLAUSEN VÅR. TIL DERE SOM BETALER DAGPENGER TIL OSS SOM IKKE LENGER HAR JOBB, OG TIL DERE SOM HAR RESTAURANT MEN INGEN GJESTER (VI KOMMERTILBAKE), MEN LIKEVEL SETTER MIDDAGEN PÅ TRAPPEN VÅR. TAKK TIL DEG SOM LUFTER HUNDEN VÅR, SOM HENTER VARENE VÅRE PÅ BUTIKKEN, OG SOM HENGER POSEN MED NYBAKTE BOLLER PÅ DØRHÅNDTAKET VÅRT. TAKK TIL DEG SOM SITTER HJEMME, SOM ER KONTORIST OG LÆRER PÅ SAMME TID, SOM GJØR EN INNSATS FOR DEG SELV, FOR DINE BARN, OG FOR RESTEN AV VERDEN. IKKE FORDI DU MÅ, MEN FORDI DU VIL.

VI TAKKER ALLE DERE SOM HJELPER TIL MED DET DERE KAN.

VI SKAL OGSÅ HJELPE NÅR DU TRENGER OSS, SÅ TA GJERNE KONTAKT.

VI ER BANKEN DIN.

TAKK.



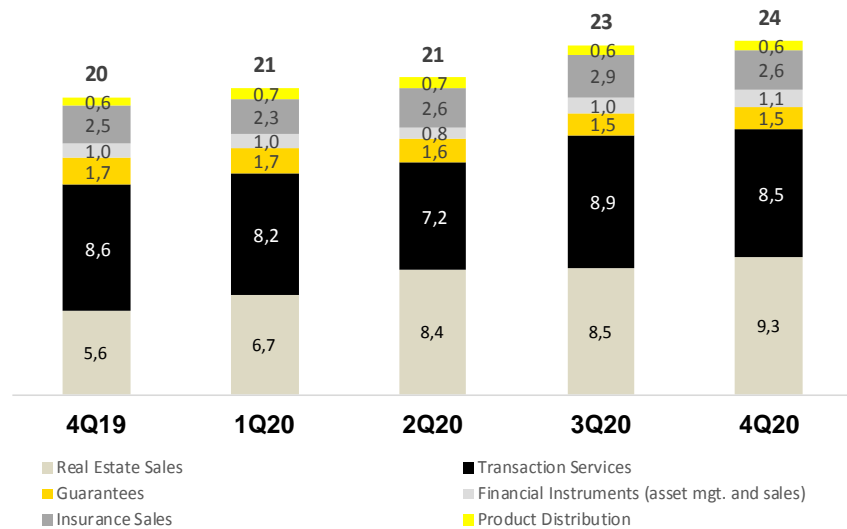
TAKK.



Appendices

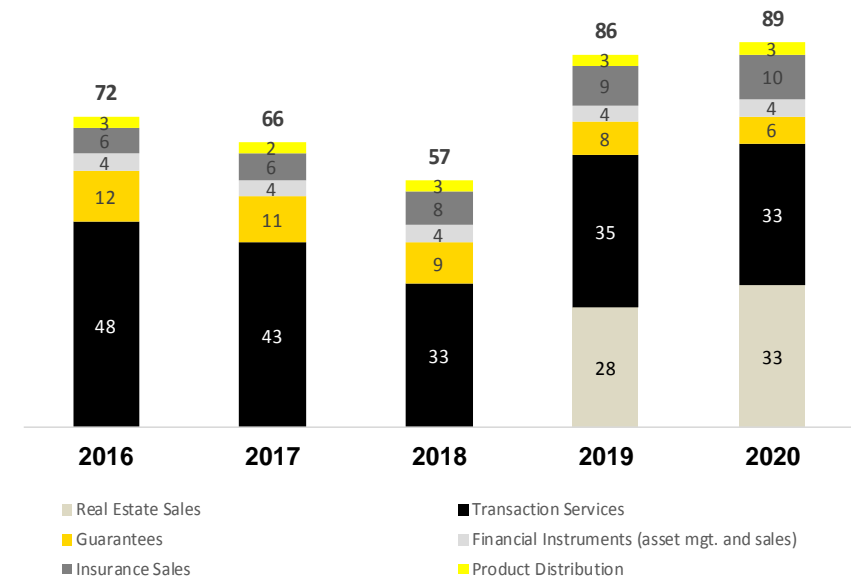
Gross Commission Income

Gross commission, quarterly



- From the 3rd quarter of 2020, the bank has chosen to reclassify income from real estate activities from other income to commission income.
- The figures in the figures have consequently been reworked from 2019 to show historical development

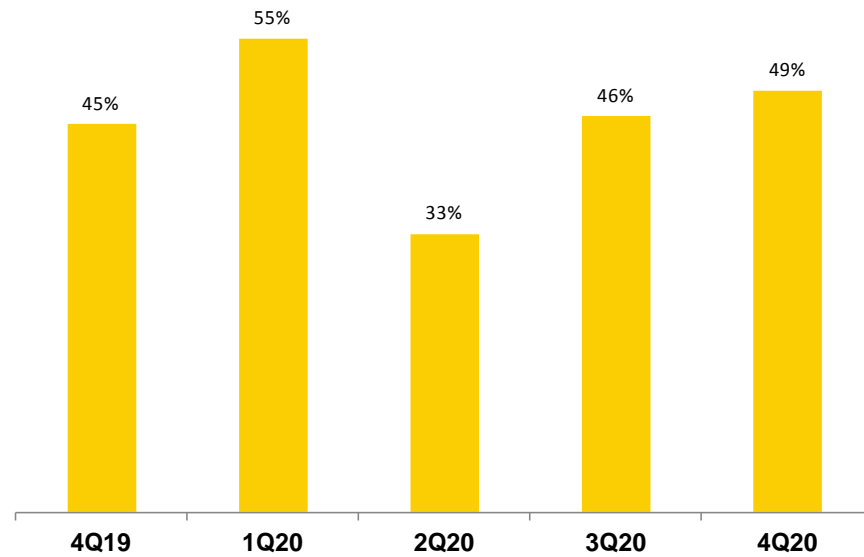
Gross commissions, EOY/YTD.



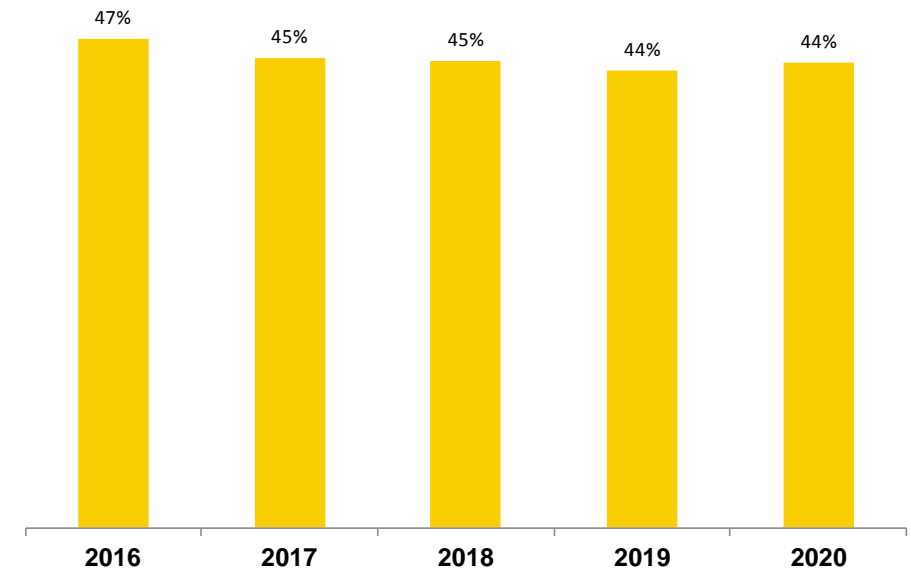
- The change in principle for bookkeeping of the real estate business has not been made for 2016-2018.

Cost to Income

Cost to income, quarterly

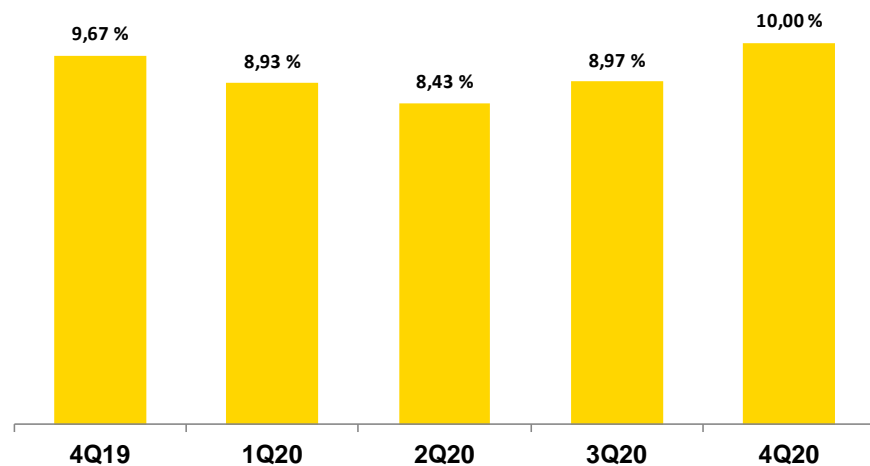


Cost to income, EOY/YTD

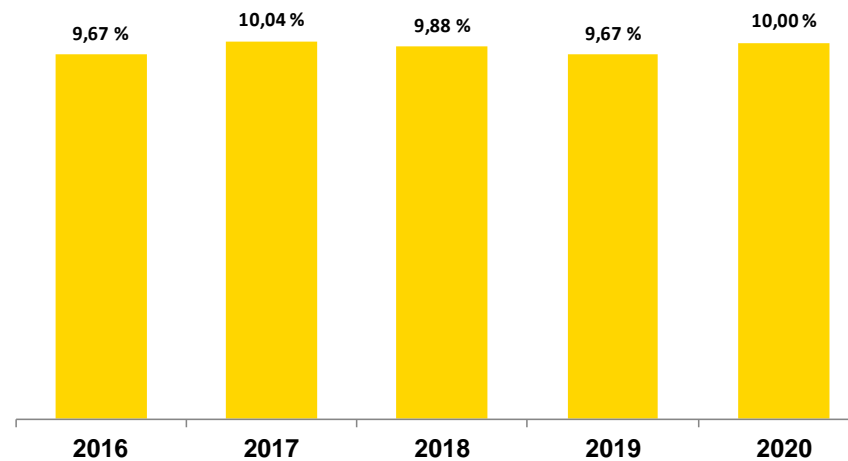


Solidity – Leverage Ratio

Leverage (Equity/Total assets), quarterly



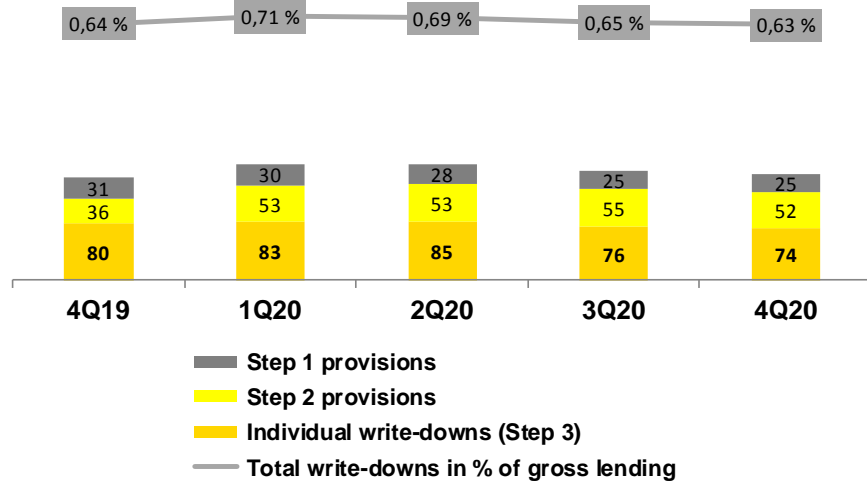
Leverage (Equity/Total assets), EOY / YTD



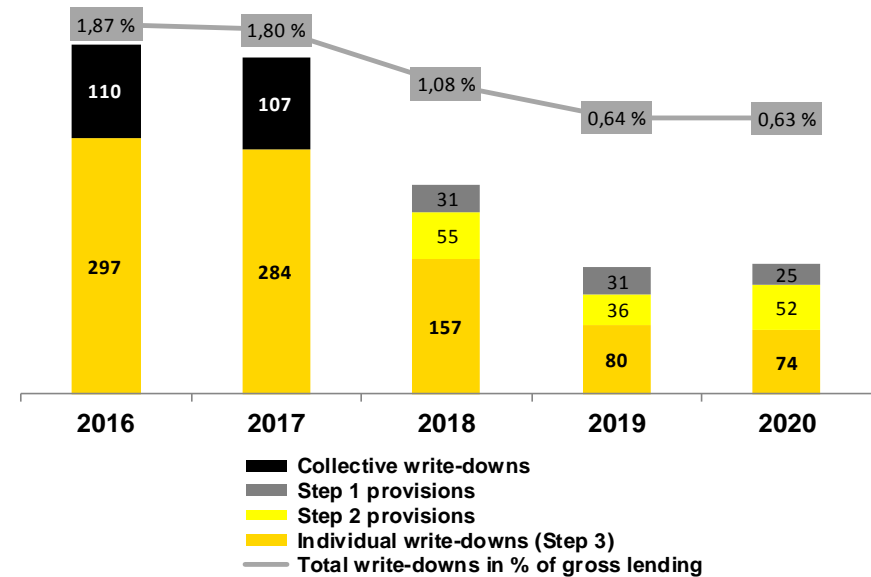
Write-downs on Loans

Stable provisions | Larger restructuring in the years of 2016-2018

Write-downs, quarterly

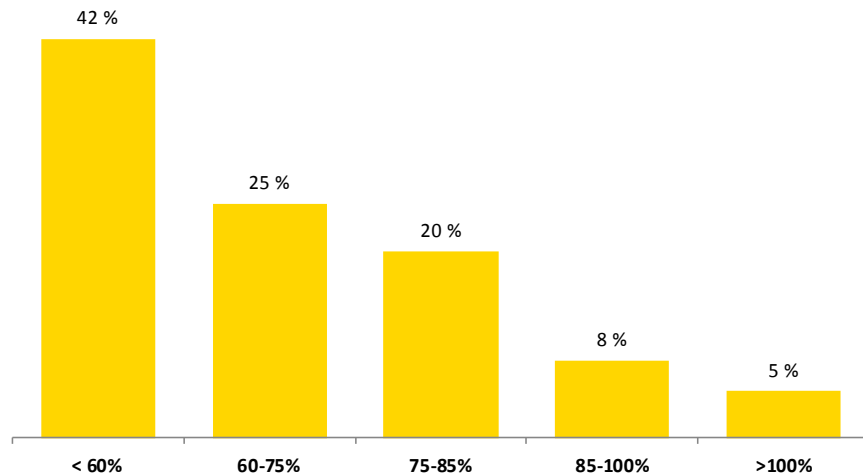


Write-downs, EOY/YTD



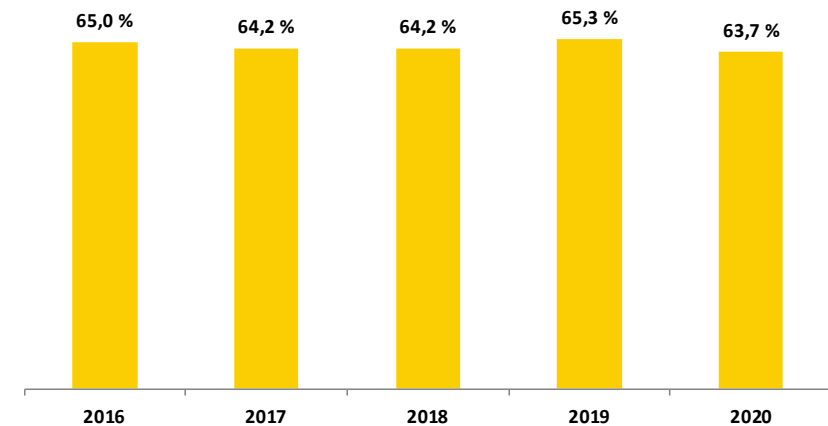
Retail Loan Portfolio

LTV distribution



- The LTV distribution is totally distributed, ie the entire loan is placed in one and the same category (a loan with 80% LTV is in its entirety placed in the category 75-85%)
- Customers with LTV > 100% are mostly customers with additional security in the form of guarantors with customer relationships in another bank

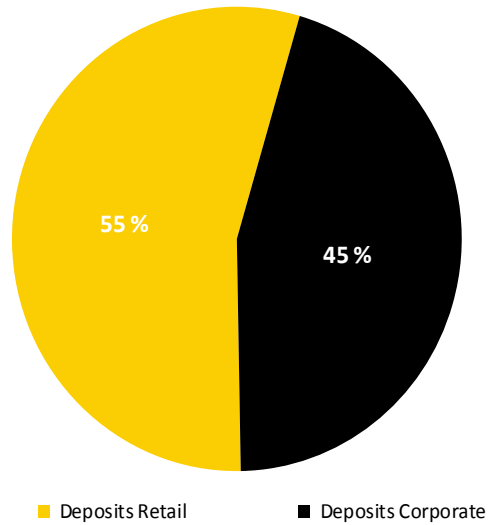
Weighted average LTV



- Flat development in house prices from 2016 leads to stable LTV's
- New customers normally have higher LTV than existing ones
- Installments on existing loans draws LTV down

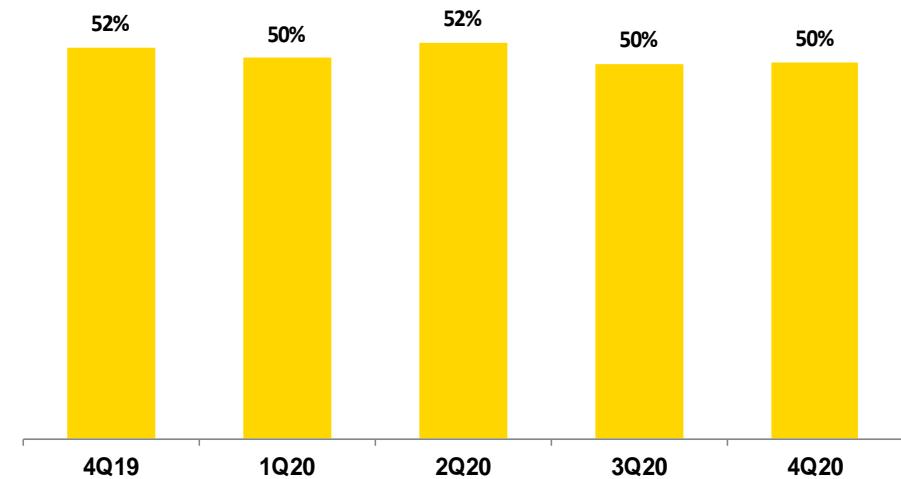
Deposits From Customers

By division



- Deposit-to-loan Retail \approx 40 %
- Deposit-to-loan Corporate \approx 70 %

Deposit-to-loan ratio

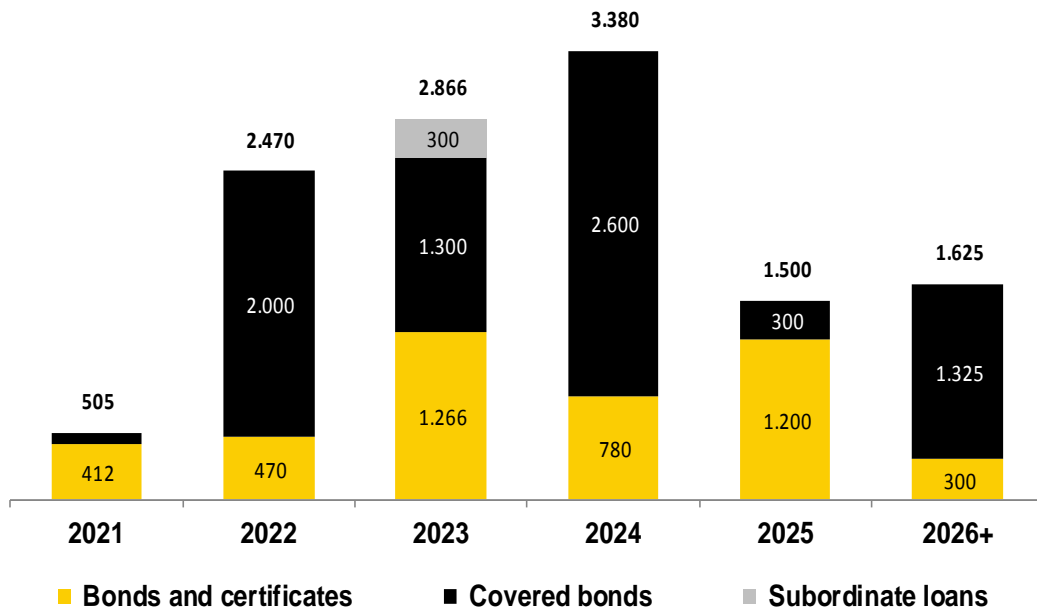


- Innskuddsdekning morbank er 80 %

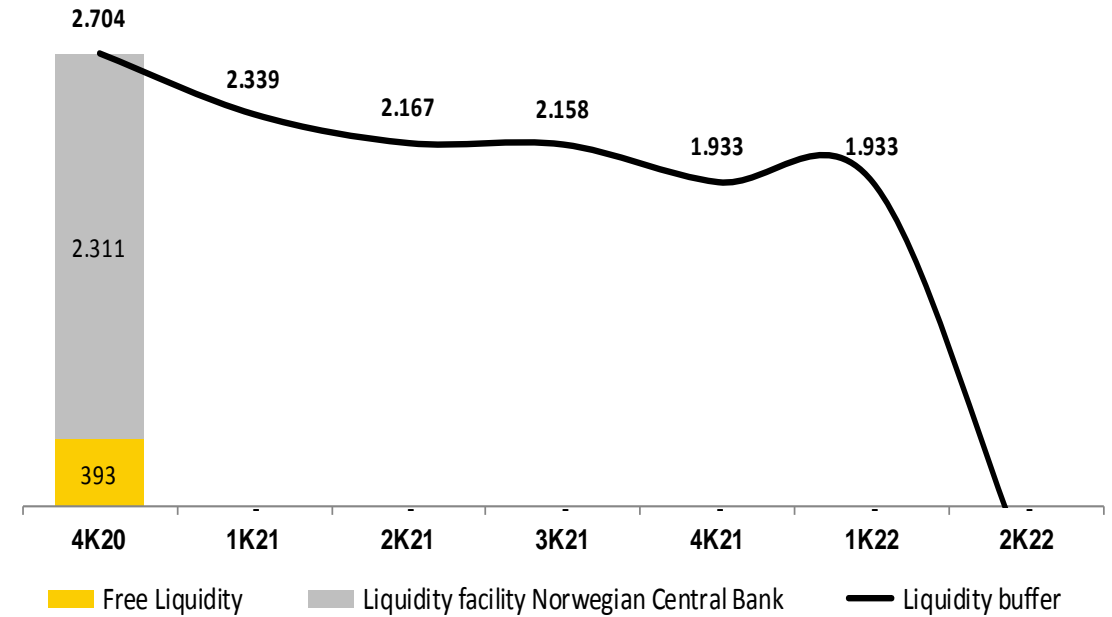
Liquidity

LCR at 247 % | NSFR at 130 %

Funding (MNOK)



Liquidity reserve, (MNOK)

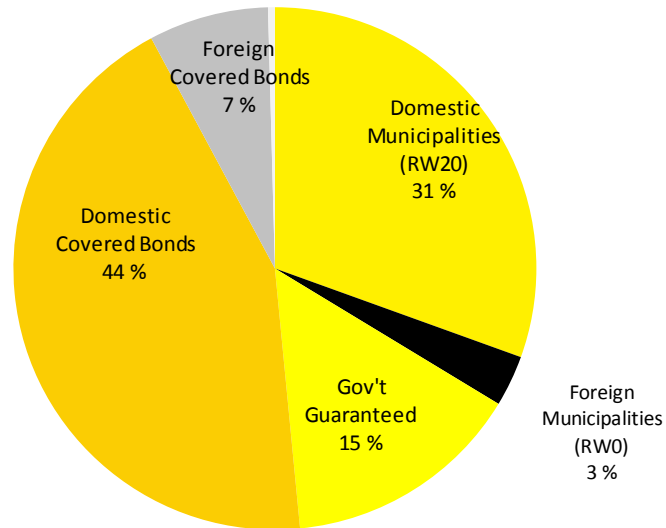


- The maturity overview does not include F-loans raised with Norges Bank with collateral in deposited securities.

Liquidity Reserve

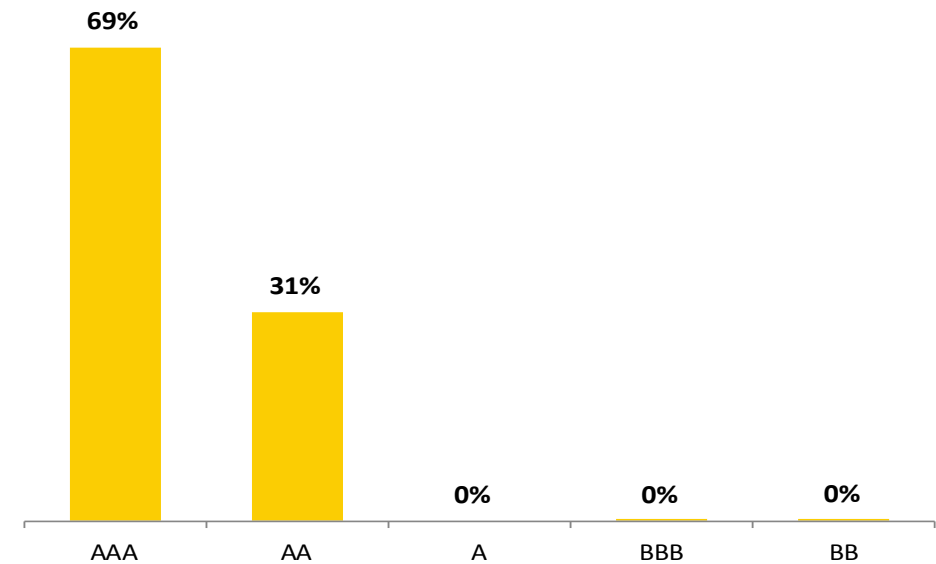
NOK 3,9 bn. ex. cash | 99 % AA-rated or above

Composition of portfolio



- NOK 1.0 billion is Norwegian municipal securities with a remaining maturity of up to 0.15 years. These are financed through F-loans from Norges Bank with a corresponding maturity

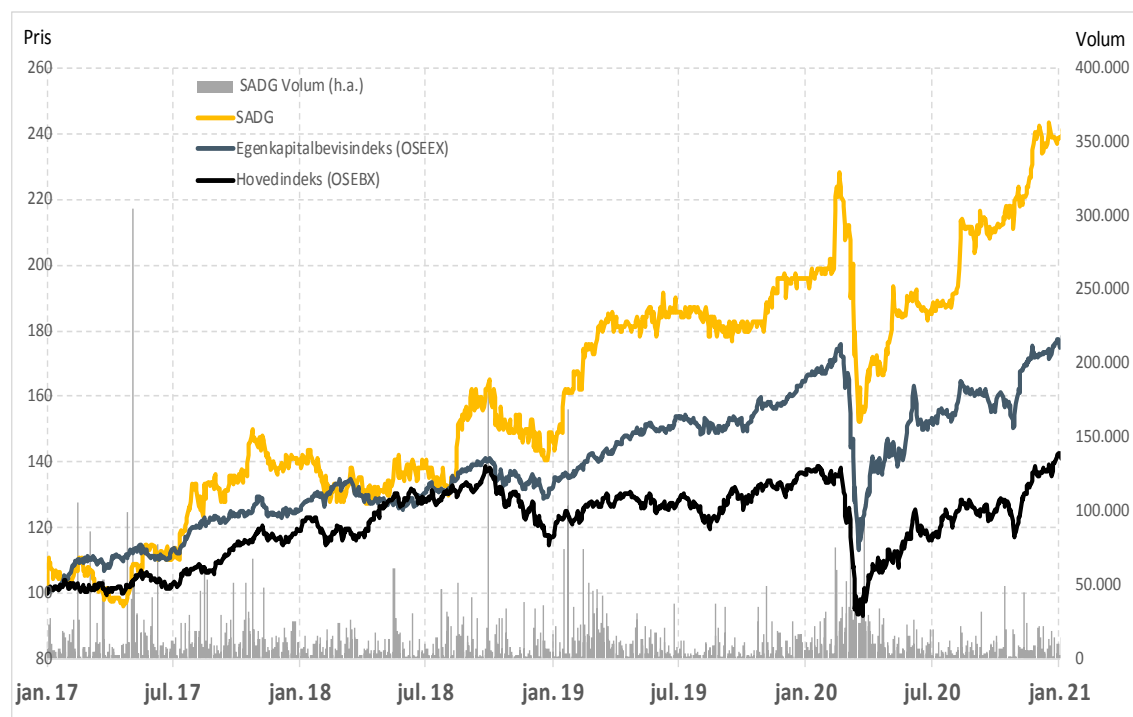
Rating distribution



- Norwegian municipal certificates are included in the category AA rating
- Investments in the BBB category are money market funds

The Equity Capital Certificate

SADG development on OSE



ECC-ownership

20 largest owners of equity certificates as at 31.12.2020	No. of equity certificates	Share
1. Sparebank 1 SR-Bank C/O SR-Investering	3.485.009	15,14 %
2. Sandnes Sparebank	2.103.383	9,14 %
3. Holmen Spesialfond	1.359.823	5,91 %
4. AS Clipper	1.088.738	4,73 %
5. VPF EIKA Egenkapital C/O Eika Kapitalforvaltning	1.086.623	4,72 %
6. Espedal & Co AS	886.861	3,85 %
7. Salt Value AS	680.000	2,95 %
8. Wenaasgruppen AS	650.000	2,82 %
9. Skagenkaien Investering AS	500.000	2,17 %
10. Meteva AS	261.881	1,14 %
11. Hausta Investor AS	220.000	0,96 %
12. Kristian Falnes AS	200.000	0,87 %
13. Nordhaug Invest AS	194.374	0,84 %
14. Innovemus AS	185.000	0,80 %
15. Barque AS	159.651	0,69 %
16. Tirna Holding AS	156.255	0,68 %
17. Spesialfondet Borea Utbytte	139.315	0,61 %
18. Inge Steenslands Stiftelse	127.304	0,55 %
19. Catilina Invest AS	124.000	0,54 %
20. Dragesund Invest AS	120.000	0,52 %
Sum	13.728.217	59,6 %
Totalt	23.014.902	100,00 %

Key Figures

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	2019	2020
Growth assets	1,0 %	-0,5 %	1,2 %	1,8 %	4,5 %	5,8 %	-6,2 %	0,1 %	3,5 %	3,8 %
Growth lending (net)	1,6 %	0,8 %	0,4 %	-0,2 %	1,6 %	2,0 %	1,0 %	0,1 %	2,5 %	4,9 %
Growth deposits	1,0 %	3,2 %	0,8 %	0,0 %	-1,2 %	6,2 %	-4,3 %	0,4 %	5,2 %	0,8 %
Net interest margin	1,60 %	1,66 %	1,77 %	1,87 %	1,73 %	1,48 %	1,52 %	1,61 %	1,72 %	1,64 %
Other income % of total income	22,3 %	35,4 %	15,0 %	16,4 %	-3,5 %	42,8 %	19,2 %	19,2 %	22,8 %	22,3 %
Cost-to-income ratio	47,9 %	37,5 %	45,4 %	45,5 %	55,5 %	32,7 %	46,4 %	49,4 %	43,7 %	44,5 %
Costs as % of av. total assets	1,0 %	1,0 %	0,9 %	1,0 %	0,9 %	0,8 %	0,9 %	1,0 %	1,0 %	0,9 %
Return on equity before tax	9,4 %	14,8 %	10,8 %	12,1 %	4,8 %	18,6 %	11,2 %	10,5 %	11,5 %	10,8 %
Return on equity after tax	8,2 %	13,6 %	8,2 %	9,2 %	4,7 %	16,6 %	8,5 %	8,0 %	9,6 %	9,0 %
Capital adequacy ratio	18,8 %	18,5 %	18,3 %	19,6 %	18,1 %	18,0 %	18,4 %	19,8 %	19,6 %	19,8 %
Tier 1 capital ratio	17,4 %	17,2 %	17,0 %	18,2 %	16,8 %	16,7 %	17,1 %	18,5 %	18,2 %	18,5 %
CET1	16,8 %	16,5 %	16,3 %	17,5 %	16,1 %	16,0 %	16,4 %	17,8 %	17,5 %	17,8 %
Risk-weighted assets	15.652	15.754	15.725	15.094	15.665	16.055	15.709	15.982	15.094	15.982
Number of man-years	136	131	136	133	132	133	132	132	133	132
Stock exchange price	64	65	62	67	57	58	66	74	67	74
Equity capital certificate % of equity	65,3	65,4	65,4	65,4	63,3	63,4	63,4	63,6	65,4	63,6
Earnings per equity capital certificate	1,6	2,7	1,7	1,9	1,0	3,4	1,8	1,7	7,9	7,9
Book value per equity capital certificate	78,4	80,1	81,4	83,0	79,9	83,3	85,1	86,8	83,0	86,8
Individual write-downs in % of gross lending	0,58 %	0,38 %	0,39 %	0,35 %	0,35 %	0,35 %	0,31 %	0,31 %	0,35 %	0,31 %
Coll. write-downs in % lending after ind. wr.-d.	0,37 %	0,36 %	0,34 %	0,29 %	0,36 %	0,34 %	0,33 %	0,32 %	0,29 %	0,32 %
Deposits to loans ratio	50,3 %	51,4 %	51,7 %	51,7 %	50,3 %	52,4 %	49,6 %	49,7 %	51,7 %	49,7 %
Deposits to loans ratio parent bank	76,4 %	77,7 %	78,1 %	79,0 %	79,2 %	84,4 %	79,8 %	79,1 %	79,0 %	79,1 %

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

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