

Investor Information

The Equity Capital Certificate

Return and dividend policy

The objective of Sandnes Sparebank is to manage its total resources in such a way as to provide equity capital certificate holders a good, stable and competitive return in the form of dividends and price appreciation. Annual profits will be allocated to equity certificate capital (equity capital certificate holders) and community capital on a pro rata basis relative to their respective shares of the Bank's equity capital. Sandnes Sparebank intends that half of the equity certificate capital's share of profits will be distributed as dividends, and correspondingly that half of the community capital's share of profits will be distributed as gifts or transferred to a foundation with such a purpose. Considerations will emphasize that the equity capital certificate holders' share of total equity (ownership ratio) ought to be kept stable. However, the ownership ratio will vary if there is an imbalance between dividends and gifts.

In the determination of total distribution level, factors to be considered include expected earnings performance, external framework conditions and the Group's estimated need for Tier-1 capital.

In offerings of equity capital certificates, existing holders will in principle be given preemptive rights to subscribe for the new equity capital certificates. However, under special circumstances, the Bank may conduct private placements directed at other investors.

Historical development of the equity certificate capital since the stock exchange listing in 1995.

Year	Type of change	Subscription price	Number	Face value	Equity certificate capital (NOK '000)
1995	Primary capital issue (stock exchange listing)	110.00	1 300 000	100	130 000
1997	Rights issue (holders)	130.00	1 300 000	100	260 000
2001	Private placement (employees)	102.13	50 000	100	265 000
2001	Rights issue (holders)	110.00	1 250 000	100	390 000
2003	Rights issue (holders)	125.00	1 300 000	100	520 000
2007	Rights issue (holders)	166.00	1 500 000	100	670 000
2008	Dividend issue	115.00	405 811	100	710 581
2015	Change of nominal value		7 105 811	10	71 058
2015	Rights issue	22.00	15 909 091	10	230 149

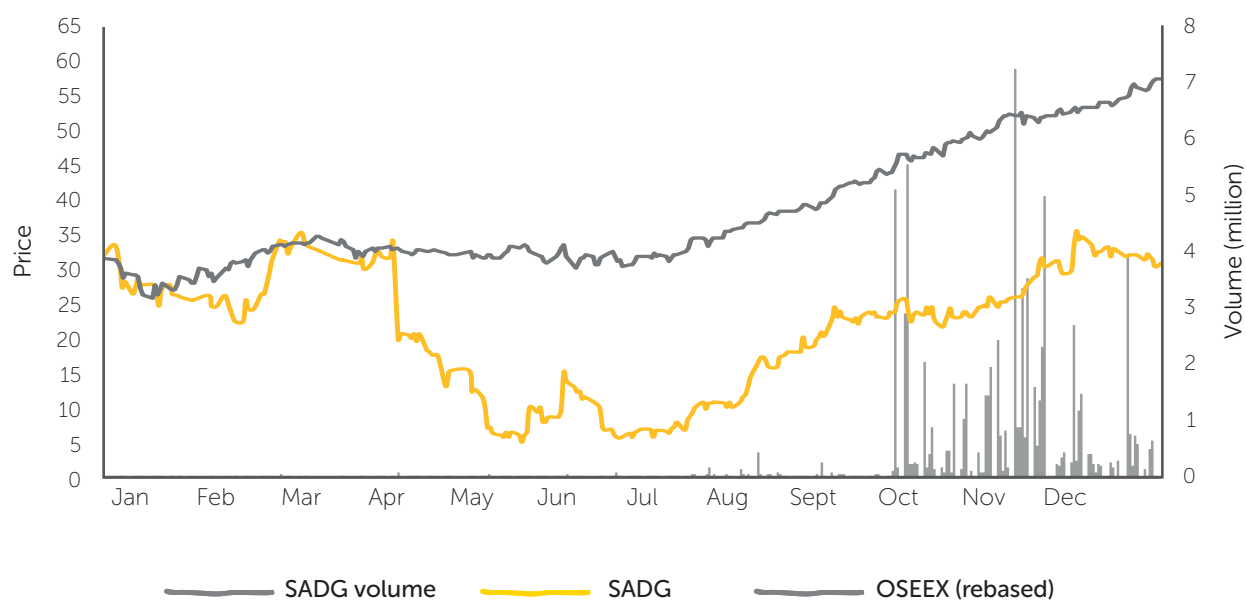


Investor Information

2016 price performance of SAGD

As of December 31, 2016, the SADG price was NOK 40.25 (last traded OSE quotation). It was resolved to pay NOK 28.9 million in dividends for 2016, corresponding to NOK 1.25 per equity capital certificate. Relative to the stock exchange quotation as of December 31, 2015, the SADG performance in 2016 represents a price decline of 3.7%. This is weaker than the performance of the Oslo Stock Exchange Equity Capital Certificate Index (OSEEX), which grew 34.3% during 2016.

SADG vs OSEEX 2016



Investor Information

As of December 31, 2016, the 20 biggest owners controlled 56.12% of the equity certificate capital. This is an increase of 48.4% since December 31, 2015. At the end of 2016, there were 2,330 equity certificate holders in total.

Owner summary:

The 20 biggest equity capital certificate owners as of 12/31/2016	Number	Share
1. Sparebank 1 SR-Bank C/O SR-Investering	3 485 009	15.14%
2. Merrill Lynch	2 270 083	9.86%
3. Clipper AS C/O Inge Steenstand	1 088 738	4.73%
4. Eika Utbytte VPF C/O Eika Kapitalforvaltning	904 412	3.93%
5. Espedal & Co AS	886 861	3.85%
6. Wenaasgruppen AS	650 000	2.82%
7. Bergen Kommunale Pensjonskasse	436 411	1.90%
8. Sparebanken Vest Aksjer	425 790	1.85%
9. Skagenkaaien Holding AS	350 000	1.52%
10. Nordhaug Invest AS	318 629	1.38%
11. Wimoh Invest AS	261 881	1.14%
12. Kristian Falnes AS	251 845	1.09%
13. Profond AS C/O A.G. Regnskap AS	240 000	1.04%
14. Jal Holding AS	202 598	0.88%
15. Mertoun Capital AS	200 000	0.87%
16. Portia AS	200 000	0.87%
17. Herfo Finans AS	190 105	0.83%
18. Tebina Holding AS	190 000	0.83%
19. Innovemus AS V/Oskar Bakkevig	185 000	0.80%
20. Madland Kjell	178 068	0.77%
= 20 biggest owners	12 915 430	56.12%
+ Other owners	10 099 472	42.88%
= Total	23 014 902	100.00%

Dividend and equity capital certificate percentage

A dividend of NOK 1.25 per equity capital certificate is proposed for the 2016 financial year. For 2016, the equity capital certificate capital ratio was 64.9%.



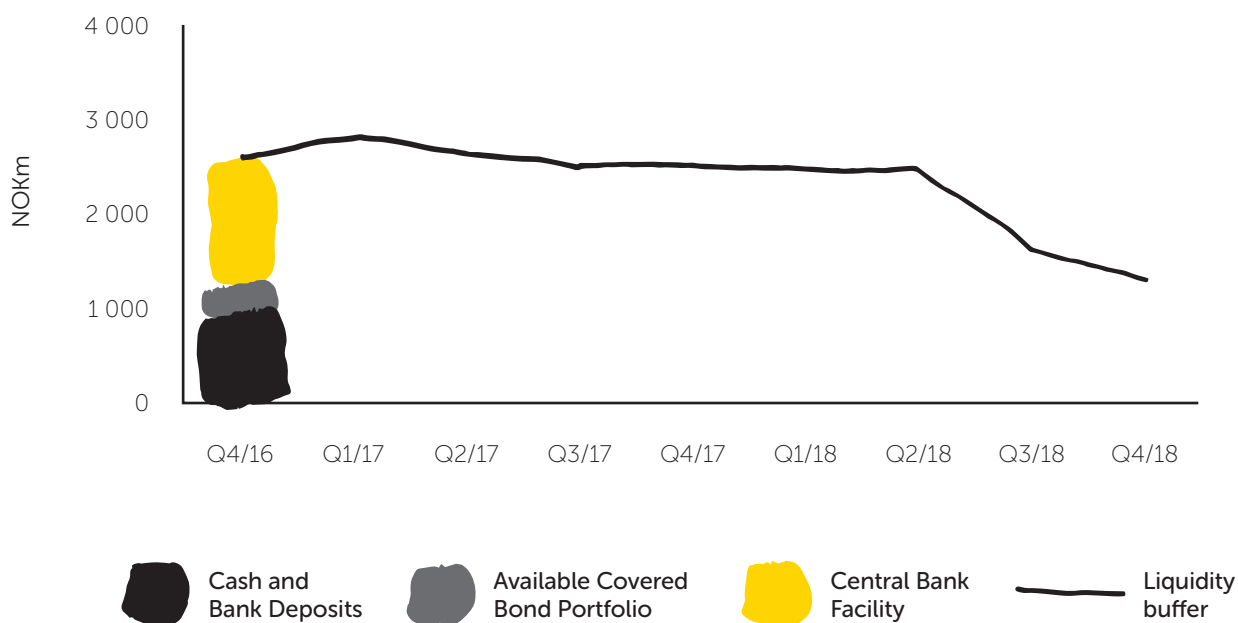
Investor Information

Liquidity

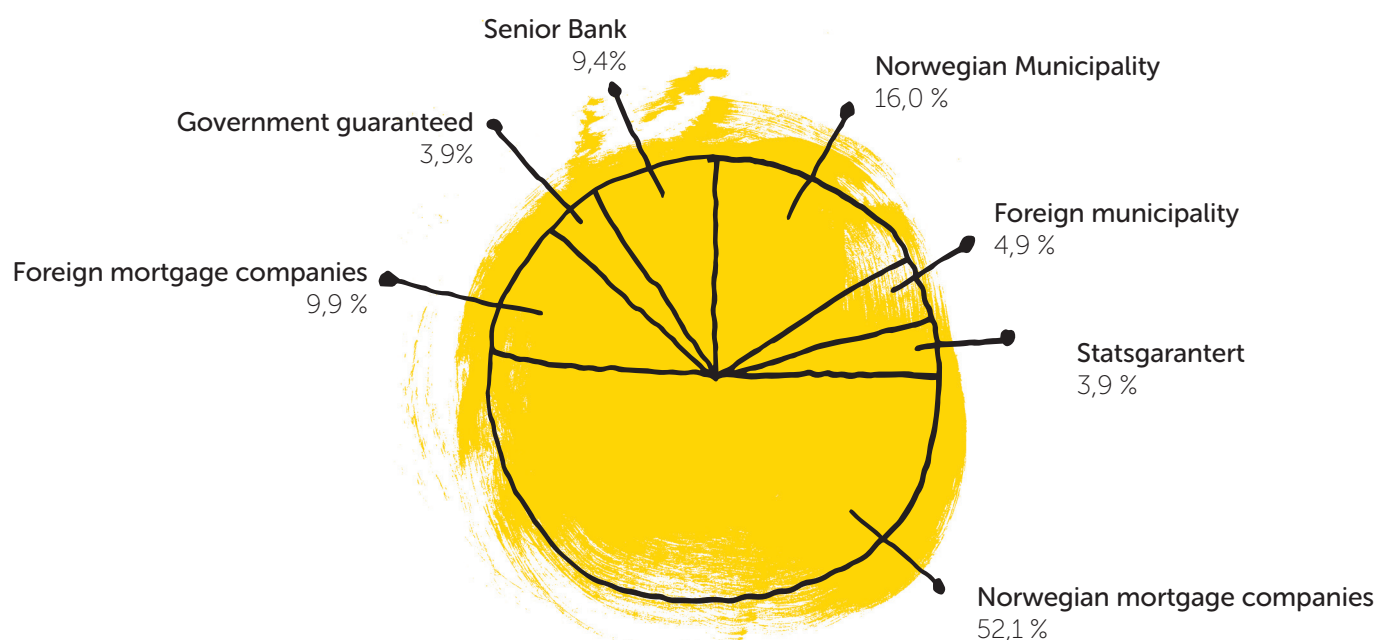
The Bank's liquidity situation is good. The Bank will have a limited need for refinancing in 2017. The establishment of SSB Boligkreditt AS has enabled the Sandnes Sparebank Group to issue covered bonds (OMF) and thus reduce the Group's liquidity risk. During 2016, covered bonds issued by SSB Boligkreditt AS had its official rating upgraded from AA to AAA. SSB Boligkreditt AS uses Fitch Ratings as its rating agency, and AAA is the best ratings available from Fitch. As of December 31, 2016, loans worth NOK 6.7 billion have been transferred to SSB Boligkreditt. SSB Boligkreditt has issued net covered bonds worth NOK 5,9 billion. As of December 31, 2016, available liquidity amounted to NOK 2,6 billion. In the Bank's liquidity strategy, the Board of Directors has determined a framework for the Bank always having holdings of strategic liquidity making operations under normal operating conditions possible for at least 15 months without injection of liquidity. The available liquidity as of December 31, 2016 ensures operation for 18 months without supply of liquidity.

The bond portfolio

Refinancing requirements



Investor Information



The Bank values its entire bond portfolio at fair value through the income statement. The portfolio is used for investment of excess liquidity.

Market information

The Bank desires to pursue an open information policy aimed at providing holders of equity capital certificates and the securities market simultaneous, correct and relevant information about the Bank's financial performance. The Bank prepares quarterly reports. All press releases and stock exchange announcements are available on the Bank's website at www.sandnes-sparebank.no/investor-relations. Alternatively, information regarding capital ratios is available on the website of the Oslo Stock Exchange, www.ose.no. The ticker code for the Sandnes Sparebank equity capital certificate on the Oslo Stock Exchange is SADG.

The bank organizes earnings presentations in Oslo after the publication of the quarterly financial reports.

2017 Financial Calendar

Q4 earnings and preliminary annual earnings 2016	February 15
Meeting of the Board of Trustees, final annual earnings 2016	March 30
Ex dividend	March 31
Q1 earnings 2017	May 4
Q2 earnings 2017	August 16
Q3 earnings 2017	October 26

The Bank's financial calendar may be subject to changes.

