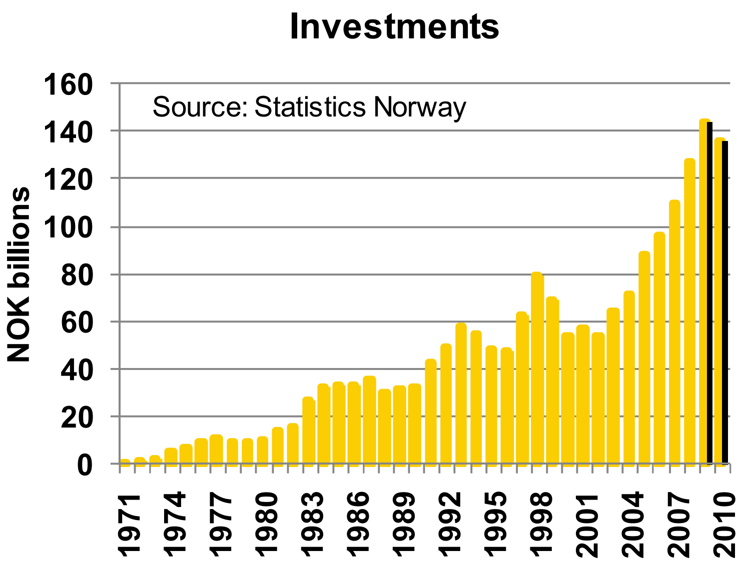
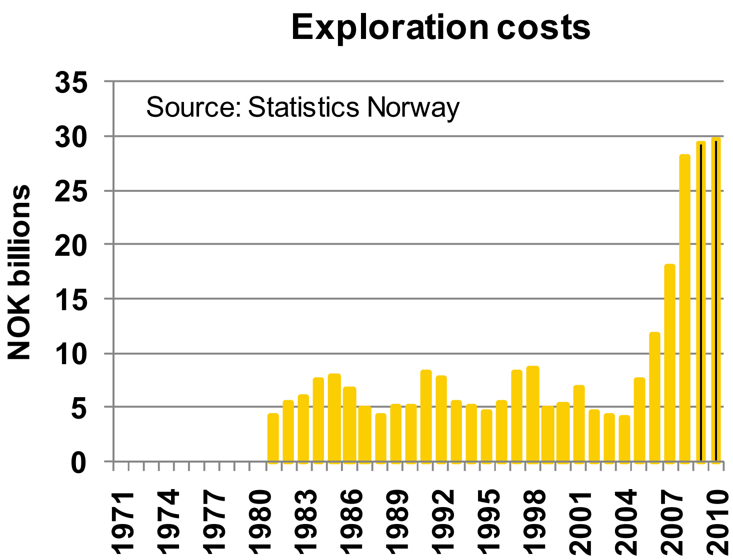
Presentation Q1 2010

5th May 2010

Jon Ledaal, CEO
Sven Ivar Førland, Deputy CEO

Regional development - Oil





- No major changes in the latest estimates from Statistics Norway
  - Expected capital spending is estimated at NOK 135 billion for 2010, a reduction by NOK 8 billion compared to 2009
  - Capital spending in connection with exploration is now estimated at NOK 29,7 billion for 2010, this is at the same level as for 2009

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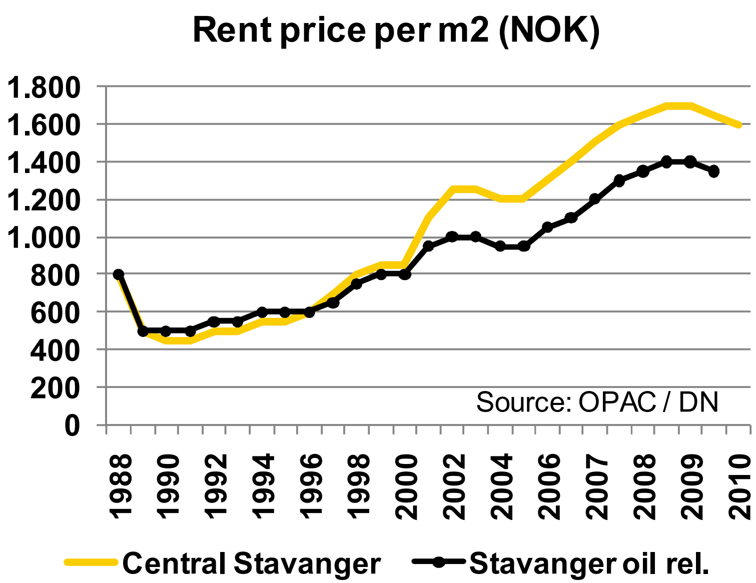
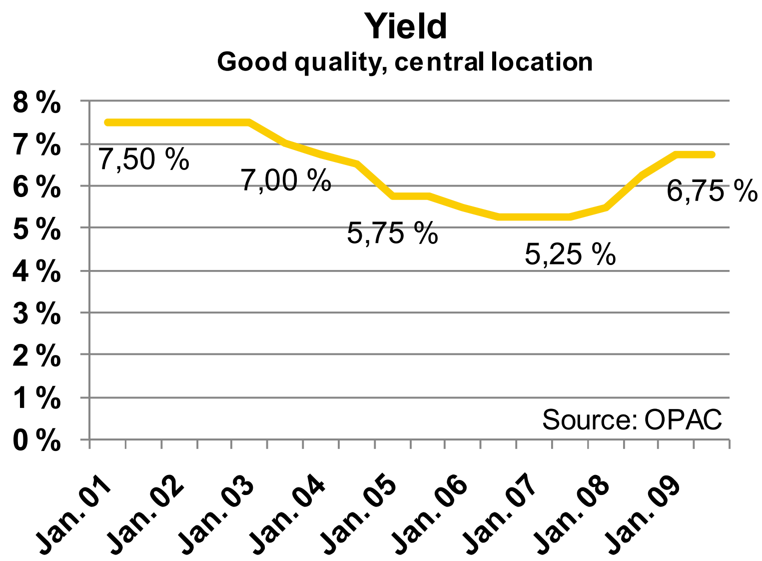
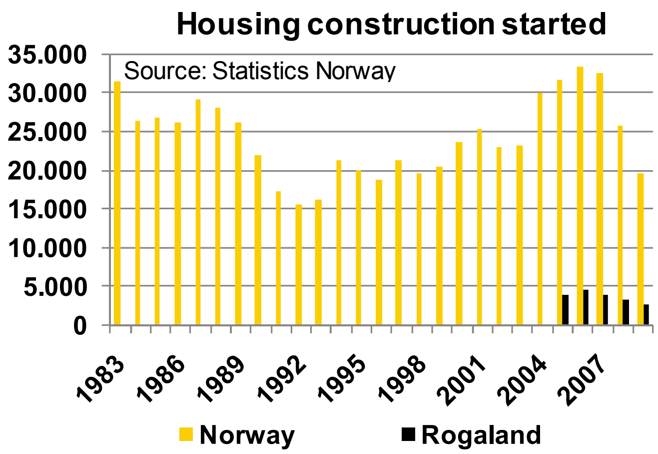
Regional development - Commercial property

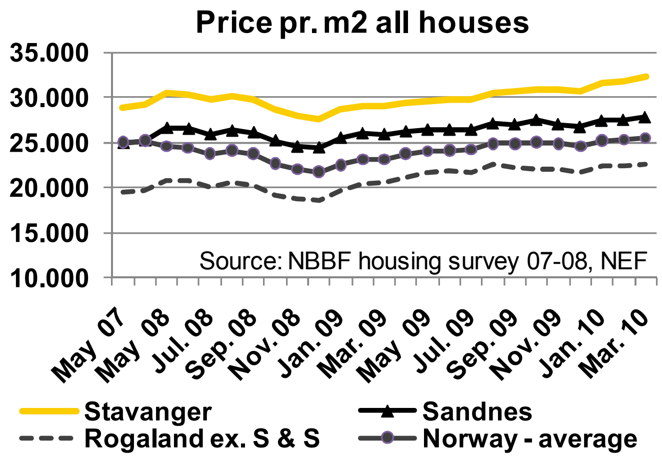


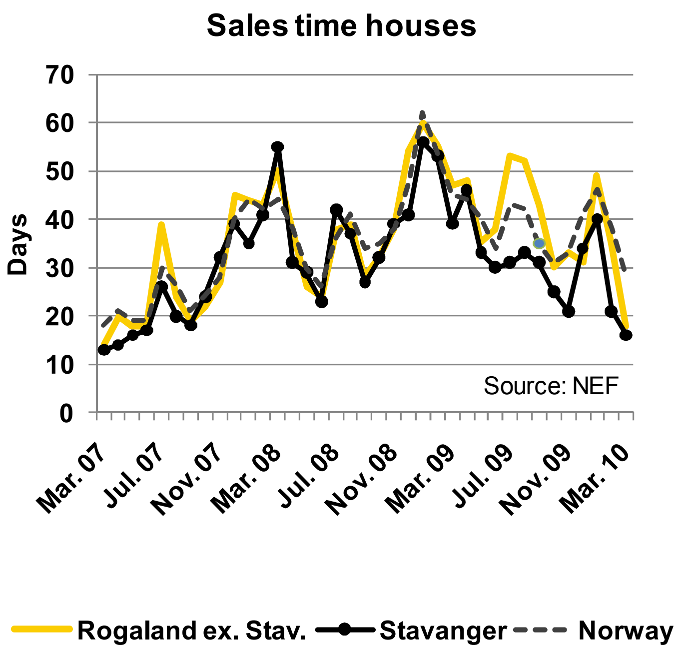


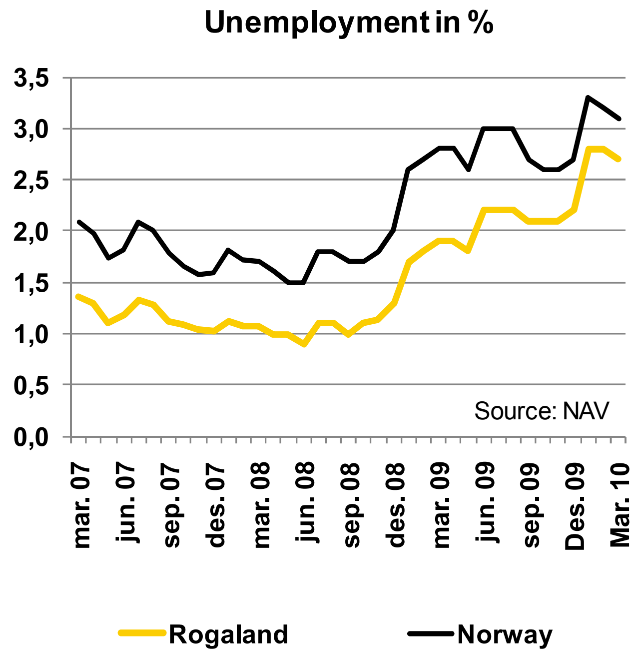
- Based on a few transactions in the Stavanger/Forus region in Q1, the yield levels are between 7% and 7,5% for good quality, central location

Regional development - Housing







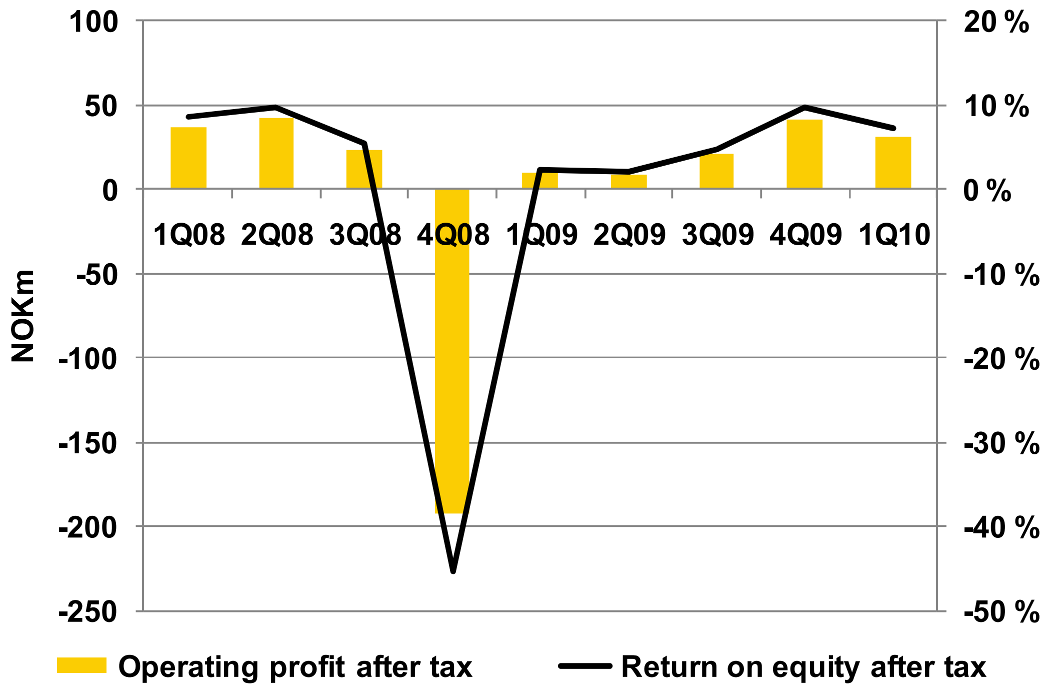


Income statement

Figures in thousand NOK	4Q09	1Q10	1Q09	2009	2008
Net interest earnings and similar	108.783	**105.463**	68.139	**358.574**	435.095
- Net commissions	18.341	**16.963**	18.417	**72.060**	100.119
-Other operating income	21.944	**7.374**	27.512	**84.947**	-7.256
Total other operating revenues	40.285	**24.337**	45.929	**157.007**	92.863
Total other operation costs	95.390	**74.342**	95.290	**375.870**	452.777
Operating profit befor losses and ta	53.678	**55.458**	18.778	**139.711**	75.181
Losses on lending and guarantees	-8.180	**11.908**	3.591	**13.233**	162.127
Operating profit before tax	61.858	**43.550**	15.187	**126.478**	-86.945
Tax	20.929	**12.128**	5.275	**46.303**	2.319
Operating profit after tax	40.929	**31.422**	9.911	**80.174**	-89.264
Earnings per primary capital certifi	2,7	2,3	1,5	6,0	-0,5
Return on equity after tax	9,7 %	7,4 %	2,4 %	4,8 %	-5,3 %

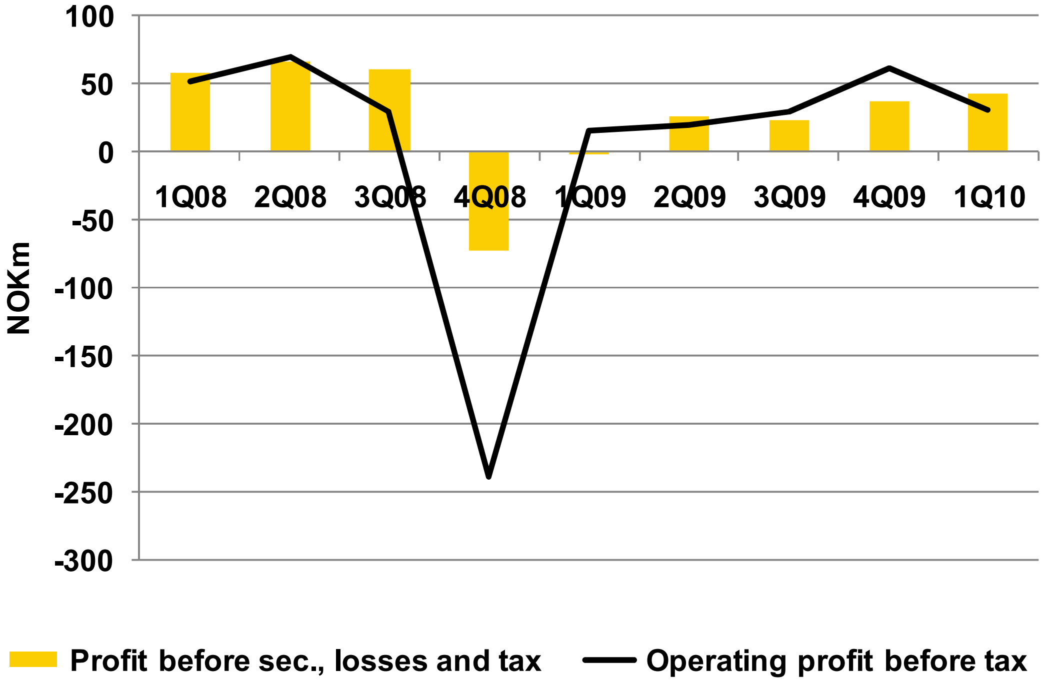
Operating profit after tax

- Operating profit after tax at MNOK 31,4 in Q1
- Return on equity after tax on 7,4% in Q1
- Interest income at 1,5%, same level as in Q4 2009
- Termination of AFP pension programme give one off revenue effect of MNOK 12,7
- Provisions for loan losses increased by MNOK11,9 in Q1



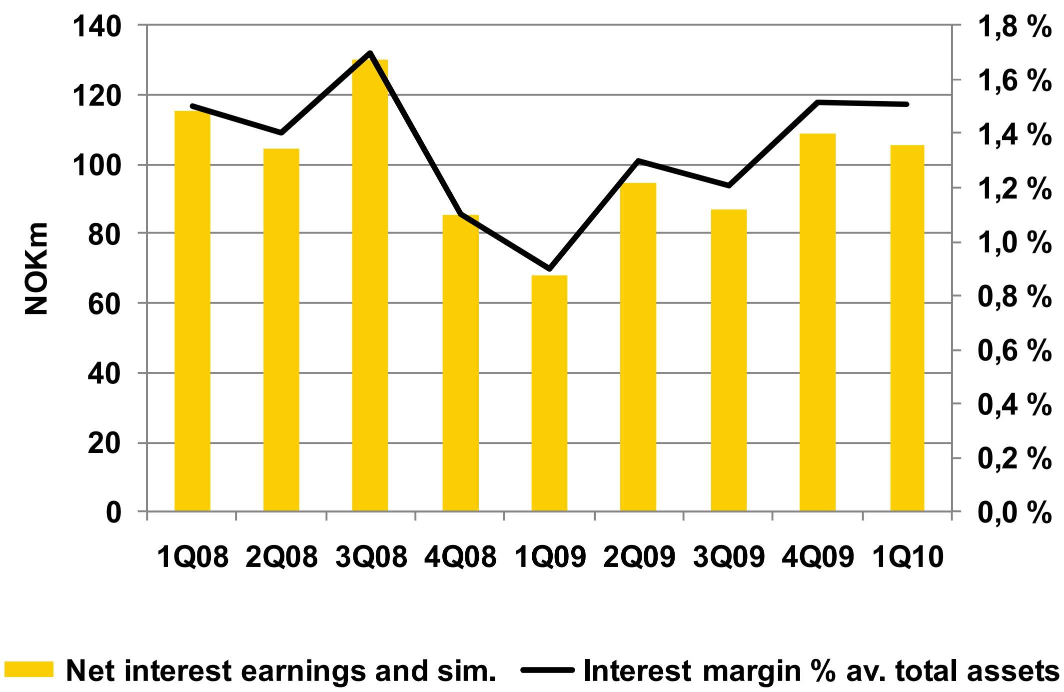
Underlying operations

- One off effect regarding termination of AFT pension programme is excluded in the figure
- Underlying operations are improved by MNOK 4,4 compared to 4Q 2009
- Cost/revenue ratio is 57,3% in Q1 (65,4% in Q4 2009)
- Cost in percent of total assets is1,1% in Q1 (1,3 % in Q4 2009)

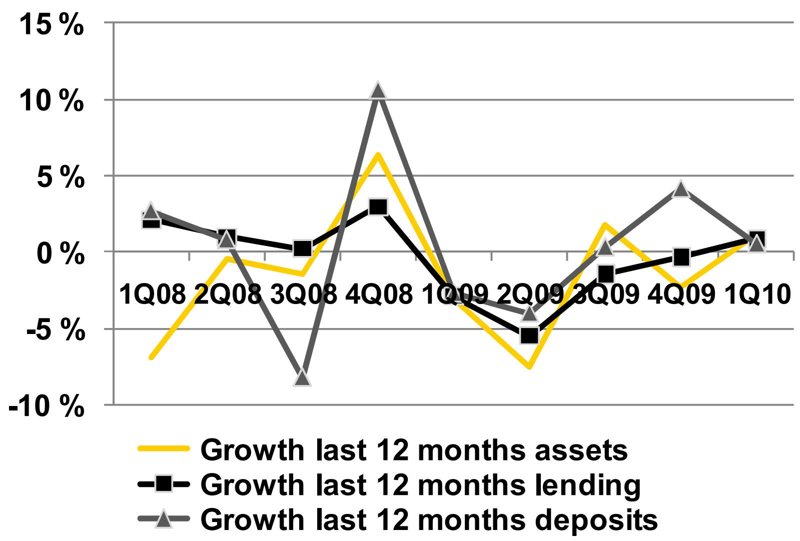


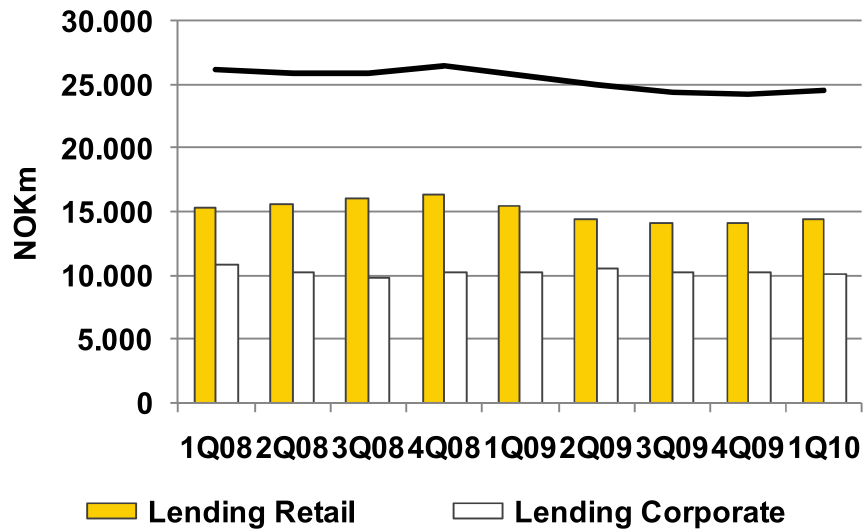
Stable net interest income

- Net interest income stable at 1,5%, which is the same level as for Q4 2009
- This is in spite of the decrease in interest income related to structured products maturing in Q1 2010
- Total lending volume increased by 0,9% in Q1. Still good addition of new customers in prioritized segments
- NOK 4,9 billion transferred to SSB Boligkreditt as pr April 30th 2010



Positive volume development

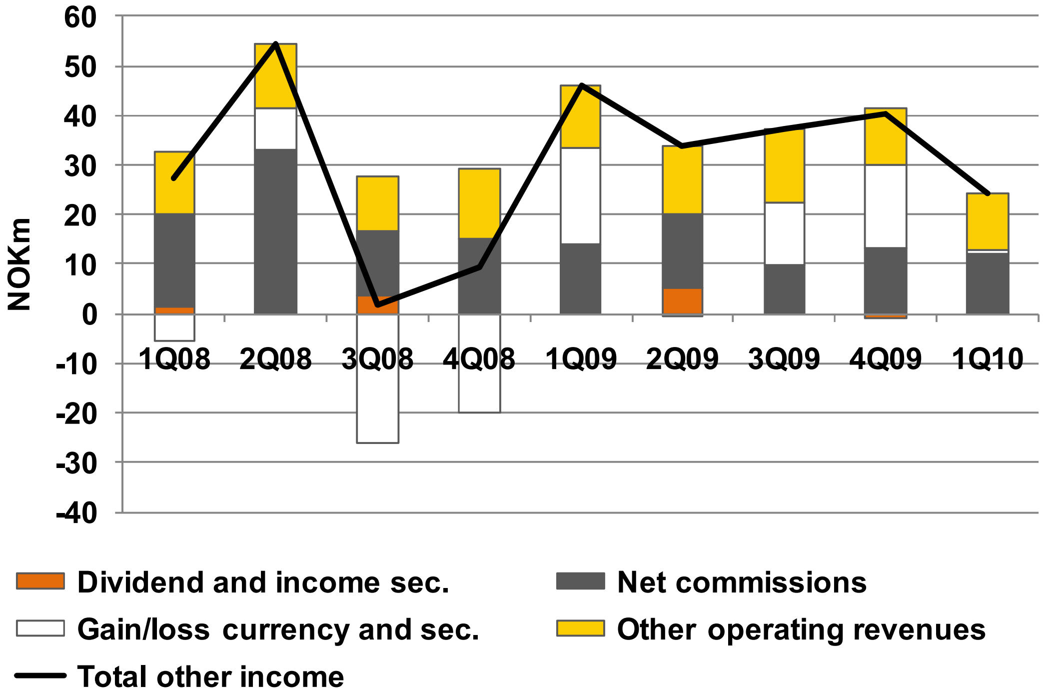


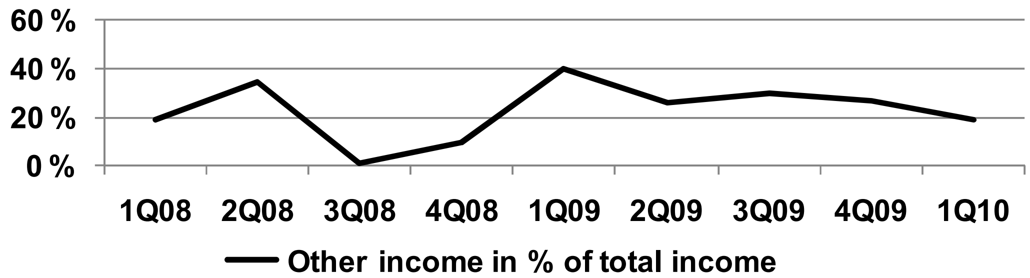


- 2,8% growth in the retail market and 0,9% increase in gross lending i the first quarter
  - In general low demand in the corporate market
  - The bank is in a process of reducing the exposure against large customers, and consequently a reduction in corporate lending is expected
- The deposit ratios are stable. The deposit ratioes are 57,4% in the motherbank and 47,5% on a consolidated level

Other income

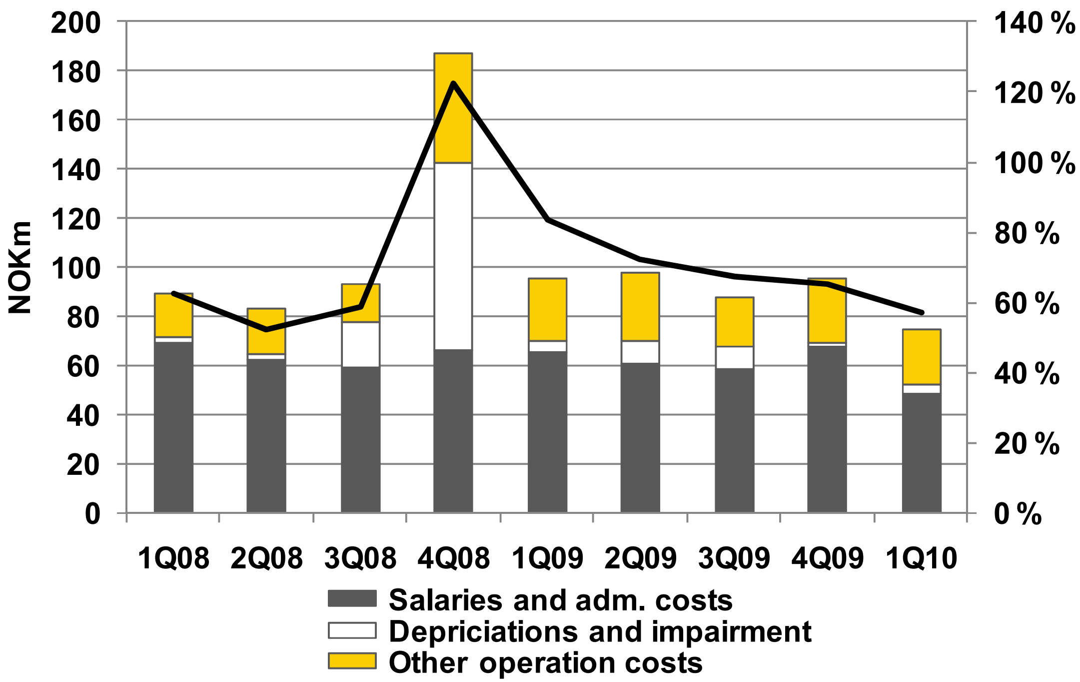
- Other income reduced by MNOK 16 compared to Q4 2009
- No effect of gain/loss currency and securities in Q1 2010
- Net commission income reduced by MNOK 1 compared to Q4 2009
  - Insurance sales increased
  - Minor decrease within Cash Mangement
  - Still low sales of saving products
- Other operating income increased by MNOK 0,4 compared to Q4 2009

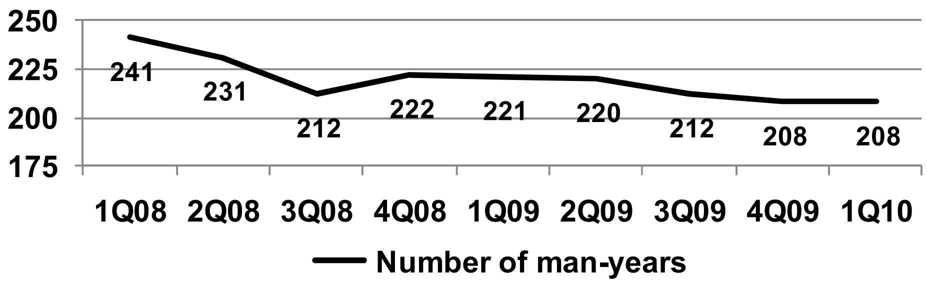




Cost development

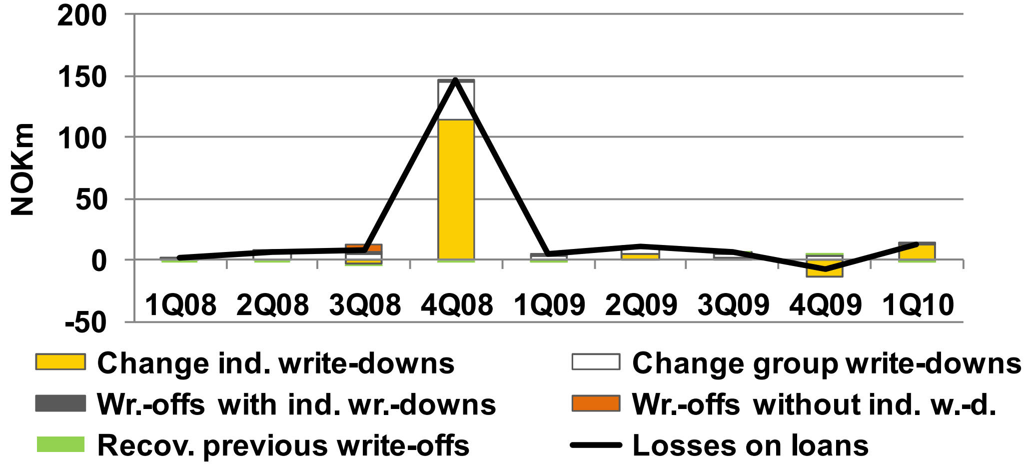
- Payroll and general admin. cost reduced by MNOK 19 compared to 4Q 2009
  - Number of full time equivalent employees are unchanged
  - Payroll costs expected to increase throughout 2010
  - MNOK 12,7 related to termination of the AFP programme
- Ordinary depreciations of MNOK 3,9. No write downs in Q1 2010
- Other operating cost reduced by MNOK 4 compared to Q4 2009
  - Reduced rent impact from 01.01.10

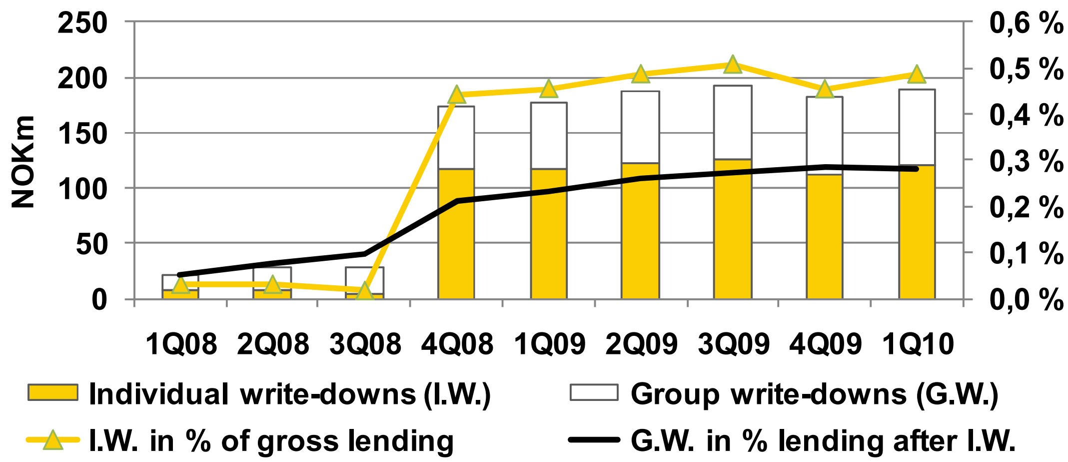




Loss development

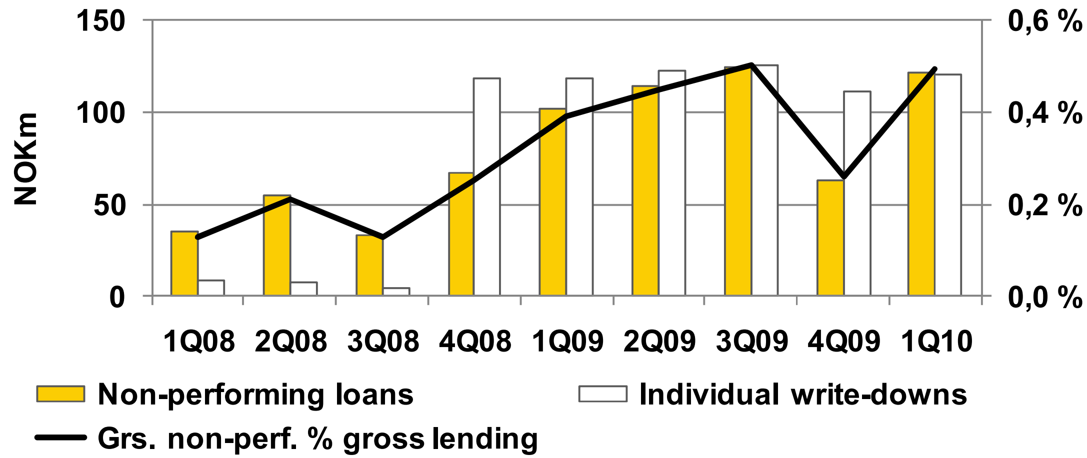
- Individual write-downs increased by MNOK 12,8 in Q1 2010,
  - Mainly related to one commercial lending customer where existing provision has been increased
- Groupwise provisions have been reduced by MNOK 1,2 in Q1 2010
  - In total, the Bank's groupwise provisions amount to MNOK 68,9, which is 0,28% of gross lending
- Total write-downs constitute 0.76% of gross lending

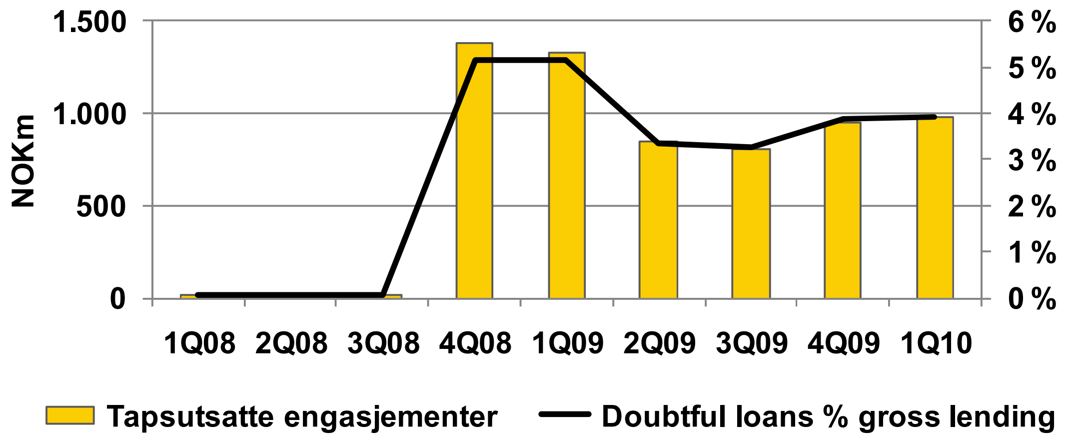




Non-performing and problem loans

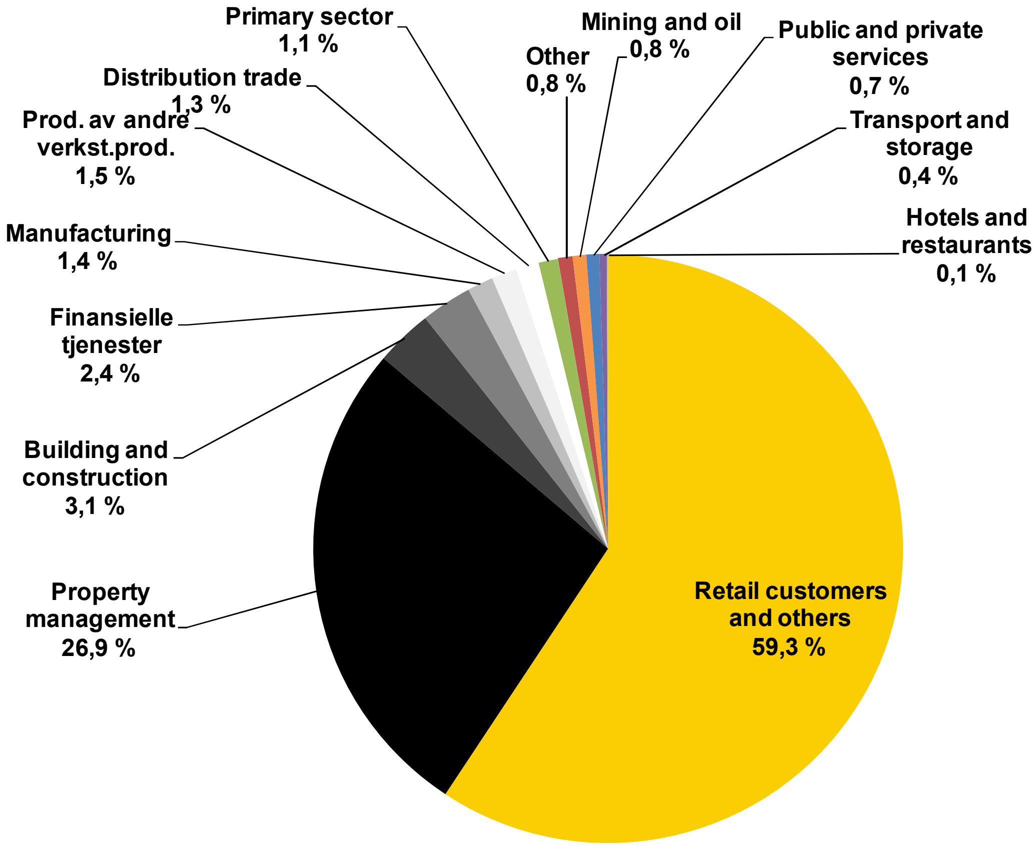
- Non-performing loans have increased from 0.26% in Q4 2009 to 0.49% in Q1 2010
- No significant changes within the portfolio of loans subject to write-downs
  - Amount to MNOK 975
  - Good control and follow-up of these loans
- Realized losses still at a very low level





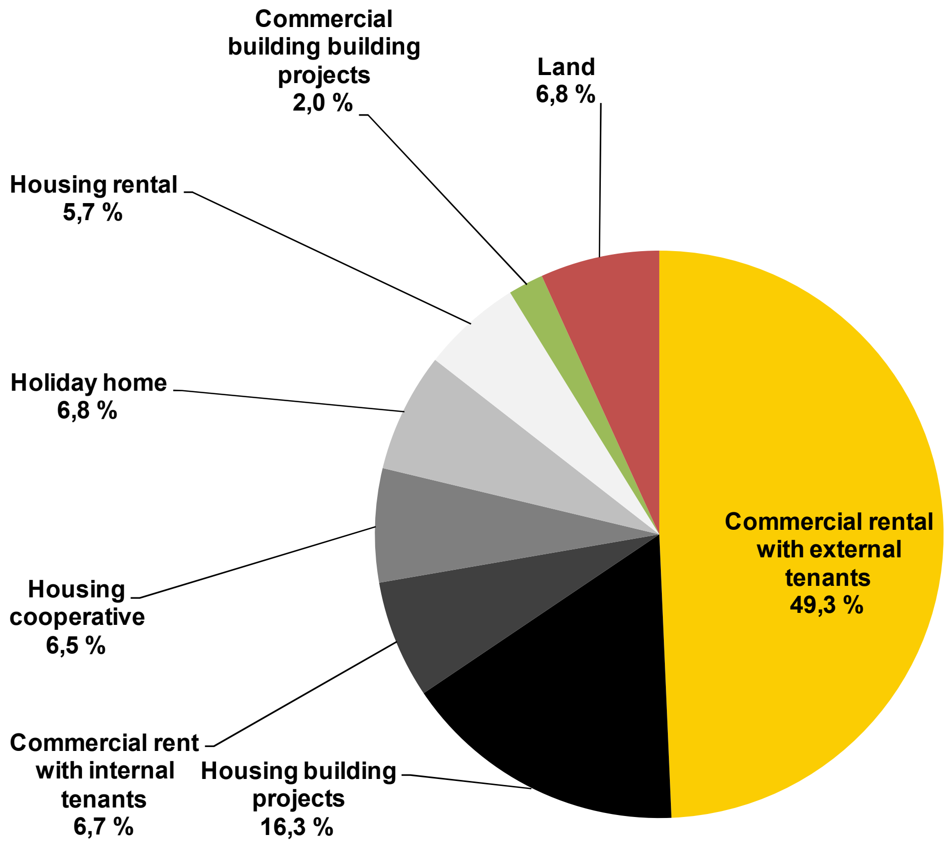
Total loan portfolio

- Retail market share still increasing, and amount to 59,3% as per Q1 2010
  - 2,8% growth in the retail market in Q1 2010
  - Still a low credit demand in the commercial market
  - The Bank expect a further decrease within the commercial lending portfolio due to downsizing of large customers portfolio



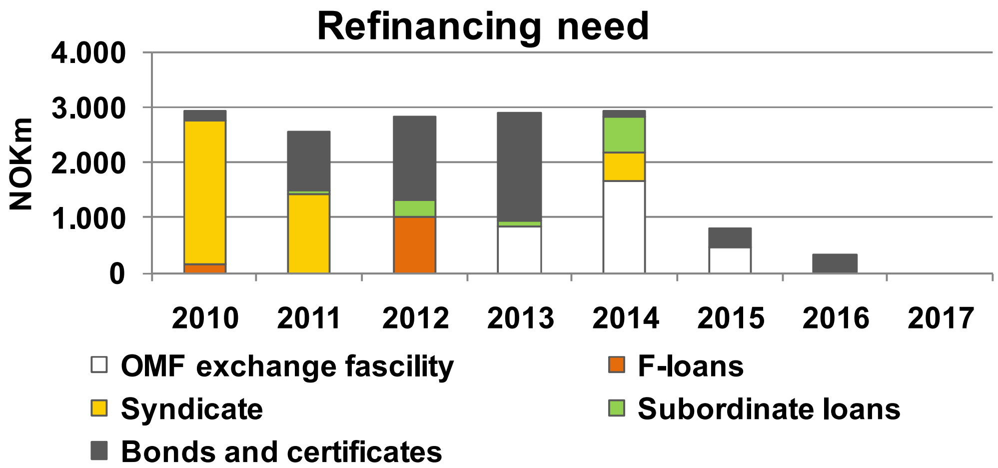
Loan portfolio - commercial property

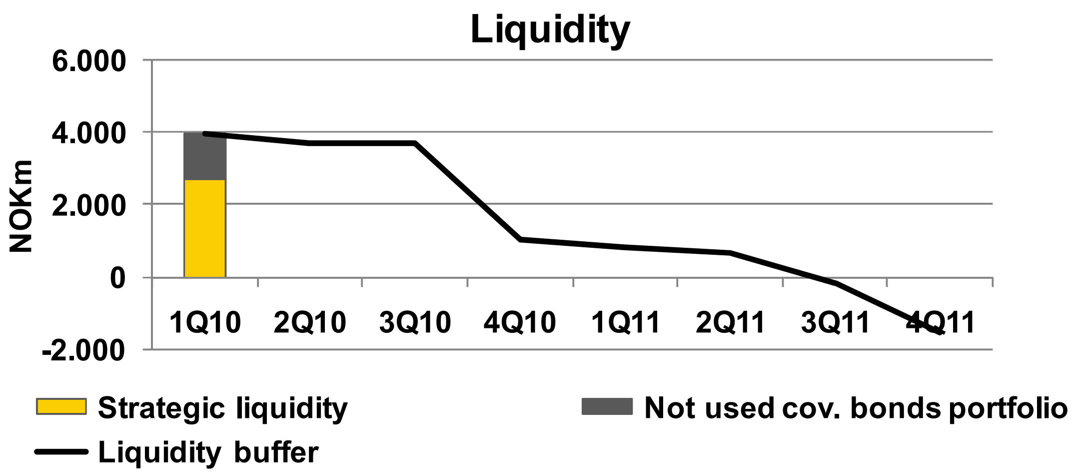
- Primarily located within the Stavanger/Sandnes region
- No observed attrition of tenants



Liquidity situation

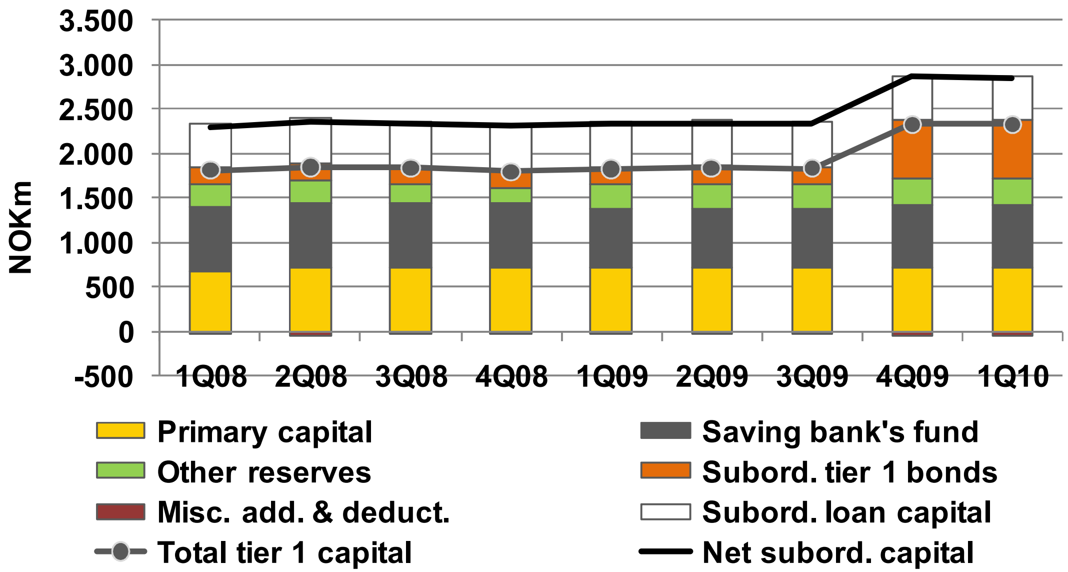
- On a short-term basis the liquidity situation is good
- Status refinancing of syndicated loan due in December 2010 :
  - A mandatory letter is signed with a group of relationship banks in order to prepare an international syndicated loan facility
  - Committment of MEUR 100 launched in the marked
- Loans to a value of NOK 4,9 billion are transferred to SSB Boligkreditt as pr 30.04.10. NOK 3 billion of these are utilized as covered bonds

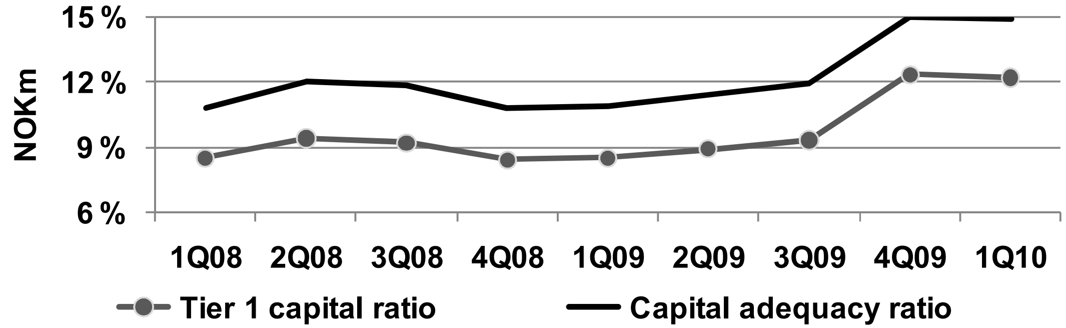




Solvency

- Tier 1 capital at 12.2% in Q1 2010
- Strategic focus on risk reducing measures
  - Further potential to improve the capital efficiency
- The Board of Directors will on a continuous basis evaluate the need and possibility for re-financing the capital injection from the State Finance Fund
- Well positioned for balanced growth within prioritised segments going forward



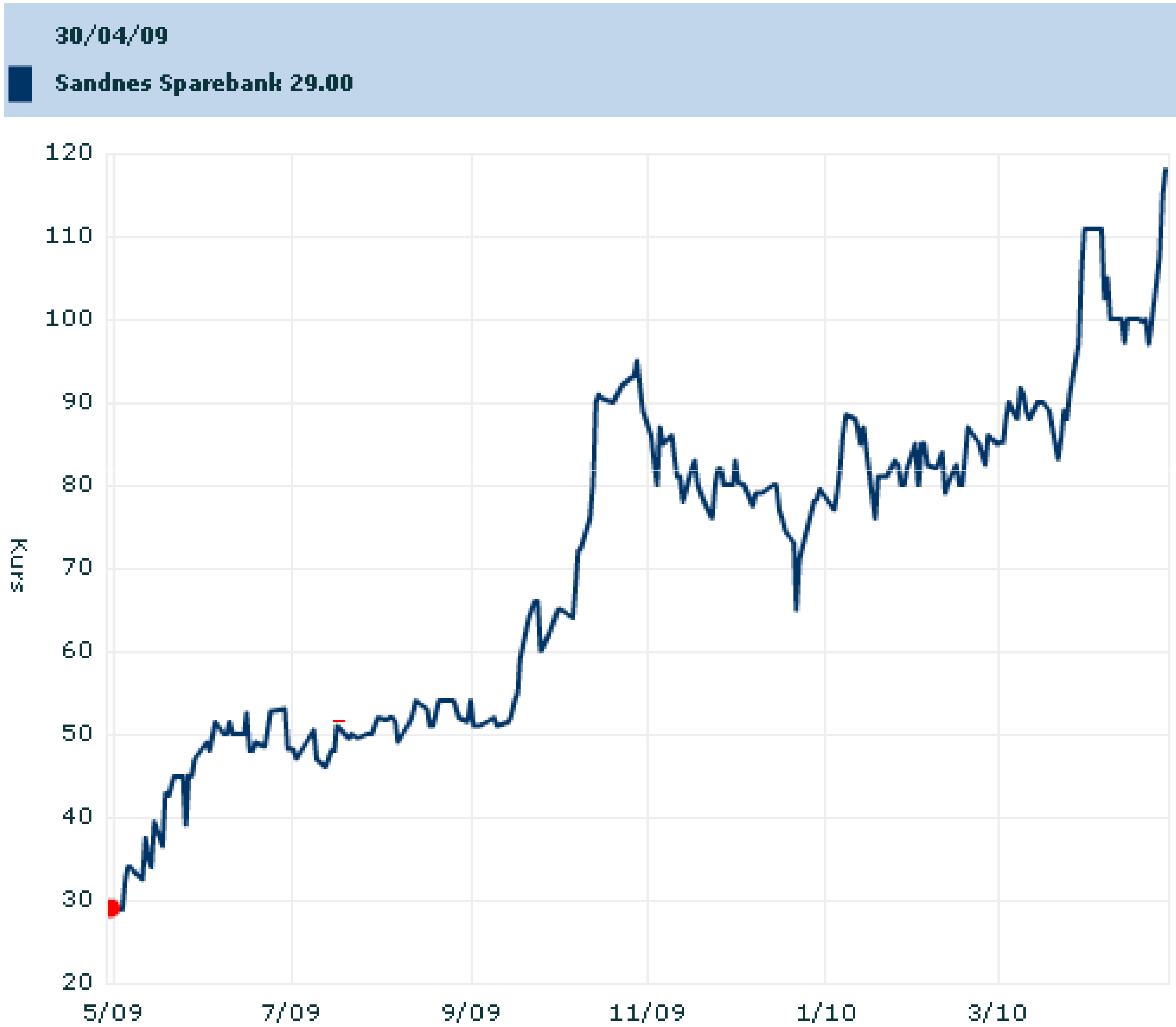


Summary

- Underlying operations improved compared to Q4 2009
- Net interest income at same level as for Q4 2009. Net interest margin is 1.5% for Q1 2010
- Improved cost/revenue ratio, expect further improvement going forward
- The liquidity situation is good
- Solvency still at a strong level, Tier 1 capital 12,2%. Evaluate re-financing The Norwegin State Finance Fund going forward
- The Bank's objectives for 2010 include strengthening the income side, improving cost efficiency and continuing our efforts in recovering existing write-downs

Attachments

SADG performance



Key figures

	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2008	2009
Growth 12 months assets	-1,4 %	6,4 %	-3,1 %	-7,5 %	1,8 %	-2,3 %	**1,2 %**	-2,5 %	**-10,9 %**
Growth 12 months lending	0,2 %	3,0 %	-2,9 %	-5,5 %	-1,5 %	-0,3 %	**0,9 %**	4,2 %	**-7,9 %**
Growth 12 months deposits	-8,2 %	10,6 %	-2,7 %	-4,0 %	0,3 %	4,2 %	**0,5 %**	4,2 %	**0,3 %**
Int. margin % av. tot. assets	1,7 %	1,1 %	0,9 %	1,3 %	1,2 %	1,5 %	**1,5 %**	1,4 %	**1,2 %**
Other income % tot. income	1,3 %	9,9 %	40,3 %	26,3 %	29,9 %	27,0 %	**18,7 %**	17,6 %	**30,5 %**
Costs ratio	58,8 %	122,4 %	83,5 %	72,5 %	67,4 %	65,4 %	**57,3 %**	69,2 %	**71,2 %**
Costs as % of av. total assets	1,2 %	2,4 %	1,2 %	1,3 %	1,2 %	1,3 %	**1,1 %**	1,4 %	**1,3 %**
Return on equity before tax	6,9 %	-56,3 %	3,7 %	4,9 %	7,0 %	14,7 %	**10,2 %**	-5,1 %	**7,5 %**
Return on equity after tax	5,4 %	-45,4 %	2,4 %	2,1 %	4,9 %	9,7 %	**7,4 %**	-5,3 %	**4,8 %**
Capital adequacy ratio	11,8 %	10,8 %	10,9 %	11,4 %	11,9 %	15,0 %	**14,9 %**	10,9 %	**15,0 %**
Tier 1 capital ratio	9,2 %	8,4 %	8,5 %	8,9 %	9,3 %	12,3 %	**12,2 %**	8,5 %	**12,3 %**
Risk-weighted assets	19.912	21.239	21.418	19.300	19.708	18.914	**19.098**	21.418	**18.914**
Number of man-years	212	222	221	220	212	208	**208**	221	**208**
Stock exchange price	84	40	30	48	63	80	**80**	30	**80**
PCC % of equity	51,2	54,4	56,2	56,8	56,8	56,8	**0,6**	56,2	**56,8**
Earnings per PCC	1,9	-13,3	1,5	0,4	1,5	2,7	**2,3**	-0,5	**6,0**
Book value per PCC	127,1	123,6	129,2	130,9	132,4	2,7	**2,3**	129,2	**2,7**
Ind. wr.-d. % gross lending	0,02 %	0,44 %	0,46 %	0,49 %	0,51 %	0,45 %	**0,49 %**	0,44 %	**0,45 %**
Group wr.-d. % lending after I.W.	0,09 %	0,21 %	0,23 %	0,26 %	0,27 %	0,29 %	**0,28 %**	0,21 %	**0,29 %**
Deposits to loans ratio parent bank	40,9 %	43,7 %	53,5 %	50,6 %	54,7 %	57,4 %	**57,1 %**	43,7 %	**57,4 %**

20 largest equity certificate owners

	20 largest owners of equity certificates	No. of equity certificates	Share
1.	Protector Eiendom AS	391.275	5,51 %
2.	Frank Mohn A/S Aksjer	244.925	3,45 %
3.	Helland A/S	209.130	2,94 %
4.	Clipper A/S	203.478	2,86 %
5.	Madland, Kjell	178.068	2,51 %
6.	MP Pensjon	163.927	2,31 %
7.	Skagenkaien Holding AS	95.000	1,34 %
8.	Aske Investering AS	87.400	1,23 %
9.	Nordhaug Invest AS	80.776	1,14 %
10.	Sparebankstiftelsen DNBNOR	73.252	1,03 %
11.	Tirna Holding AS	68.150	0,96 %
12.	Solvang Shipping A/S	62.173	0,87 %
13.	Antero AS	60.600	0,85 %
14.	Skretting Marit	51.527	0,73 %
15.	Aske Jan Sigurd	49.001	0,69 %
16.	Solvang ASA	43.317	0,61 %
17.	Victory Life	42.253	0,59 %
18.	Kirksæter Per	41.973	0,59 %
19.	Marin Elektro Holding AS	41.000	0,58 %
20.	Horten Hus Eiendom AS	40.035	0,56 %

Sandnes Sparebank

- Sandnes Sparebank is an independent bank, headquartered at Forus, mid way between the cities of Stavanger and Sandnes
- The Bank has a strong position in an exciting region
- We have approximately 57,000 active retail customers and 5,300 active corporate customers
- The Bank has branches in Sandnes, Stavanger and Oslo

AS YOU LIKE IT - is our customer promise

This means that some of the things we emphasize are:

- Short decision paths
- Relationships
- Flexibility
- High degree of service

In retrospect

- Sandnes Sparebank can trace its history all the way back to 1875.
- The Bank was not severely affected by the 1990'ies bank crisis, and during this period, used its solvency as an important means of attracting more customers. In a short few years, the business volume was doubled through a trickle of well-off customers.
- Traditionally, the retail market has been the Bank's main market.
- 1994: Sandnes Sparebank focused actively on the corporate market by developing its capabilities and competencies.
- 1995: The Bank established an office in Stavanger. The same year, Sandnes Sparebank was listed on the Oslo Stock Exchange through an initial offering of primary capital certificates.
- 1997: Bank Direkte was established.
- Sandnes Sparebank established its own direct bank and won customers all over the country, primarily in major Norwegian cities.
- 2003: Sandnes Sparebank was granted license to acquire Acta Bank ASA.
- 2005: Sandnes Sparebank enters into partnership with Tennant Forsikring for the sale of casualty insurance. With this agreement, the product offering to the Bank's retail customers was expanded further. Currently, the Bank offers both personal and casualty insurance.
- 2006: Sandnes Sparebank bought 91% of the shares in M2 Eiendomsmegling in Oslo.
- 2007: Sandnes Sparebank was granted license to operate a securities company, SSB Securities
- 2008: The Bank established an advisor office at Håkon VII's gt. in Oslo.
- 2008: The bank moved into new head office locations in Vestre Svanholmen 4
- 2009: SSB Boligkreditt was established
- 2009: SSB Securities was sold to Wunderlisch Securities

Organization

FORSTANDERSKAPET

KONTROLLKOMITÉ

STYRET

REVISJONSKOMITÉ

LEDER INTERNREVISJON

ADMINISTRERENDE DIREKTØR
JON LEDAAL

VISEADMINISTRERENDE DIREKTØR
SVEIN IVAR FØRLAND

FINANSDIREKTØR
TERJE FRAFJORD

DIREKTØR KREDITT OG JURIDISK
ATLE FYLLING

KOMMUNIKASJONSDIREKTØR
INGRID O. FURE SCHØPP

DIREKTØR PERSONMARKED
ARVE VESTVIK

DIREKTØR STORKUNDER
ROLF INGE KNUTSEN

DIREKTØR NÆRINGSLIV
MARIANNE SEVALDSEN

DIREKTØR INVESTERINGSTJENESTER
RUNE SVINDLAND

Company structure

- Estate agency

- In 2008, the Bank entered a franchise agreement with Eie Eiendomsmegling regarding M2 Eiendomsmegling in Oslo.