

SPAREBANKEN SØR

Green & Sustainability Bond Framework

2019



Contents

1. Introduction.....	3
2. Sparebanken Sør's approach to Sustainability	3
3. Sparebanken Sør Green & Sustainability Bond Framework	4
4. Use of Proceeds	5
5. Process for Project Evaluation and Selection	8
6. Management of Proceeds.....	9
7. Reporting	10
8. External review	11

1. Introduction

Sparebanken Sør¹ is a Norwegian independent financial institution that engages in banking, securities and real estate brokerage activities in Vest-Agder, Aust-Agder and Telemark, and since 2017, in Rogaland. Sparebanken Sør's history goes back to the year 1824 when Christiansand Sparebank was one of the first banks to be established in Norway. The following year Arendals Sparebank was founded and the two banks subsequently merged and formed the fifth-largest Norwegian bank – Sparebanken Sør. With 34 branch offices and a head office in Kristiansand, Sparebanken Sør also engages in the sale of insurance, leasing, car loans, consumer credit and securities through partially owned subsidiaries and associates.

Sparebanken Sør Boligkreditt is a covered bond company, and a wholly-owned subsidiary of Sparebanken Sør. The company is licensed to operate as a mortgage company with the right to issue covered bonds. The main object of the company is to secure stable, long-term funding, and the company plays a key role for Sparebanken Sør in achieving competitive terms in the retail banking market.

2. Sparebanken Sør's approach to Sustainability

Sparebanken Sør has a self-imposed responsibility to create growth and development in Southern Norway in a responsible and sustainable manner. The bank exercises its social responsibility by contributing to sustainable economic, social and environmental development in the areas where the bank operates. As an important player in Southern Norway, Sparebanken Sør has the opportunity to make an impact on environmental issues, and this is something the bank leverage when approaching vendors and investment objects. Sparebanken Sør acknowledges the challenges relating to climate change and is committed to contribute to the protection of the environment.

Sparebanken Sør's Group Policy on Corporate Social Responsibility, as approved by the Board of Directors, commits Sparebanken Sør to take account of climatic, environmental and social conditions and corporate governance in all its activities. This includes the development of products and services, consultancy activities and sales, investments, credit decisions and other operational activities. The bank shall ensure that it does not contribute to breaches of human and labour rights, corruption, serious environmental damage or other acts which may be perceived as unethical. Furthermore, the bank commits itself to strive for diversity with regard to ethnicity, religion, sexuality, functional capacity, gender and age. Amongst other relevant socially impactful activities, the bank also operates throughout and outside of Norway through a partnership with KNIF – a Norwegian Christian Interest Organisation.

Corporate social responsibility is integrated into the bank's strategy and routines, which ensures that the environment and key social issues are constantly on the agenda. Based on local knowledge and proximity to customers, the bank makes daily assessments of financial frameworks while exercising its corporate social responsibility by, for example, supplying the local community with capital for business development and house building, sharing expertise and helping create sound conditions for continued growth in the local community.

The bank prepares an annual climate report to identify emissions, quantify pollution and to enable the bank to implement targeted measures. The report is based on the international standard "A Corporate Accounting and Reporting Standard". The report covers consumption related to transport, energy, waste, and air travel. The bank does not use input factors or production methods that directly pollute the external environment and encourages environmental awareness with regard to the use of paper, waste management, recycling, transportation and travel. To reduce emissions and costs in connection with travel to and from meetings, the bank has invested in technology to conduct video conferences at several branches. In addition, all offices have technology that facilitates PC-supported teleconferences.

¹For the avoidance of doubt, reference throughout this document to 'Sparebanken Sør' relates to the Sparebanken Sør Group as a whole and hence is relevant for all types of bonds mentioned under this framework. Where there are distinctive structural differences with respect to the each bond type, this will be clarified and stipulated where needed.

3. Sparebanken Sør Green & Sustainability Bond Framework

In line with Sparebanken Sør's approach to sustainability and commitment to sustainable development, the bank has established a Green and Sustainability Bond Framework for the issuance of Green and/or Sustainability Bonds (as defined below), to finance or refinance projects promoting environmental and social progress.

Through issuing Green/Sustainability Bonds, Sparebanken Sør intends to contribute to the development of the green bond market while highlighting its Sustainability Strategy to capital markets participants. In addition, Green/Sustainability Bonds will help to diversify Sparebanken Sør's investor base and to broaden dialogue to existing investors.

Under the Green & Sustainability Bond Framework, Sparebanken Sør and its wholly owned subsidiary Sparebanken Sør Boligkreditt AS can issue two different types of bonds:

- a) **"Green Covered Bonds"** – bonds whose proceeds will be used to finance or refinance, in part or in full, new and/or existing green residential buildings (as defined in the section "Use of Proceeds" below). Green Covered Bonds will be issued by Sparebanken Sør's dedicated covered bond issuance entity: 'Sparebanken Sør Boligkreditt AS'.
- b) **"Sustainability Senior Bonds"** – bonds whose proceeds will be used to finance or refinance, in part or in full, new and/or existing green and social projects (as defined in the section "Use of Proceeds" below). Sustainability Senior Bonds will be issued by Sparebanken Sør.

The ICMA Green Bond Principles² (GBP), Social Bond Principles (SBP)³, and Sustainability Bond Guidelines⁴ represent a set of voluntary guidelines that promote transparency, disclosure and integrity in the development of the Green and Social bond market by clarifying the approach for issuing Green, Social or Sustainability Bonds. The Sparebanken Sør Green & Sustainability Bond framework follows the 2018 ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, which provide guidance in the following five areas:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External review

For each Green / Sustainability Bond issued, Sparebanken Sør asserts that it will adopt (1) Use of Proceeds (2) Process for Project Evaluation and Selection (3) Management of Proceeds, (4) Reporting and (5) External review, as set out in this Framework.

² <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

³ <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

⁴ <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

4. Use of Proceeds

ICMA GBP/SBP category	Eligible category description	UN SDGs ⁵	Core UN SDGs Target	EU Environmental Objective ⁶
Green Covered bonds				
Green Buildings	Loans or investments to finance or refinance new or existing residential buildings in Norway	  	<p>Target 7.3: By 2030, double the global rate of improvement in energy efficiency</p> <p>Target 9.4: By 2030, upgrade infrastructure with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies</p> <p>Target 11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries</p>	<p>EU Environmental Objective (1): Climate Change Mitigation</p> <p>Substantial contribution to Climate Change Mitigation (1.b): Improving energy efficiency in all sectors, except energy generation using solid fossil fuels, and at all stages of the energy chain, in order to reduce primary and final energy consumption</p>
Sustainability Senior bonds				
Green Buildings	Loans or investments to finance or refinance new or existing commercial buildings in Norway	  	<p>Target 7.3: By 2030, double the global rate of improvement in energy efficiency</p> <p>Target 9.4: By 2030, upgrade infrastructure with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies</p> <p>Target 11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries</p>	<p>EU Environmental Objective (1): Climate Change Mitigation</p> <p>Substantial contribution to Climate Change Mitigation (1.b): Improving energy efficiency in all sectors, except energy generation using solid fossil fuels, and at all stages of the energy chain, in order to reduce primary and final energy consumption</p>
Access to essential services	Loans for essential services (e.g. healthcare, education and vocational training)	    	<p>Target 1.4: By 2030, ensure that all men and women access to basic services</p> <p>Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services</p> <p>Target 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable groups</p> <p>Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training</p> <p>Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>	N/A

⁵ In alignment with ICMA "Green and Social Bonds: A high-level mapping to the Sustainable Development Goals": <https://www.icmagroup.org/green-social-and-sustainability-bonds/mapping-to-the-sustainable-development-goals>.

⁶ In alignment with EU Taxonomy Environmental Objectives as defined in Article 5 (Amendment 41) and Article 6 (Amendments 42,66 and 99): http://www.europarl.europa.eu/doceo/document/TA-8-2019-0325_EN.html.

Sparebanken Sør aims to allocate an amount at least equal to the incremental proceeds from sales of the Green Covered Bonds issued by Sparebanken Sør Boligkreditt AS and/or Sustainability Senior Bonds issued by Sparebanken Sør to finance and/or refinance, in whole or in part, a portfolio of eligible loans in the respective use of proceeds categories, i.e. the Eligible Green/Sustainability Loan Portfolio.

The Eligibility Criteria used to earmark eligible assets are set out below. The Green Eligibility Criteria comply with the recommendation of the Technical Expert Group (TEG) report on the EU Taxonomy published at the end of June 2019⁷, which establishes a system to classify environmentally-sustainable activities by setting out metrics and thresholds.

For green buildings, an external green real estate consultant, Multiconsult ASA, has been relied upon to define the associated eligibility criteria below⁸.

Sparebanken Sør Boligkreditt AS: Green Covered Bonds

Under this framework, Sparebanken Sør Boligkreditt AS can issue Green Covered Bonds and aims to allocate the net proceeds of the Green Covered Bonds to a loan portfolio of new and existing mortgages for low carbon residential buildings in Norway (**Residential Green Buildings**).

Eligible Residential Green Buildings must meet one or more of the following eligibility criteria:

Residential Green Buildings⁹: *New residential buildings belonging to the top 15% most energy-efficient buildings of the local building stock and refurbished residential buildings which achieved energy savings of at least 30% in comparison to the baseline performance of the building before the renovation*

1. New residential buildings in Norway:

- i. New or existing Norwegian apartments that comply with the Norwegian building codes of 2010 (TEK10) or 2017 (TEK17), which in practice means apartments built from 2012 onwards¹⁰. These apartment buildings correspond to the top 15% most energy efficient apartment buildings in Norway.
- ii. New or existing Norwegian other residential dwellings that comply with the Norwegian building codes of 2007 (TEK07), 2010 (TEK10) or 2017 (TEK17), which in practice means other residential dwellings built from 2009 onwards¹⁰. These residential dwellings correspond to the top 15% most energy efficient residential dwellings in Norway.

Building code	Specific energy demand apartment buildings (model homes)	Specific energy demand other dwellings (model homes)
TEK 07	N/A	126 kWh/m ²
TEK 10	110 kWh/m ²	126 kWh/m ²
TEK 17	92 kWh/m ²	107 kWh/m ²

⁷ https://ec.europa.eu/info/publications_en. The EU Taxonomy only covers environmentally sustainable activities, there is not yet a EU Framework which covers socially sustainable activities.

⁸ The report will be published on the Sparebanken Sør website.

⁹ The form of green residential building financing may relate to traditional mortgages, tenant-owners' rights and other housing cooperative schemes.

¹⁰ A two year lag between implementation of a new building code and the buildings built under that code must be taken into account. This means that all residential apartment buildings finished in 2012 and later and all other residential dwellings finished in 2009 and later are all eligible for Green Bonds under this criteria. This is in line with the criteria as set by the Climate Bonds Initiative Standard and Guidance on Low Carbon Residential Buildings, <https://www.climatebonds.net/standard/buildings/residential>.

2. Residential buildings in Norway (built before 2009):

Existing Norwegian residential buildings built using older building codes than TEK10 for apartments and TEK07 for other residential dwellings with EPC-labels A, B and C. These buildings can be identified in data from the Energy Performance Certificate (EPC) database

3. Refurbished residential buildings in Norway that have achieved a 30% improvement in energy efficiency:

One of two criteria below must be met:

- i. Refurbished Norwegian residential buildings that have achieved at least a two-step improvement in energy label compared to the calculated label based on the building code in the year of construction
- ii. Refurbished Norwegian residential buildings that have achieved at least a 30% improvement in energy efficiency measured in specific energy, kWh/m², compared to the calculated label based on the building code in the year of construction

Where EPC labels are available to select eligible assets under this criterion, only labels of 'D' or better will be considered.

Sparebanken Sør: Sustainability Senior Bonds

Under this framework, Sparebanken Sør can issue Sustainability Senior Bonds and aims to allocate the net proceeds to a portfolio of loans to low carbon commercial properties (**Commercial Green Buildings**) and loans for essential social services (**Access to Essential Services**).

a. Commercial Green Buildings: *New commercial buildings belonging to the top 15% most energy-efficient buildings of the local building stock and refurbished commercial buildings which achieved energy savings of at least 30% in comparison to the baseline performance of the building before the renovation*

- i. New or existing commercial buildings in the top 15% low carbon buildings in Norway, in accordance with the methodology defined by a specialist external consultant
- ii. New, existing or refurbished commercial buildings which have been awarded at least one or more of the following accreditations:
 - LEED "Gold", BREEAM or BREEAM-NOR "Excellent", or equivalent or higher level of certification
 - Nordic Swan Ecolabel
- iii. Refurbished commercial buildings in Norway that have achieved a 30% improvement in energy efficiency:
 - Refurbished Norwegian commercial buildings that have achieved at least a two-step improvement in energy label compared to the calculated label based on the building code in the year of construction
 - Refurbished Norwegian commercial buildings that have achieved at least a 30% improvement in energy efficiency measured in specific energy, kWh/m², compared to the calculated energy efficiency based on the building code in the year of construction

- b. Access to Essential Services:** *Loans for activities that support healthcare, social care, education and vocational training in Norway and in emerging countries located in South America, Africa and Asia*
- i. **Healthcare and social care:** Loans for activities that support public/free/subsidised health and social care, in Norway and in emerging countries (e.g construction and equipment hospitals, clinics and healthcare centres for the provision of public/free/subsidised healthcare services, acquisition of medical equipment or provision of diagnostic services, emergency medical response and disease control, programmes for the promotion of health and well-being). Eligible projects will service all citizens, including vulnerable population groups such as the elderly, physically or mentally dependent persons and populations with limited access to essential services in emerging countries.
 - ii. **Education and vocational training:** Loans for activities that expand the access to free and/or subsidised primary, secondary, adult and vocational education in Norway and in emerging countries (e.g. construction of kindergartens, schools, university campus buildings and/or facilities at any public and non-profit university campus, student housing). Eligible projects will include all populations, including minority groups (e.g. educational grants, educational and/or professional training).

5. Process for Project Evaluation and Selection

Loans financed and refinanced through Green Covered Bonds/Sustainability Senior Bonds proceeds under this Framework are evaluated and selected based on compliance with the eligibility criteria listed in the Use of Proceeds section and are aligned with Sparebanken Sør's strategic sustainability objectives. A dedicated Green & Sustainability Bond Committee (the 'Green and Sustainability Bond Committee') has been established to create this Framework.

The Green and Sustainability Bond Committee will manage any future updates to the Framework and monitor the Eligible Green/Sustainability Loan Portfolio for both Green Covered Bonds and Sustainability Senior Bonds, including any extension to the list of eligible categories and changes in market developments (such as the introduction of the EU Green Bond Standards), and oversee its implementation. The Green and Sustainability Bond Committee will hold meetings at least on an annual basis, with more frequent meetings possible depending on specific circumstances.

The Green and Sustainability Bond Committee comprises the CEO, Co-Director and Head of Corporate Market, Director of Retail Market, CEO of Sparebanken Sør Boligkreditt, Chief of Staff, Head of Treasury, and Finance Manager.

For the category Green Buildings, Sparebanken Sør has relied on the support of an external real estate expert consultant Multiconsult ASA to (1) define the associated eligibility criteria for the top 15% of low carbon buildings and the eligible regulations, standards and certifications and (2) to identify the buildings that comply with these criteria within Sparebanken Sør's existing portfolio of real estate. Information from the Land Register regarding building year for all buildings is used. For newly originated loans, the Green and Sustainability Bond Committee will oversee the process for the evaluation and selection of Eligible Green Loans according to the methodology defined by the consultant.

Sparebanken Sør will be responsible for identification and record-keeping of new and existing loans that meet the eligibility criteria. A register of eligible loans will be kept by Sparebanken Sør and eligible loans available for Green Covered Bond/Sustainability Senior Bond funding will be selected from such register.

For Green Covered Bonds, Sparebanken Sør will select and track the eligible loans based on information from the official Land Register. The information is obtained from the third-party Eiendomsverdi¹¹, which is an entity that supports the reporting of mortgage cover pool data for a large number of Norwegian covered bond issuers. Information from the Land Register regarding the building year of all residential properties securing loans in the Sparebanken Sør Boligkreditt cover pool is used to determine the Eligible Residential Green Buildings. Loans

¹¹ <https://eiendomsverdi.no/>

secured by mortgages on Eligible Residential Green Buildings are selected as Eligible Green Loans. All residential mortgages within Sparebanken Sør Boligkreditt's cover pool, including the Eligible Green Loans, have been and will continue to be originated in line with Sparebanken Sør's credit risk policies.

In the case of newly originated loans, i.e. loans that will be originated after Sparebanken Sør's inaugural issuance and existing loans for which detailed information has become available, the Green and Sustainability Bond Committee will oversee the process of evaluation and selection of eligible loans according to the methodology defined by the consultant.

Sparebanken Sør endeavours to ensure that all selected eligible assets comply with local laws and regulations as well as official national and social standards on a best-effort basis. As part of the transaction approval process, Sparebanken Sør strives to ensure that all its activities comply with internal environmental and social standards.

In accordance with Sparebanken Sør's overall credit strategy, the bank shall only extend credit for purposes that are consistent with good business practice. The bank shall not be associated with activities, customers or industries with whose reputation the bank does not wish to identify.

When extending credit, the bank must be aware of the impact of the financed projects on both environment and people. The bank shall be prudent in extending credit to customers that develop or sell products with a particularly negative impact on the environment or people.

Thus, the bank has self-imposed restrictions for certain industries. Although such companies operate within Norwegian law, from a sustainability perspective the bank does not deem it desirable to establish customer relationships or extend credit to the following categories of customers:

- Gambling companies
- Companies that produce or contribute to the distribution of pornographic material
- Disputed weapons production and weapons and ammunition producers/suppliers without government approval
- Tobacco companies

Furthermore, the bank does not wish to extend credit for properties rented to these categories of companies.

Sparebanken Sør commits to ensuring that Eligible Loans do not relate in any way to fossil fuel energy generation and nuclear energy generation.

6. Management of Proceeds

Sparebanken Sør uses a portfolio approach to manage the proceeds of the Green Covered Bonds and the Sustainability Senior Bonds.

Sparebanken Sør aims to allocate such proceeds from the Green/Sustainability Bonds to a portfolio of loans that meet the eligibility criteria for use of proceeds and comply with the evaluation and selection process presented in section 5 above, the Eligible Loan Portfolio.

Sparebanken Sør aims to designate sufficient eligible loans in the Eligible Loan Portfolio to ensure that its outstanding balance of eligible loans always exceeds the total balance of all outstanding Green Covered Bonds and Sustainability Senior Bonds. For each new issuance, where necessary, additional eligible loans will be added to this Eligible Loan Portfolio to ensure sufficient and timely allocation of the incremental net proceeds.

If during the life of the Green Covered/Sustainability Senior Bonds the bank becomes aware that a loan no longer meets the eligibility criteria, Sparebanken Sør will remove the loan from the Eligible Loan Portfolio and replace it, when necessary, to restore the balance as soon as reasonably practicable.

While any Green Covered Bond/Sustainability Senior Bond net proceeds remain unallocated, Sparebanken Sør will hold and/or invest the balance of net proceeds not yet allocated to eligible loans, at its own discretion, in

its liquidity portfolio in money market instruments.

7. Reporting

The ICMA Green and Social Bond Principles require Green/Sustainability Bond issuers to provide information about the allocation of proceeds. In addition to information relating to the projects to which Green/Sustainability Bond proceeds have been allocated, the Green and Social Bond Principles recommend disclosure of the expected impact of the projects.

On a best-effort basis, Sparebanken Sør will align its reporting with the approach described in "*Green Bonds – working towards a Harmonized Framework for Impact Reporting (June 2019)*"¹² and "*Social Bonds – working towards a Harmonized Framework for Impact Reporting (June 2018)*". Reporting for all Sparebanken Sør Green Covered/Sustainability Senior Bonds is based on the Eligible Loan Portfolio and reports are aggregated for all Green Covered Bonds/Sustainability Senior Bonds outstanding.

Sparebanken Sør will prepare and keep readily available reports on the allocation of net proceeds to the Eligible Loan Portfolio after a year from the issuance of the applicable Green Covered Bonds/Sustainability Senior Bonds, to be renewed annually until full allocation of the Green Covered Bonds/Sustainability Senior bonds net proceeds.

Allocation Reporting

The allocation report will provide indicators, on a portfolio basis, such as:

- the total amount of proceeds allocated to eligible loans
- the number of eligible loans
- the balance of unallocated proceeds
- the amount and the percentage of new financing and refinancing
- the geographical distribution of the assets (at country level)

Impact Reporting

The impact report may provide:

- A description of Eligible Projects
- The breakdown of Green projects by nature of what is being financed (financial assets)
- Impact reporting indicators, on a portfolio basis, such as those included in the table below.

For some Use of Proceeds categories, impact reporting may be based on calculations from specialist consultants. For green buildings, Sparebanken Sør has appointed a specialist green real estate consultant, Multiconsult ASA, to develop the methodology for the estimation and calculation of the impacts.

ICMA GBP/SBP category	Potential Reporting indicators
Green Buildings	<ul style="list-style-type: none"> ▪ Estimated ex-ante annual energy consumption in kWh/m² or energy savings in MWh ▪ Estimated annual GHG emissions reduced/avoided in tonnes of CO₂ equivalents ▪ For other categories Sparebanken Sør may provide impact indicators whenever practicable

¹² <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-Framework-for-Impact-Reporting-WEB-100619.pdf>

Access to essential services	<ul style="list-style-type: none"> ▪ Number of hospitals, nursing homes, rehabilitation centers, patients or beds, and/or population of regions where hospital projects are located per country and / or geographical area ▪ Number of public education schools (including kindergarten, primary and/or secondary schools and universities) supported; and/or number of individuals benefiting from these schools per country and / or geographical area
------------------------------	--

The allocation reports and impact reports will be published on the Sparebanken Sør website: www.sor.no. Sparebanken Sør intends to align its Green / Sustainability Bond Reporting with the recommendation of the Technical Expert Group (TEG) report on the EU Green Bond Standards, published in June 2019¹³ and any further updates, on a best efforts basis.

8. External review

Second party opinion

Sparebanken Sør has obtained an independent verification from Sustainalytics to confirm the validity of the Sparebanken Sør Green & Sustainability Bond Framework. The independent verification report will be published on Sparebanken Sør's website. Sparebanken Sør may obtain an independent verification assessment from an external verifier for each Green/Sustainability Bond under the Sparebanken Sør Green & Sustainability Bond Framework. This document will also be accessible on Sparebanken Sør's website.

Verification

Sparebanken Sør may, on an annual basis, starting one year after issuance and until maturity (or until full allocation), request a limited assurance report concerning the allocation of the bond proceeds to eligible assets from its external auditor.

Sparebanken Sør aims to obtain accreditation of the CBI certificate for an envisaged potential inaugural Green Covered Bond. Sustainalytics will perform post-issuance assurance.

¹³ https://ec.europa.eu/info/files/190618-sustainable-finance-teg-report-green-bond-standard_en

DISCLAIMER

THIS DOCUMENT IS INTENDED TO PROVIDE NON-EXHAUSTIVE, GENERAL INFORMATION. THIS DOCUMENT MAY CONTAIN OR INCORPORATE BY REFERENCE PUBLIC INFORMATION NOT SEPARATELY REVIEWED, APPROVED OR ENDORSED BY SPAREBANKEN SØR AND ACCORDINGLY, NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY SPAREBANKEN SØR AS TO THE FAIRNESS, ACCURACY, REASONABLENESS OR COMPLETENESS OF SUCH INFORMATION.

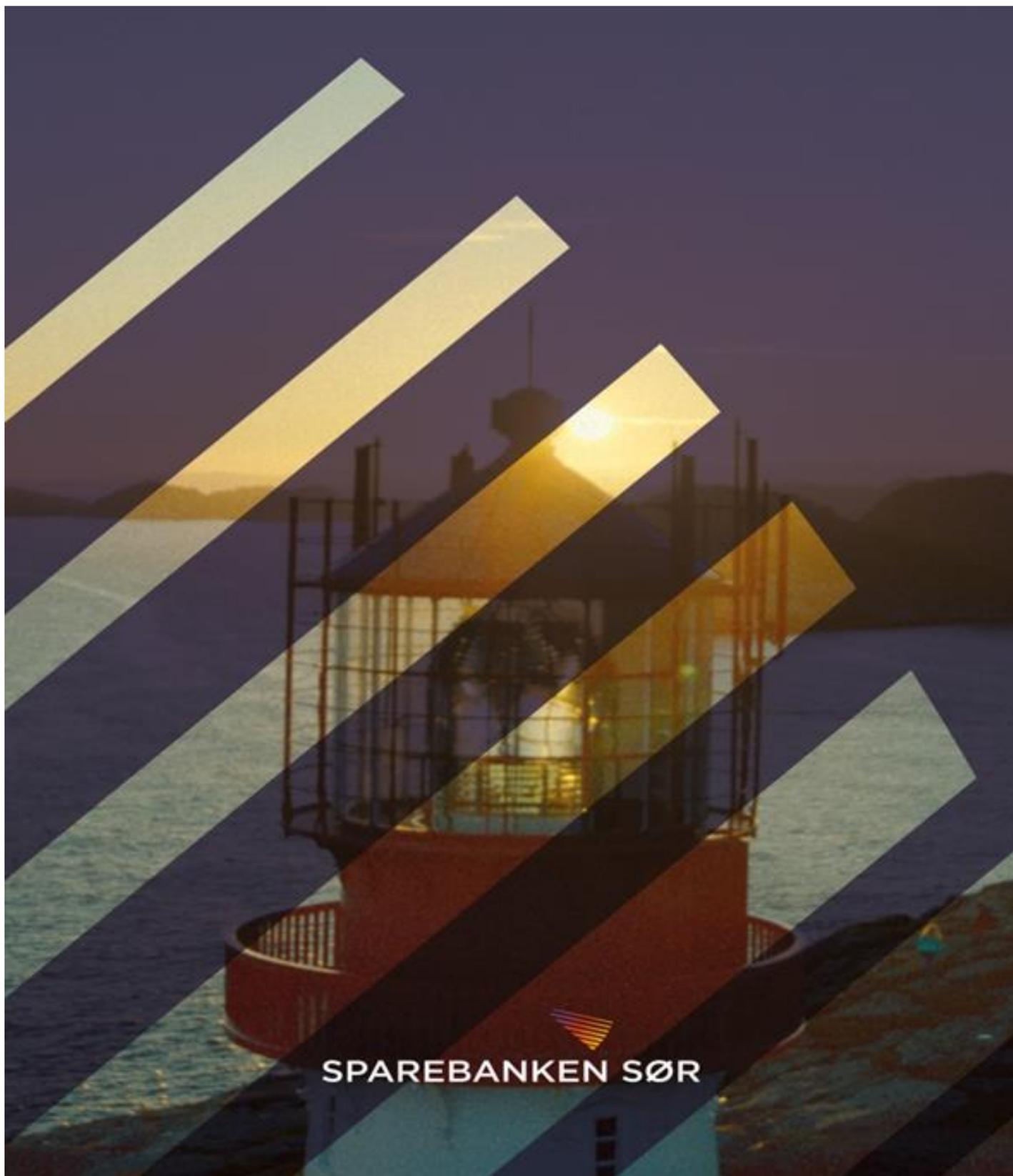
THIS DOCUMENT MAY CONTAIN STATEMENTS ABOUT FUTURE EVENTS AND EXPECTATIONS THAT ARE FORWARD-LOOKING STATEMENTS. NONE OF THE FUTURE PROJECTIONS, EXPECTATIONS, ESTIMATES OR PROSPECTS IN THIS DOCUMENT SHOULD BE TAKEN AS FORECASTS OR PROMISES NOR SHOULD THEY BE TAKEN AS IMPLYING ANY INDICATION, ASSURANCE OR GUARANTEE THAT THE ASSUMPTIONS ON WHICH SUCH FUTURE PROJECTIONS, EXPECTATIONS, ESTIMATES OR PROSPECTS HAVE BEEN PREPARED ARE CORRECT OR EXHAUSTIVE OR, IN THE CASE OF THE ASSUMPTIONS, FULLY STATED IN THE DOCUMENT. SPAREBANKEN SØR HAS AND UNDERTAKES NO OBLIGATION TO UPDATE, MODIFY OR AMEND THIS DOCUMENT, THE STATEMENTS CONTAINED HEREIN TO REFLECT ACTUAL CHANGES IN ASSUMPTIONS OR CHANGES IN FACTORS AFFECTING THESE STATEMENTS OR TO OTHERWISE NOTIFY ANY ADDRESSEE IF ANY INFORMATION, OPINION, PROJECTION, FORECAST OR ESTIMATE SET FORTH HEREIN CHANGES OR SUBSEQUENTLY BECOMES INACCURATE.

THIS DOCUMENT IS NOT INTENDED TO BE AND SHOULD NOT BE CONSTRUED AS PROVIDING LEGAL OR FINANCIAL ADVICE. IT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SELL OR ANY SOLICITATION OF ANY OFFER TO SUBSCRIBE FOR OR PURCHASE OR A RECOMMENDATION REGARDING ANY SECURITIES, NOTHING CONTAINED HEREIN SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT WHATSOEVER AND IT HAS NOT BEEN APPROVED BY ANY SECURITY REGULATORY AUTHORITY.

THE DISTRIBUTION OF THIS DOCUMENT AND OF THE INFORMATION IT CONTAINS MAY BE SUBJECT OF LEGAL RESTRICTIONS IN SOME COUNTRIES. PERSONS WHO MIGHT COME INTO POSSESSION OF IT MUST INQUIRE AS TO THE EXISTENCE OF SUCH RESTRICTIONS AND COMPLY WITH THEM.

THE INFORMATION IN THIS DOCUMENT HAS NOT BEEN INDEPENDENTLY VERIFIED.

THE ADDRESSEE IS SOLELY LIABLE FOR ANY USE OF THE INFORMATION CONTAINED HEREIN AND SPAREBANKEN SØR SHALL NOT BE HELD RESPONSIBLE FOR ANY DAMAGES, DIRECT, INDIRECT OR OTHERWISE, ARISING FROM THE USE OF THIS DOCUMENT BY THE ADDRESSEE.



SPAREBANKEN SØR