



Press release

From : Sparebanken Sør

28 March 2012

Sparebanken Sør converts to equity certificates and establishes savings bank foundation

The Supervisory Board of Sparebanken Sør resolved yesterday to convert MNOK 600 of the bank's Savings Bank Fund to equity certificates. The equity certificates will be issued to Sparebankstiftelsen Sparebanken Sør, which will be established in connection with the conversion.

Sparebanken Sør aims to continue its growth and by issuing equity certificates will have greater flexibility and new possibilities to raise capital when required. The bank currently has a strong financial position, but through conversion would like to facilitate changes in the bank sector. The international financial crisis has meant that new stringent requirements regarding the banks' capital adequacy will be introduced and the conversion will make Sparebanken Sør better equipped to meet these requirements.

A savings bank foundation will be established in connection with the conversion. The foundation will take care of long-term and stable ownership in Sparebanken Sør, and thereby contribute to continuation of the savings bank traditions. Sparebankstiftelsen Sparebanken Sør will, without payment, become owner of all the equity certificates issued as a result of the conversion. Establishing the foundation ensures that capital which has been built up through Sparebanken Sør's activities remains in the region.

At the end of 2011, the Savings Bank Fund totalled NOK 2 894 437 670. After NOK 600 000 000 of the Savings Bank Fund was converted to equity share capital, NOK 2 294 437 670 remains in the Savings Bank Fund. The equity share capital is equivalent to an ownership interest of 20.73 per cent. The conversion and establishment of the foundation does not involve any change in bank's activities or gift policy.

The composition of the bank's Supervisory Board will be changed as a result of the conversion to equity share capital and issue of equity certificates. Representatives of the owners of the equity certificates, which until further notice will be the foundation, will be given six out of the 28 places on the Supervisory Board. Twelve of the members will be depositor-elected, while 3 will be publicly appointed. The employees will still have seven representatives on the Supervisory Board.

Now that the bank's Supervisory Board has made its decision, the Board of Directors will send an application to the Norwegian Ministry of Finance regarding permission to issue equity certificates following conversion of parts of the Savings Bank Fund and establishment of a savings bank foundation.

It is expected that such consent will be given in the summer of 2012.

The press release will be published on the bank's website www.sor.no

Contact persons: CEO Geir Bergskaug	Telephone: (47) 901 27 206
Dir. Capital Markets Kjetil Korneliussen	Telephone: (47) 951 81 596