

Press release

28 March 2012

Supervisory Board Meetings 27 March 2012

On 27 March 2012, the Supervisory Board of Sparebanken Sør held extraordinary meetings, an ordinary accounting meeting and an election meeting.

Extraordinary meetings

The extraordinary meetings of the Supervisory Board endorsed the Board of Directors' proposed conversion of parts of the Savings Bank Fund to equity certificates and establishment of the savings bank foundation. Reference is made to a separate press release regarding this matter, distributed 28 March 2012.

Accounting meeting

1. Annual report and accounts 2011

The presented annual accounts for the bank and the Sparebanken Sør Group, which showed pre-tax profit of MNOK 325, and the Board of Directors' proposed allocation of profit in the parent bank, were adopted as the bank and the group's 2011 accounts. The Supervisory Board expressed satisfaction that the financial results enabled the bank to allocate MNOK 15 as gifts for non-profit purposes.

2. Issue authority - subordinated loan capital and perpetual hybrid tier 1 capital

The Supervisory Board resolved to renew the Board of Directors' authority to issue subordinated loan capital within a total borrowing limit of MNOK 500 and authority to issue perpetual hybrid tier 1 capital within a total borrowing limit of MNOK 250. This authority applies until further notice, but is expected to be renewed during the 1st quarter 2013.

3. New fees

The Supervisory Board established new remuneration rates for the bank and for the Supervisory Board's own reference group, which was established in connection with the

preparatory work for the proposed conversion of parts of the Savings Bank Fund into equity share capital and establishment of the savings bank foundation.

4. Change of election areas (constituencies)

After the Supervisory Board endorsed the Board of Directors' recommendation to convert parts of the bank's primary capital into equity share capital, equity certificates will be issued. These will be owned by Sparebankstiftelsen Sparebanken Sør, which has been resolved will be established.

The owners of the equity certificates, initially the foundation, will be given six out of the 28 places on the Supervisory Board. This means that the number of depositor-elected members will be reduced from 16 to 12, while there will be three publicly appointed members as opposed to the previous five members. The employees will still have seven members on the Supervisory Board.

The new arrangement maintains the election areas for Aust-Ager, Vest-Agder and Telemark respectively, and in future, the 12 depositor-elected representatives on the Supervisory Board will be elected according to the following model:

Aust Agder county is organized into the following constituencies:

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|---|---------------------|
| ▪ Birkenes, Lillesand, Grimstad | one representative |
| ▪ Arendal, Froland | two representatives |
| ▪ Tvedestrand, Vegårshei, Åmli, Risør, Gjerstad | one representative |
| ▪ Evje, Bygland, Valle, Bykle, Iveland | one representative |

Vest Agder county is organized into four constituencies:

- | | |
|--|---------------------|
| ▪ Farsund, Flekkefjord, Sirdal, Kvinesdal | one representative |
| ▪ Lyngdal, Åseral, Audnedal, Hægebostad | one representative |
| ▪ Mandal, Marnadal, Lindesnes | one representative |
| ▪ Kristiansand, Sogndalen, Søgne, Vennesla | two representatives |

Telemark county is organized into two constituencies:

- | | |
|--|--------------------|
| ▪ Kragerø, Drangedal, Siljan, Skien, Bamble, Porsgrunn | one representative |
| ▪ Kviteseid, Hjartdal, Nome, Fyresdal, Nissedal, Bø, Notodden, Seljord, Sauherad, Tinn, Tokke, Vinje | one representative |

Election meeting

1. This year's election

The nomination committee's recommendation was followed in full. Those board members who were up for election were re-elected and therefore there were no changes in the composition of the board.

- Re-elected chairman of the Supervisory Board and new deputy chairman Øystein Haga has been re-elected as chairman for one year, to the end of 2012. Helge Sandåker has been elected as deputy chairman for one year, to the end of 2012.

- Re-elected board members:
Chairman of the board Torstein Moland, Deputy Chairman Unni Grete Farestveit and board member Kjell Pedersen-Rise – were all re-elected for two years, to the end of 2013. In addition, employee representative Cathy Steller was re-elected for two years, following a recommendation by the employees.

2. Conclusion

The Chairman of the Supervisory Board brought the meeting to a close by welcoming the newly elected members and thanking the representatives who were stepping down from their posts.

The press release and the quarterly report are published on the bank's website at www.sor.no, and will be available at Oslo Børs www.newsweb.no.

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