



THE NORWEGIAN MINISTRY OF FINANCE

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Decision regarding authorisation to merge Sparebanken Pluss and Sparebanken Sør

The Norwegian Ministry of Finance refers to the application, dated 21 June 2013, to the Financial Supervisory Authority of Norway, where a request has been made on behalf of Sparebanken Sør and Sparebanken Pluss for authorisation of a merger between the two savings banks, with Sparebank Pluss as the acquiring bank. The Norwegian Ministry of Finance also refers to the Financial Supervisory Authority Norway's recommendation regarding the matter, dated 30 August 2013, and to the letter from law firm Advokatfirmaet Selmer, on behalf of the two savings banks, to the Norwegian Ministry of Finance, dated 6 September 2013.

The merged bank will continue operations under the name Sparebanken Sør. In conjunction with the merger, the bank has applied for authorisation to increase the equity share capital in Sparebanken Pluss, approval of the amendments to the articles of association, authorisation to acquire qualifying holdings, establish corporate relations and to make organisational changes, as well as authorisation to elect a chairman of the board for four years at the first election.

Pursuant to Section 2c-2 of Act no. 40 of 10 June 1988 relating to Financing Activity and Financial Institutions (the Financial Institutions Act), the Norwegian Ministry of Finance authorises the merger through transfer of assets and liabilities from Sparebanken Sør to Sparebanken Pluss in accordance with the resolution adopted by the banks' Supervisory Boards on 20 June 2013. The authorisation also includes issue of 3,518,674 equity certificates, each with a nominal value of NOK 100 in Sparebanken Pluss as compensation to Sparebankstiftelsen Sparebanken Sør for equity share capital in Sparebanken Sør.

Pursuant to Section 2-2 (2) of the Financial Institutions Act, the Ministry grants authorisation to acquire 100 per cent of the shares in Sør Boligkreditt AS and 14 per cent of the shares in Brage Finans AS.

Pursuant to Section 2a-3 (2) of the Financial Institutions Act, the Ministry also grants

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authorisation to establish corporate relations with Sør Boligkreditt AS. Authorisation is also granted to make organisational changes as a result of acquisition of ABCenter Holding AS, cf. Section 2a-7 (2) of the Financial Institutions Act.

Authorisation is granted on the following conditions:

- Sparebanken Sør and Sparebanken Pluss shall prove to the Financial Supervisory Authority of Norway that the measures to protect the banks' depositors (customer information), as set forth in Section 2c-3 (5), have been implemented. Before the merger and before distribution to the customers, the customer information shall be sent to the Financial Supervisory Authority of Norway for review.
- The merger cannot be implemented until the Financial Supervisory Authority of Norway has approved that the banks' proposed implementation of the transaction, which shall ensure that the merger does not make any change in the balance between the equity share capital and primary capital, complies with IFRS and also Section 2b-18 and Chapter 2c of the Financial Institutions Act.
- The merger cannot be implemented until the Financial Supervisory Authority of Norway has approved the rate used as basis when determining the subscription rate. In accordance with the main agreement regarding the merger, the merged bank shall continue operations with the key functions based in the area in and around Arendal and Kristiansand.
- The board of directors of the merged bank shall as soon as possible after the merger has been implemented, present a new capital plan to the Financial Supervisory Authority of Norway where all the capital requirements mentioned in Section 2-9e of the Financial Institutions Act are used as a basis. Reference is made to Chapter 4 of the Financial Supervisory Authority's recommendation of 30 August 2013.

No exemption from Section 14 (2) of Act no. 1 of 24 May 1961 (the Savings Bank Act) is granted. Thus, at the first election, the chairman of the board cannot be elected for four years, but for two years in accordance with the main provision in Section 14 (1) of the Savings Bank Act. We would like to point out that such exemption could limit the authority of the supervisory board. We would also like to point out that the merged bank may ensure continuity through re-electing the board of directors and / or chairman of the board after two years.

The Financial Supervisory Authority of Norway is authorised to approve amendments to the articles of association in connection with the merger, cf. Section 2c-2 (3) of the Financial Institutions Act.

Yours sincerely
Øystein Løining (Signature)
For Geir Åvitsland
Director General

Signature
Inger-Johanne Arildsen Rygh
Assistant Director General

Cc: Financial Supervisory Authority of Norway (Ref: 13/7131)

True translation certified.

Odin Melhaug
Kristiansand, 29 November 2013.

