

Affiliates and subsidiaries

The SpareBank 1 Alliance

The SpareBank 1 banks operate an alliance and develop product companies through the jointly owned holding company SpareBank 1 Gruppen.

The paramount objective of the SpareBank 1 Alliance is to assure the individual bank's independence and regional identity through strong competitiveness, profitability and financial soundness. The Alliance is among the largest providers of financial services in Norway and a fully-fledged alternative to traditional financial groups.

SpareBank 1 Alliance's vision

The Alliance's vision is for SpareBank 1 to be the recommended bank for private individuals and small and mid-sized businesses in Norway with a full product range. It wants customers to feel that we are the best in terms of our closeness, local identity and competence. Our key core values are closeness to the customer and capableness.

About SpareBank 1 Gruppen

SpareBank 1 Gruppen owns and develops companies that deliver financial services and products. It is owned by SpareBank 1 SR-Bank (19.5 per cent), SpareBank 1 Nord-Norge (19.5 per cent), SpareBank 1 SMN (19.5 per cent), Sparebanken Hedmark (12 per cent), Samarbeidende Sparebanker (19.5 per cent, comprising 11 savings banks in southeast and western Norway), and the Norwegian Confederation of Trade Unions and affiliated unions (10 per cent).

SpareBank 1 Gruppen owns 100 per cent of the shares of SpareBank 1 Livsforsikring (life insurer), SpareBank 1 Skadeforsikring (non-life insurer, includes Unison Forsikring), ODIN Forvaltning (fund manager) and SpareBank 1 Gruppen Finans (which includes Conecto and Actor Fordringsforvaltning). In addition SpareBank 1 Gruppen owns 93.4 per cent of SpareBank 1 Markets and is a partner in SpareBank 1 Utvikling DA.

SpareBank 1 Gruppen has administrative responsibility for collaborative processes within the SpareBank 1 Alliance in which technology, brand-building, communication, competence building, shared processes/exploitation of best practice and procurement are at centre stage. The Alliance is also engaged in development work through three competence centres for training (in Tromsø), the cash management area (in Trondheim) and the credit area (in Stavanger).

The SpareBank 1 banks also own SpareBank 1 Boligkreditt, SpareBank 1 Næringskreditt, SpareBank 1 Oslo Akershus, BN Bank and EiendomsMegler 1.

The SpareBank 1 Alliance consists of the following banks as of January 2012:

- SpareBank 1 Nord-Norge
- SpareBank 1 SMN
- SpareBank 1 SR-Bank
- Sparebanken Hedmark
- SpareBank 1 Ringerike Hadeland
- SpareBank 1 Østfold Akershus
- SpareBank 1 Hallingdal
- SpareBank 1 Buskerud-Vestfold
- SpareBank 1 Gudbrandsdal
- SpareBank 1 Nordvest
- SpareBank 1 Telemark
- SpareBank 1 Modum
- SpareBank 1 Lom og Skjåk
- SpareBank 1 Nøtterøy-Tønsberg
- SpareBank 1 Søre Sunnmøre
- SpareBank 1 Oslo Akershus
- BN Bank

BN Bank

SpareBank 1 SMN is the largest shareholder in BN Bank with a 33 per cent stake. BN Bank's strategy is to be a national direct bank in the retail market and a specialised bank in commercial real estate. In December 2008 the Ministry of Finance granted the SpareBank 1 banks a licence to purchase all the shares of Glitnir Bank. The bank concurrently changed its name to BNbank, and in November 2009 the spelling was changed to BN Bank.

The bank is owned by SpareBank 1 SMN (33 per cent), SpareBank 1 SR-Bank (23.5 per cent), SpareBank 1 Nord-Norge (23.5 per cent) and Samspar Bankinvest (20 per cent). The same owner structure applies at SpareBank 1 Næringskreditt.

BN Bank offers a broad array of bank services to firms and private individuals. The bank has its Head Office in Trondheim and a commercial real estate operation in Oslo. The bank services customers throughout the country via the internet and telephone facilities. BN Bank intends to be a leading niche bank for customers who prefer self-serviced products and solutions. In the corporate market BN Bank is at the forefront in financing commercial real estate in Norway. The bank aims to be an active and predictable partner and provider of debt capital instruments to selected actors in the field of commercial real estate with a focus on Oslo and southeast Norway. BN Bank will also, in collaboration with the various SpareBank 1 banks, be a stable and predictable provider of first mortgage loans for defined projects. As at 31 December 2011 BN Bank has 105 members of staff, deposits totalling NOK 16bn, loans of NOK 46bn (loans including SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt) and total assets worth NOK 41bn.

Subsidiaries

EiendomsMegler 1 Midt-Norge

EiendomsMegler 1 Midt-Norge has a solid market-leader position in Trøndelag and Nordvestlandet. This position was further reinforced in 2011.

The company delivered in 2011 a profit of NOK 75m before tax, representing a further improvement of NOK 24m from the previous year. The Bank's share was NOK 65m.

EiendomsMegler 1 Midt-Norge strengthened its position as one of the country's most profitable real estate agency for its customers, staff and owners. Its strategy of taking on, developing and retaining the best staff in the business was further reinforced in 2011, and the company took a great stride forward in the effort to create Norway's best workplace.

The company has specialised operations which include separate units for project and commercial property broking. These operations complement its traditional residential agency business, which is now a specialist function maintaining a local presence, co-located with banking, in various parts of Trondheim and the surrounding district. A new office was opened in Røros in 2011.

EiendomsMegler 1 Midt-Norge sold 6,150 properties in 2011, representing a market share of 40 per cent in the region. The company is equipped for further growth both in profit and market shares ahead. The company is owned by SpareBank 1 SMN (87 per cent), SpareBank 1 Nordvest (7.6 per cent) and SpareBank 1 Søre Sunnmøre (5.4 per cent).

SpareBank 1 SMN Regnskap

SpareBank 1 SMN Regnskap continued its strong growth in 2011. With 60 per cent turnover growth, the company's market share in Trøndelag has risen to 10 per cent. The company has more than 40 new staff, bringing the overall work force close to 120.

The company is experiencing a growing influx of new customers. In 2011 about 200 new customer agreements were established. While the bulk of the growth is in the corporate market, new customers are also being attracted in the other three customer segments – farm operators, housing cooperatives/co-ownerships and a variety of associations.

In 2011 SpareBank 1 SMN Regnskap took over and absorbed six accounting firms in Trøndelag: Sollie Regnskap, Ingrid Forseth Regnskapskontor, Status Regnskapskontor, Consis Namsos, Consis Steinkjer and Consis Trondheim. 50 per cent of the shares of Leksvik Regnskapskontor were also acquired. The operations of all acquired firms have been coordinated with the company's existing business.

In the past year SpareBank 1 SMN Regnskap collaborated closely with its alliance partner Sparebanken Hedmark on acquiring Consis, one of the country's largest providers of finance and accounting services with 33 offices, 350 staff and 6,500 customers.

From January 2012 onwards Sparebanken Hedmark and SpareBank 1 SMN Regnskap will share ownership of Consis on a 60-40 basis. Together with Sparebanken Hedmark and other banks in the region, the company will focus on building a strong national brand in the industry. This will be important with a view to consolidating and strengthening the company's position in the industry in Trøndelag and Nordvestlandet.

SpareBank 1 SMN Regnskap has a continuous focus on strengthening the company's organisation and competence. A comprehensive training plan for all staff and a special coaching programme for managers have been implemented. In the course of the autumn a new organisation plan was adopted which will significantly strengthen administrative and professional management alike. The company has thereby laid a platform for attaining growth and development targets for 2012.

The industry's framework conditions and the market for financial services are changing rapidly. Removal of the audit obligation for the smallest businesses and rapid technological development are changes that impact on the industry. SpareBank 1 SMN Regnskap's vision is to create a new division for financial services. This will require the company to invest substantial resources in order to offer customers forward-looking competence and ICT solutions. Inherent in this is a keen focus on quality improvements and quality controls.

The company posted a turnover of NOK 86m in and a profit of NOK 5.4m before tax in 2011. The profit figure is affected by the strong growth and investments made in order to turn the company into a forward-looking business that is ready for further growth.

SpareBank 1 SMN Finans

SpareBank 1 SMN Finans is the region's leading finance company and an active partner for businesses. SpareBank 1 SMN Finans emphasises local competence, and works for greater value creation in Trøndelag and Nordvestlandet. The company services the market through its own sales operation and through the Bank's offices and suppliers.

SpareBank 1 SMN Finans offers leasing and car fleet management services to corporate customers and the public sector, and vendor's liens mainly to private individuals. The organisation is distinctly sales- and customer-oriented, and is designed to be a close and accessible finance partner with short decision-making paths.

At year-end the company managed leasing and car finance agreements worth NOK 3bn, of which leases account for 65 per cent and car finance for the remainder. The company has 29 employees in Trondheim, Verdal, Molde and Ålesund. The company posted a profit of NOK 26m before tax in 2011.

Integration and a structured business approach together with the Retail market Division and Corporate market Division at SpareBank 1 SMN are reaping results. The company expanded the car loan portfolio in 2011, and the proportion of internet applications via our web channels is rising. However, the leasing portfolio showed no growth in 2011, due to a general reduction in investments in the business sector.

In 2011, as previously, the company targeted its efforts in an effective manner, for example making adjustments in the credit area, and launched loss-mitigating measures which reaped results. In late autumn the company established a cooperation agreement with the Norwegian Association of Heavy Equipment Contractors. Work was done on self-service loan and leasing applications integrated with our IT systems used by customers and in our cooperation with suppliers.

The business has highly motivated staff. The company is a wholly-owned subsidiary SpareBank 1 SMN.

SpareBank 1 SMN Finans owns the subsidiary SpareBank 1 Bilplan which specialises in car fleet management and offers one-stop solutions for industry and the public sector nationwide. The company has a distribution agreement with SpareBank 1 Finans Nord-Norge and SpareBank 1 SR Finans.

Allegro Finans

Allegro Finans, headquartered in Trondheim, is the largest management company in the region. The company is owned by SpareBank 1 SMN (90.1 per cent) and the Reitan Group (9.9 per cent). It is licensed to carry on active asset management. In addition to managing assets for its owners, it manages assets for private individuals and institutional clients. The company's services are sold exclusively through external distributors who are licensed to engage in such activity. The company has 10 employees and assets of just over NOK 2bn.

The company offers a broad range of services designed to capture changes in market conditions. The portfolio array includes both specialised portfolios and allocation portfolios. Management volumes are highest in the field of dynamic asset allocation portfolios and in direct share portfolios. The market for the company's portfolios has developed in keeping with the positive macroeconomic picture.

In 2011, as previously, the company delivered good returns relative to benchmark indexes in asset allocation and share portfolios alike. The accounts show a deficit of NOK 5.3m before tax, of which the Bank's share was NOK 4.7m.

SpareBank 1 SMN Card Solutions

In 2011 SpareBank 1 SMN purchased all the shares of Convenient Card, which changed name to SpareBank 1 SMN Card Solutions in the same year. SpareBank 1 SMN Card Solutions sells and operates prepaid cards based on the Visa and MasterCard networks. The company has established the SpendOn brand which is linked to prepaid card products. SpareBank 1 SMN Card Solutions has launched the SpendOn Visa gift card in Norway and the MasterCard SpendOn gift card in Sweden. The company posted a profit of NOK 2.3m before tax in 2011.

SpareBank 1 SMN Kvartalet

SpareBank 1 SMN Kvartalet was responsible for the construction of SpareBank 1 SMN's new Head Office in Søndre gate, Trondheim. The building was completed by 20 October 2010. The company owns 76 per cent of the Head Office (16,300m²), after parts of the new building were demerged and merged with SpareBank 1 Bygget Trondheim, which already owned Kongens gt 4 (owns 5,100 m² all told). This company operates the conference centre in the head office under its own auspices, and has engaged Banken Restaurant to run the staff restaurant and cafeteria.

SpareBank 1 SMN Kvartalet is responsible for the operation, maintenance and cleaning of the entire head office complex. Subcontractors are Kjeldsberg Eiendomsforvaltning and Trøndelag Renholdservice. The company has no employees.

Further, a company has been formed to build a new office in Steinkjer, SpareBank 1 Bygget Steinkjer. This company is erecting an office building of about 1,800m² on the the station site in Steinkjer. The building will reach completion in May 2012, and will be rented to companies in the same group.