

## Affiliates and subsidiaries

### The SpareBank 1 Alliance

The Norwegian SpareBank 1 banks operate an alliance and develop products 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, offering a full product range. It wants customers to feel that SpareBank 1 is 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 Norway and in Møre and Romsdal), 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). In addition SpareBank 1 Gruppen owns 97.5 per cent of SpareBank 1 Markets and is a partner in SpareBank 1 Utvikling.

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 December 2012:

- SpareBank 1 Nord-Norge
- SpareBank 1 SMN
- SpareBank 1 SR-Bank
- Sparebanken Hedmark
- SpareBank 1 Ringerike Hadeland
- SpareBank 1 Østfold Akershus
- SpareBank 1 Valdres
- 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. Other owners are SpareBank 1 SR-Bank (23.5 per cent), SpareBank 1 Nord-Norge (23.5 per cent) and SamSpar Bankinvest (20 per cent). The SpareBank 1 banks have owned BN Bank since December 2008 when the Ministry of Finance authorised the SpareBank 1 banks' purchase of all shares of Glitnir Bank which changed its name to BN Bank.

BN Bank's strategy is to be an effective specialised bank in selected segments of the retail market and corporate market. It intends to offer our customers competitive products, concepts and terms and its owners a good return. BN Bank operates nationwide, but has most of its customers in Trondheim, Oslo and southeast Norway.

In the retail market BN Bank intends to be a specialised self-service bank for competent customers who want efficient, straightforward and predictable banking services on competitive terms. That is why BN Bank is developing effective, leading-edge services for mobile, tablet and internet usage. Specialisation and self-service will make BN Bank one of the country's cost-effective banks. In the corporate market BN Bank will be a specialised bank in the field of commercial real estate finance. The bank is an efficient, competent, prompt and predictable partner for selected real estate actors with its main focus on Oslo and southeast Norway. This will ensure competitive terms for customers and good return for owners over time.

As at 31 December 2012 BN Bank had 116 members of staff, deposits totalling NOK 16.9bn and loans worth NOK 49.5bn (including loans transferred to SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt). Total assets at the same point came to NOK 58bn including loans transferred to SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt.

## Subsidiaries

### EiendomsMegler 1 Midt-Norge

EiendomsMegler 1 Midt-Norge has a solid market-leader position in Trøndelag and in Møre and Romsdal. This position was further reinforced in 2012.

The company delivered in 2012 a profit of NOK 76m before tax. The Bank's profit share was NOK 66m before tax.

In 2012 the company featured on Great Place to Work's list of the country's best employers, has a very high customer satisfaction rating and can safely vouch for the vision of being Norway's most profitable real estate agency for its customers, staff and owners alike.

Its strategy of taking on, developing and retaining the best staff in the business was further reinforced in 2012, and person-years worked rose substantially over the year, in keeping with a strategy of growth.

The company has specialised operations which include separate units for project and commercial property broking. These operations complement its traditional residential agency business which to a greater degree will be a specialist function maintaining a local presence, co-located with banking, in various parts of Trondheim and the surrounding district.

EiendomsMegler 1 Midt-Norge sold 6,467 properties in 2012, representing a market share of more than 40 per cent in our 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 Finans**

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

SpareBank 1 SMN 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-at-hand and accessible finance partner with short decision-making paths.

At year-end the company managed leasing and car finance agreements worth NOK 3.2bn. The company has 30 employees in Trondheim, Steinkjer, Verdal, Molde and Ålesund. The company posted a profit of NOK 55.8m before tax in 2012, which is its best-ever performance.

Integration and a structured business approach with the retail market and corporate market businesses at SpareBank 1 SMN are reaping results. The company again expanded its car loan portfolio in 2012 and the proportion of internet applications is rising. The leasing portfolio showed no change from the start of 2012.

In 2012 SpareBank 1 SMN Finans worked in a purposeful manner to streamline and improve business processes, which is expected to provide substantial rationalisation and other gains in 2013. The company has launched a car loan app and new front systems for dealers/suppliers of cars and other capital goods. The business has high competence and highly motivated staff.

The general meeting voted on 13 December 2012 to invite SpareBank 1 Søre Sunnmøre and SpareBank 1 Nordvest to join the company as owners. It was concurrently decided to terminate the supervisory board. The increase of capital led to the following owner structure: SpareBank 1 Søre Sunnmøre 4.95 per cent, SpareBank 1 Nordvest 4.95 per cent and SpareBank 1 SMN 90.1 per cent. New owners will mean an even stronger footing for the company's products in Møre and Romsdal.

### **SpareBank 1 Bilplan**

SpareBank 1 Bilplan delivers car fleet management solutions to the public and private sectors nationwide. The company services the market through its own sales operation and through cooperation with SpareBank 1 SMN Finans, SpareBank 1 SR-Finans, SpareBank 1 Finans Nord-Norge and through the Bank's offices.

Up to the fourth quarter 2012 the company was a subsidiary of SpareBank 1 SMN Finans, but has now been taken over by the parent bank.

The organisation is sales- and customer-oriented, and focuses on being close-at-hand and accessible to customers. SpareBank 1 Bilplan's main mission is to ensure problem-free car maintenance for its customers. In 2012 SpareBank 1 SMN Finans worked in a purposeful manner to streamline and improve business processes, which is expected to provide substantial rationalisation and other gains in 2013.

The company has 12 employees, all working out of Trondheim. The business has high competence and highly motivated staff. In 2012 the company recorded a loss of NOK 1.8m before tax.

### **SpareBank 1 SMN Regnskap**

In 2012 SpareBank 1 SMN Regnskap posted its best ever pre-tax profit of NOK 13.8m on a turnover of NOK 104.7m. With 26 per cent turnover growth, the company's market share in Trøndelag is has reached 11 per cent. SpareBank 1 SMN Regnskap is now among the five largest actors in the accountancy business in Norway with close to 160 staff.

The company is experiencing a growing influx of new customers. In 2012 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.

Over the course of 2012 two acquisitions were completed: KL Røros Regnskap and Calculus, which are subsidiaries of the SpareBank 1 SMN Regnskap group. The subsidiaries are to be absorbed and coordinated with SpareBank 1 SMN Regnskap's existing business in 2013. Agreements have been signed to acquire Snåsa Regnskapslag, Økonor Interdata Berkåk and Widar Nyheim. SpareBank 1 SMN Regnskap owns 50 per cent of the shares of Leksvik Regnskapskontor.

As from January 2012 onwards alliance partner Sparebanken Hedmark and SpareBank 1 SMN Regnskap are sharing ownership of the accounting house Consis on a 60-40 basis. Consis' preliminary annual accounts for 2012 show a turnover of around NOK 100m and a pre-tax profit of NOK 4m.

In conjunction with other banks in the SpareBank 1 Alliance in the region, the company will focus on building a strong national brand in the accounting industry. This focus will serve to consolidate and strengthen SpareBank 1 SMN Regnskap's position in Trøndelag and in Møre and Romsdal.

As a subsidiary in the SpareBank 1 SMN group, SpareBank 1 SMN Regnskap is constantly taking out synergies on both the customer and cost front.

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.

SpareBank 1 SMN Regnskap laid in 2012 a good basis for further growth in 2013.

### **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).

The company is licensed to carry on active asset management. It manages assets for external public, private and institutional clients. The company's services are sold exclusively through external distributors who are licensed to engage in such activity. In 2012 the company signed distribution agreements with a number of banks in the SpareBank 1 Alliance.

The company has 11 employees and assets totalling just under NOK 2.5bn.

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 dynamic asset allocation portfolios. The company's allocation portfolios performed in line with the benchmark portfolios in 2012.

The accounts show a deficit of NOK 3.7m before tax, of which the Bank's share was NOK 3.3m.

### **SpareBank 1 SMN Card Solutions**

SpareBank 1 SMN Card Solutions sells and operates prepaid cards based on the Visa and MasterCard payment networks. The company is a wholly-owned subsidiary of SpareBank 1 SMN and operates under the trademark SpendOn in Norway, Sweden and Denmark. In addition the company offers operating services related to the issue of prepaid cards for actors in the retail, telecom, banking/finance and public sector fields.

The company sells its payment products and services principally through convenience stores and grocery stores throughout Scandinavia. The market for prepaid cards in Scandinavia is rapidly expanding. The bulk of the deposit volumes are from the Norwegian market, but the company expects increased market persuasion in both Sweden and Denmark to provide SpareBank 1 SMN Card Solutions with good conditions for growth in the years ahead.

In 2012 the company delivered a profit of NOK 3.0m before tax.

### **Property companies**

**SpareBank 1 SMN Kvartalet** was responsible for the construction of SpareBank 1 SMN's new head office in Søndre gate, Trondheim. The building was ready on 20 October 2010. SpareBank 1 Kvartalet SMN is responsible for the operation, maintenance and cleaning of the entire head office complex. The company has no employees.

The new head office meets the expectations imposed on a low energy building. Average energy consumption for the new office premises section of the building is measured at just under 66 kWh per square metre. According to regulations, the energy consumption limit for office buildings is 144 kWh per square metre. The office premises section is certified in energy class A.

**SpareBank 1 Bygget Steinkjer** completed in May 2012 a new office building of about 1,800m<sup>2</sup> for the group in Steinkjer. The building is on lease to SpareBank 1 SMN which subleases it to EiendomsMegler 1 Midt-Norge and SpareBank 1 SMN Regnskap. The principles underlying the low energy head office in Trondheim are also applied to this building.

**Brannstasjonen SMN** was founded on 3 January 2012 for the purpose of owning, operating and developing property. The company acquired Trondheim Brannstasjon (fire station) at Kongens gate 2 from the City of Trondheim.

Trondheim Fire and Rescue Service are the tenant up to mid-2015. An architectural competition will be held to further clarify the possibilities for developing the building into a modern office building. Since the building is protected, the ground floor will be devoted to outward facing activity. The fire station is classified as a building of high antiquarian value.

**St Olavs Plass 1 SMN** was founded on 26 November 2012 for the purpose of owning, operating and developing property. The company acquired an office building at St Olavs Plass 1 in Ålesund. In addition to SpareBank 1 SMN, the following undertakings are tenants in the building: Innovation Norway, Salmar Sales and Golden Energy Offshore Management.