

Affiliates and subsidiaries

The SpareBank 1 Alliance

The Norwegian SpareBank 1 banks operate an alliance and develop products through the jointly owned companies SpareBank 1 Gruppen and Alliansesamarbeidet SpareBank 1.

The SpareBank 1 Alliance is Norway's second largest financial services grouping. The Alliance consists of independent banks that are fully-fledged providers of financial products and services to private individuals and firms.

The Alliance wants customers to feel that SpareBank 1 is the best in terms of its closeness, local identity and competence. It has an overall workforce of about 6,500, of whom about 1,300 are attached to SpareBank 1 Gruppen and the latter's subsidiaries.

SpareBank 1 Gruppen and Alliansesamarbeidet SpareBank 1 make up the Collaborative Alliance. The mission of the Alliance is to deliver attractive products and services with a focus on good customer experience in order to contribute to the SpareBank 1 banks' competitiveness and profitability, enabling them to remain strong and independent. The Collaborative Alliance's vision is: Attractive to the customers and the banks!

About SpareBank 1 Gruppen

SpareBank 1 Gruppen 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), and the Norwegian Confederation of Trade Unions (LO) and affiliated unions (10 per cent).

SpareBank 1 Gruppen owns 100 per cent of the shares of:

- SpareBank 1 Forsikring (life insurer)
- ODIN Forvaltning (fund manager)
- SpareBank 1 Medlemskort
- SpareBank 1 Gruppen Finans
- Conecto

About the SpareBank 1 Collaborative Alliance

The Alliance is owned by the SpareBank 1 banks and SpareBank 1 Gruppen. This company's mission is to develop and deliver joint IT and mobile solutions, brand-building and marketing concepts, business concepts, products and services, competence, analyses, processes, best practices and procurement. The company also comprises three competence centres: Cash Management in Trondheim, Credit in Stavanger and Training in Tromsø. The following subsidiaries are included as from 1 January 2014:

- EiendomsMegler 1 Norge (real estate agency)
- SpareBank 1 Kundesenter (customer service centre)
- SpareBank 1 Verdipapirservice (securities services)

Companies directly owned by the majority of the banks and LO with varying holdings

- Bank 1 Oslo Akershus
- BN Bank
- SpareBank 1 Boligkreditt
- SpareBank 1 Kredittkort
- SpareBank 1 Næringskreditt
- SpareBank 1 Markets

The SpareBank 1 Alliance consists of the following banks:

- SpareBank 1 Nord-Norge
- SpareBank 1 SMN
- SpareBank 1 SR-Bank
- Sparebanken Hedmark
- SpareBank 1 Ringerike Hadeland
- SpareBank 1 Østfold Akershus
- SpareBank 1 Hallingdal 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
- Bank 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. BN Bank operates nationwide, but has most of its customers in Trondheim, Oslo and southeast Norway. In the retail market BN Bank is a specialised self-service bank for customers who want efficient, straightforward and predictable banking services on mobile, tablet and internet. In the corporate market BN Bank is a specialised bank in the field of commercial real estate finance. The bank is an efficient, competent, prompt and predictable partner for its customers. Specialisation and self-service will make BN Bank the country's most cost-effective bank. This will ensure competitive terms for the customers and good return for the owners over time.

As at 31 December 2013 BN Bank had 126 employees, deposits totalling NOK 15bn and loans worth NOK 29bn (including loans transferred to SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt). Total assets at the same point came to NOK 38bn 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 reinforced in 2013.

The company delivered in 2013 a profit of NOK 60.7m before tax.

In 2013 the company came third on Great Place to Work's list of Norway's best employers, and number eight in Europe. The company has a very high customer satisfaction rating, enjoys high preference among housing stakeholders, and can safely vouch for its 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 reinforced in 2013, 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 6,237 properties in 2013, representing a market share of more than 40 per cent in our region. The company is equipped for continued 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 Finans Midt-Norge

SpareBank 1 Finans Midt-Norge 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.

SpareBank 1 Finans Midt-Norge offers car loans, boat loans, leasing and business loans to corporates and private individuals. The company services the market through its own sales operation and through the Bank's offices and other partners. The company's values are its easy access, prompt response, proactive stance, solution focus and probity.

At year-end the company managed leasing and loan agreements worth NOK 3.3bn. The company has 33 employees in Trondheim, Steinkjer, Kristiansund, Molde and Ålesund. The company posted a profit of NOK 50,7m before tax in 2013.

Structured collaboration with the Bank is reaping results. In 2013, as in 2012, the company expanded its loan portfolio and the proportion of internet applications is rising. The leasing portfolio was unchanged from the start of 2013. SpareBank 1 Finans Midt-Norge has established both a new vision and a new value set, a new set of objectives and a new strategy for the period to 2019.

The company is owned by SpareBank 1 SMN (90.1 per cent), SpareBank 1 Nordvest (4.95 per cent) and SpareBank 1 Søre Sunnmøre (4.95 per cent).

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 Finans Midt-Norge, SpareBank 1 SR-Finans, SpareBank 1 Finans Nord-Norge and through the Bank's office network.

The organisation's focus is 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. SpareBank 1 Bilplan's solutions give the customer a continuous overview of and access to reporting from the overall level down to each individual car.

The company has twelve employees, all working out of Trondheim. The business has high competence and highly motivated staff. In 2013 the company recorded a loss of NOK 1,4m before tax. The company is entirely owned by SpareBank 1 SMN.

SpareBank 1 Regnskapshuset SMN

In 2013 SpareBank 1 Regnskapshuset SMN achieved a pre-tax profit of NOK 14m on a turnover of NOK 133m. With 13 per cent turnover growth, the company has a market share in Trøndelag of 13 per cent. SpareBank 1 Regnskapshuset SMN is now one of the three largest actors in the accountancy business in Norway with close to 200 staff at year-end.

The company is experiencing a growing influx of new customers. In 2013 221 new customer agreements were established. While the bulk of the growth is in the corporate market, new customers are also being attracted in the following customer segments: farm operators, housing cooperatives/co-ownerships and pools/associations.

Over the course of 2013 the business has built up a dedicated advisory/technical department, comprising experts in tax, accountancy and governance. This strengthening of competence enables an increased customer influx, increased specialist competence in-house and a strengthening of the company's position in the market. In 2013 it intensified its focus on competence-building throughout the company, for example through theme days arranged for the entire staff and a special advisory programme.

In 2013 the company acquisitions Interdata Berkåk and Widar Nyheim were absorbed, along with the subsidiaries Røros Regnskap and Calculus, by SpareBank 1 Regnskapshuset SMN.

In the current year the company has taken over the customer portfolio and staff of Snåsa Regnskapslag, Consis Røros and Accountor Stjørdal and acquired all the shares of GWG Regnskap and Admin in Verdal. These businesses are to be integrated into SpareBank 1 Regnskapshuset SMN in 2014. Further, agreements have been signed to acquire Merkantilservicegruppen in Trondheim and Økopartner in Ålesund with takeover scheduled for 1 January 2014. All together these acquisitions have increased the number of customers with 740.

SpareBank 1 Regnskapshuset SMN owns 40 per cent of the shares of SpareBank 1 Regnskapshuset Østlandet. SpareBank 1 Regnskapshuset SMN also owns 50 per cent of the shares of Leksvik Regnskapskontor.

In conjunction with other banks in the SpareBank 1 Alliance in the region, the company intends to build up a strong national actor in the accounting industry. In June 2013 the SpareBank 1 Alliance launched SpareBank 1 Regnskapshuset as the brand name for this joint venture. This will play its part in consolidating and strengthening SpareBank 1 Regnskapshuset SMN's position in Trøndelag and in Møre and Romsdal.

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 that are licensed to engage in such activity. The company has distribution agreements with a number of banks in the SpareBank 1 Alliance.

The company has 10 employees and assets totalling about NOK 3bn.

The company primarily offers management services designed to capture the effect of changes in market conditions. Hence the portfolio array mainly comprises asset allocation portfolios, where the company has

the largest business volume. The company's allocation portfolios performed better than their benchmarks in 2013. The accounts show a profit of NOK 9.3m before tax.

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, telecoms, 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 and promises sound growth in the years ahead.

The company delivered a profit of NOK 2.9m before tax in 2013.

SpareBank 1 Invest

SpareBank 1 Invest's vision is to be a preferred partner in the capitalisation of local equity funds and single investments, and thereby contribute to regional value creation in the same market area as the Bank. SpareBank 1 SMN Invest will contribute capital, network and competence. The company will by virtue of its position exploit acquired knowledge that is unavailable to an ordinary equity certificate holder.

The company's strategy is to carry out investments in regional seedcorn, venture and private equity funds and to invest directly in growth companies with national/international market potential in the same market area. By this means the company will contribute competence-based jobs, attractive new customers for the Bank and regional value creation. It will in addition facilitate an increased supply of risk capital to the region in collaboration with the business area Corporate and SpareBank 1 Markets as well as positioning ahead of stock exchange listings.

The company has two employees in Trondheim. The business has highly qualified staff and ample competence. The company reports a profit of 46,6m before tax for 2013.

Property companies

SpareBank 1 SMN Kvartalet has as its mission to own, develop and manage built-up real property. The company was in charge of the construction of SpareBank 1 SMN's new head office in Søndre gate, Trondheim. The building was completed on 20 October 2010. The head office is a low energy building certified in energy class A.

SpareBank 1 Bygget Steinkjer has as its mission to own and manage the new bank building on the station site in Steinkjer. The company completed in May 2012 a new office building of about 1,800m² 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 Regnskapshuset SMN.

Brannstasjonen SMN has as its mission to own, operate and develop property. The company acquired Trondheim Brannstasjon (fire station) at Kongens gate 2 from the City of Trondheim. The building was erected in two stages in 1943 and 1948/49 with a total area of about 5,733 sq.m. distributed over eight

floors, of which two floors are below ground. After partitioning, the owned site measures about 900 sq.m. The fire station is classified as a building of high antiquarian value. The property will be rehabilitated to a modern office/commercial building.

St Olavs Plass 1 SMN was founded on 26 November 2012 for the purpose of owning, operating and developing property. The company acquired the St Olavs Plass 1 property in Ålesund in October 2012. The building measures about 3,979 sq.m. distributed over six floors, of which one floor is below ground. The building was erected in 1907 and extended in 1963 and 1996. In addition to SpareBank 1 SMN, the following undertakings are tenants in the building: Innovation Norway, Salmar Sales and Golden Energy Offshore Management.

Jernbanegata 19 SMN has as its mission to own, operate and develop property. The company acquired the property in September 2013. The building measures 2,407 sq.m. distributed over four floors, of which one floor is below ground. The building was erected in 1983. In addition to SpareBank 1 SMN, the following are tenants in the building: Attorney-at-Law Marcus Amdahl, Dental Practitioner Kjetil Kroglund, Dental Practitioner Otto Indgul and Dental Practitioner Unni Walberg.

SpareBank 1 Bygget Trondheim owns, operates and leases parts of the property at Søndre gate in Trondheim. Parts of the building are leased to SpareBank 1 SMN, which subleases to EiendomsMegler 1 Midt-Norge, SpareBank 1 Markets, SpareBank 1 Bygget Trondheim and SpareBank 1 Regnskapshuset SMN. The company operates a conference centre and is responsible for the staff canteen and reception at Head Office. The company is wholly owned by SpareBank 1 SMN.