

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 (the “SpareBank 1 grouping”) and Alliansesamarbeidet SpareBank 1 (“the “SpareBank 1 collaborative alliance”).

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 1,200 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 so as 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 (11 per cent), Samarbeidende Sparebanker (19.5 per cent), the Norwegian Confederation of Trade Unions and affiliated unions (9.6 per cent) and Bank 1 Oslo Akershus (1.4 per cent)

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

- SpareBank 1 Forsikring (insurer)
- SpareBank 1 Skadeforsikring (mon-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 also form part of the Alliance:

- 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 BV
- 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).

BN Bank operates nationwide serving corporate and retail customers. Its strategy is to be a straightforward and effective bank catering to selected segments. In the corporate market BN Bank is a specialist in financing commercial property. In the retail market BN Bank is an offering for customers who prefer simple and efficient banking services. BN Bank is seen to be competent, prompt and predictable. This strategy makes BN Bank the country's most cost-effective bank, a bank that provides its customers with competitive terms and its owners with good return over time.

As at 31 December 2014 BN Bank had 112 FTEs, deposits totalling NOK 14.4bn and loans worth NOK 49bn (including loans transferred to SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt). Total assets of the BN Bank Group at the same point came to NOK 35.8bn. Thanks to its good credit and risk skills, BN Bank was in 2014 granted permission to apply the advanced IRB approach to corporate the exposures of BN Bank ASA and Bolig- og Næringskreditt AS.

Subsidiaries

EiendomsMegler 1 Midt-Norge

The estate agency firm EiendomsMegler 1 Midt-Norge is the leading broker of new and existing homes in Trøndelag and in Møre og Romsdal, and reinforced this position in 2014.

The company delivered in 2014 a profit of NOK 50.9m before tax.

In 2014 the company came second on the Great Place to Work's list of Norway's best employers. 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.

EiendomsMegler 1 Midt-Norge's strategy of taking on, developing and retaining the best staff in the business was reinforced in 2014, and person-years worked rose substantially over the year, in keeping with the company's growth strategy.

The company has specialised operations which include separate units for project and commercial property broking. These operations complement its traditional residential estate agency business which performs a

specialist function through its local presence, co-located with banking, in various parts of Trondheim and the surrounding district.

EiendomsMegler 1 Midt-Norge sold 6,383 properties in 2014, representing a market share of 38.7 per cent in our region. The company is equipped for continued growth both in profit and in market shares. 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 Midt-Norge

SpareBank 1 SMN Finans Midt-Norge is the region's leading finance company and an active partner for businesses and private individuals. The company attaches importance to local competence, and works for greater value creation in Trøndelag and in Møre og Romsdal.

SpareBank 1 SMN offers loans and leasing to businesses along with car loans (vendor's lien) and consumer loans to private individuals. The company services the market through its own sales operation and through the owner banks' 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 3.6bn. The company has 33 employees in Trondheim, Steinkjer, Kristiansund, Molde and Ålesund. The company posted a profit of NOK 67.9m before tax in 2014.

Structured collaboration with the Bank is reaping results. In 2014 the company substantially expanded its portfolio of vendor's lien loans, and the proportion of customers using our self-service facilities rose steeply. The corporate leasing portfolio also expanded due a number of new large contracts in 2014.

SpareBank 1 Finans Midt-Norge has established a clear vision and strategy as a guide for its activities in 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 branch network.

The organisation 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. SpareBank 1 Bilplan's solutions give the customer a continuous overview 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 2014 the company recorded a loss of NOK 24,000 before tax. The company is wholly owned by SpareBank 1 SMN.

SpareBank 1 Regnskapshuset SMN

In 2014 SpareBank 1 Regnskapshuset SMN achieved a pre-tax profit of NOK 40.5m on a turnover of NOK 182m. With 37 per cent turnover growth, the company has a market share of 11 per cent in Trøndelag. SpareBank 1 Regnskapshuset SMN is now one of the three largest actors in the accountancy business in Norway with 210 staff at year-end.

The company is seeing a growing influx of new customers. In 2014 204 new customer agreements were established. While the bulk of the growth is in the corporate market, new customers are also noted in the following customer segments: farming, housing cooperatives/co-ownerships and pools/associations.

Over the course of 2014 the senior management was strengthened, and the company increased its development capacity. The company has a strong ambition for further growth in the period to 2020, and in 2014 established its new vision to be the accounting firm of the future. New core values have been implemented.

In 2014 the company acquisition GWG Regnskap & Admin AS was absorbed into SpareBank 1 Regnskapshuset SMN. In the current year the company has taken over the customer portfolio and staff of Trønder Regnskap & Data and acquired all the shares of Merkantilservice, Vekstra Rørvik and Økopartner Ålesund. These businesses are to be integrated into SpareBank 1 Regnskapshuset SMN in 2015.

In 2014 SpareBank 1 Regnskapshuset SMN sold its 40 per cent stake in SpareBank 1 Regnskapshuset Østlandet. SpareBank 1 Regnskapshuset SMN holds 50 per cent of the shares of Leksvik Regnskapskontor.

Together with the other regional banks in the SpareBank 1 Alliance, the company is well on the way to building up a strong national player in the accounting business.

Allegro Kapitalforvaltning

Allegro Kapitalforvaltning, 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 11 employees and assets totalling a little over NOK 4bn.

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 2014.

The accounts show a profit of NOK 2.6m before tax.

SpareBank 1 SMN Card Solutions

SpareBank 1 SMN Card Solutions sells and administrates 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 and Sweden.

The company sells its payment products and services principally through convenience stores and grocery stores in Norway and Sweden.

The company delivered a profit of NOK 13,000 before tax in 2014.

SpareBank 1 SMN Invest

SpareBank 1 SMN 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'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 Banking and SpareBank 1 SMN 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 1.7m before tax for 2014.

Property companies

SpareBank 1 SMN Kvartalet has as its mission to own, develop and manage 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 new 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 1,800 sq.m. for the Group in Steinkjer. The building is on lease to SpareBank 1 SMN which subleases it to EiendomsMegler 1 and SpareBank 1 Regnskapshuset SMN.

Brannstasjonen SMN has as its mission to own, develop and manage 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 standard. A turnkey contract has been signed for renovation of the property with completion scheduled for August 2016.

St Olavs Plass 1 SMN was founded for the purpose of owning, developing and managing 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, develop and manage 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 it turn subleases to EiendomsMegler 1 Midt-Norge, SpareBank 1 SMN Markets, SpareBank 1 Bygget Trondheim and SpareBank 1 Regnskapshuset SMN. The company operates a dedicated conference centre and is responsible for the staff canteen and the reception at the Head Office.