

## The people - the bank's greatest asset

Behind the fine accounting figures lie favourable economic conditions and solid banking. But, the bank's definitively greatest asset is and will continue to be the skills and competence of its staff.

### **The people**

Technological development and changing customer behaviour mean the bank has to adapt to a new everyday and equip itself for the future. This has also influenced the work done on organisation development and management in 2017. Reorganisation, staff development and recruitment of new competence to build the bank of the future had high priority in the year behind us. A new vision and new values were launched in 2017. The new values will help to build a culture that makes the bank a good place to work and a good place to be a customer.

At the end of 2017 the bank employed the equivalent of 595 FTEs.

### **Vision and values**

In January 2017 a new vision and a new set of values were launched. They were the result of a thoroughgoing process marked by great involvement and a strong commitment. The vision conveys meaning, direction and energy to the people working at the bank. The bank's new vision reads: "Together we make things happen".

The bank's new values are wholehearted, responsible, likeable and capable. The values are intended to build a bank's identity, and form the basis for a culture in which the staff thrive, and work each day to create results for the good of our customers and the bank.

### **Recruitment and attractiveness to employees**

SpareBank 1 SMN is among the region's most attractive employers and is met with great interest when job vacancies are to be filled. In 2017 many new, high-quality staff were recruited who, together with the organisation as a whole, will play an important part in adapting and developing the bank in step with the considerable changes we are facing.

The bank has a targeted focus on colleges and universities with a view to building relations with talented students. We attract many applicants and note a keen interest both in our mentor programme for business and economics students and in the bank's summer project.

### **Reorganisation**

Changing customer behaviour and technological opportunities call for adjustments to the organisation. Digitalisation and automation of customer and production processes lessen the need for people in parts of the business. Targeted reorganisation processes have been carried through in parts of the organisation, and 39 severance packages were agreed in 2017. The processes are described more fully in the chapter on corporate social responsibility.

### **Employee development**

The bank's managers and staff are its most important resource and a crucial differentiating factor when it comes to attaining goals and fulfilling strategies. That is why the bank attaches great importance to developing competence and skills. Internal training activities are arranged on a substantial scale, and many

of our talented managers and staff are offered opportunities for professional and personal development on external courses and at educational institutions. The bank works continuously to identify competence needs in the short and long term to assure our ability to offer our customers advisory and other services of the highest quality.

In 2017 we completed a pilot project on the use of virtual reality (VR) technology in training our customer advisers. The project is continuing in 2018 the focus on training of relationship skills in the context of dialoguing with customers.

### **New pension scheme**

As from 1 January 2017 all employees were members of a defined contribution pension scheme. Although the bank closed its defined benefit scheme in 2008, about half of employees were still on that scheme at the start of 2016. After a long and thoroughgoing process with the employees' representatives it was decided to transfer all employees to the defined contribution scheme. The bank also decided with effect from 2017 to increase the defined contribution rates to 7 per cent from 0 to 7.1G\* and to 15 per cent in the interval 7.1 to 12G\*.

### **Health, environment and safety**

The bank has a targeted focus on measures designed to promote a good work environment, and substantial resources are devoted to encouraging good health through physical activity and keeping fit. The programme "Better Shape" stimulates individuals and departments to keep fit by holding competitions and awarding prizes, by subsidising fitness centre membership and by organising fitness activities at work. Employees log their workouts in a digital fitness diary, and the share of employees who tracked their workouts in 2017 was 81 per cent.

Sickness absence in 2017 was 4.0 per cent, with sickness absence reported by the employees and by a doctor accounting for 0.8 per cent and 3.2 per cent respectively.

### **Gender equality**

SpareBank 1 SMN is concerned that women and men should have equal opportunities in terms of personal development, salary and career. At the pay settlement in 2017 correctives were applied to ensure that pay level imbalances between women and men were evened out. The gender distribution at the bank in 2017 was 51.2 per cent women and 48.8 per cent men. The proportion of female managers was 41.8 per cent. The group management team consists of six persons, of which one is a woman. The bank's focus on diversity and gender equality/equal opportunity is described in detail in the chapter on corporate social responsibility.

<b>Society/social conditions</b>	<b>2 017</b>	<b>2 016</b>
No. Of FTP equivalents	595	630
Sickness absence	4 %	3,9 %
Women's share of workforce	51,2 %	51,8 %
Womens's share of senior positions	41,8 %	41,2 %
Average age	46 yrs	46 yrs
Employee engagement	83	N/A

\*G = the basic amount available under the Norway's national insurance scheme.