

The people - the bank's greatest asset

Behind the strong accounting figures lie good economic conditions and solid banking. However, the bank's greatest asset by far is, and will continue to be, the skills and competence of its staff.

The people

Technological development and changing customer behaviour means the bank has to adapt to a new daily life and equip itself for the future. This influenced the work done on organisation development and management in 2018.

Reorganisation along with management and staff development with a view to building new competence and new skills for the bank of the future had high priority in the past year.

At the end of 2018 the bank employed 580.4 FTEs.

Vision and values

We have a keen focus on and awareness of our fundamental values: wholehearted, responsible, likeable and accomplished. Our values, together with the bank's vision "Together we make things happen", impart meaning, direction and energy to the people working at the bank. Moreover, we make active use of those values to build the bank's identity and to underpin a culture in which the staff thrive, working each day to create results for the good of our customers and the bank alike.

Recruitment and employer attractiveness

SpareBank 1 SMN is among the region's most attractive employers and draws keen interest when job vacancies are to be filled. In 2018 many new, high-quality staff were recruited who, together with the organisation as a whole, will be important contributors to the work of adapting and developing the bank in line with the considerable changes facing us.

The bank maintains a targeted focus on colleges and universities with a view to building relations with talented students. We attract many applicants and note 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. Adjustments have accordingly been made in parts of the organisation, and 13 severance packages were agreed in 2018. The processes are described more fully in the chapter on corporate social responsibility.

Management and staff development

The bank's managers and staff are its most important resource and a crucial differentiating factor when it comes to realising goals and 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.

SpareBank 1 SMN is affiliated to industry schemes for the financial industry, and all our financial advisers are required to complete the requisite certification programme. In 2018, a new industry scheme was introduced for the credit area. By the end of 2018, a large share of our advisers and managers had completed the new certification programme. All our retail market advisers must obtain certification by the end of March 2019.

In addition to the industry schemes and basic competence building in the various product areas, we maintain a keen focus on developing the skills needed to ensure a good customer experience and high quality advisory services. In 2018, we completed a project involving the use of virtual reality (VR) technology in training customer advisers in communication and relationship skills in the context of customer dialogue.

In 2018, we held the management development programme SKIFT2020. All managers with personnel responsibility have completed five modules focusing both on individual and collective management skills that we as an organisation need to master in order to attain our ambitious goals. The programme continues in 2019.

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 2018 was 84 per cent.

Sickness absence in 2018 was 4.2 per cent, with sickness absence reported by the employees themselves and by a doctor accounting for 0.7 per cent and 3.5 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 2018 correctives were applied to ensure that pay level imbalances between women and men were evened out. The gender distribution at the bank in 2018 was 49.7 per cent women and 50.3 per cent men. The proportion of female managers was 42.6 per cent. The group management team consists of six persons, of whom one is female. The bank's focus on diversity and gender equality/equal opportunity is described in detail in the chapter on corporate social responsibility.

| Society/social conditions | 2018 | 2 017 |
|------------------------------------|---------|---------|
| No. Of FTP equivalents | 580 | 595 |
| Sickness absence | 4.20 % | 4.00 % |
| Women's share of workforce | 49.80 % | 51.20 % |
| Womens's share of senior positions | 42.60 % | 418 % |
| Average age | 46 år | 46 yrs |
| Employee engagement | 82 | 83 |