

Community dividend

Community dividend raised to a new level

SpareBank 1 SMN is the undisputed market leader in Central Norway. Polls of both the retail market and the corporate market show the group to be the preferred choice as regards banking, accounting and real estate agency services. This position has been built up through almost 200 years, and the bank has stood shoulder to shoulder with people and businesses in the region in their upturns and downturns.

This trust imposes an obligation.

The Central Norwegian community is the largest single owner of SpareBank 1 SMN, with a stake of close to 40 per cent. The community dividend is thus the populace's rightful share of the bank's profit. The dividend moneys go to supporting good projects that build and develop Central Norway.



"Distributions of community dividend rose from NOK 80m in 2019 to NOK 200m in 2020. This considerably strengthens our opportunities to support local communities in the region. We will now go forth and ask people, businesses, clubs and associations throughout the region how they think the community dividend should be invested in the period ahead", says Eli Arnstad, bank manager at Community Dividend.

2020 – A unifying community response to Covid-19

When the pandemic hit with massive force in March 2020, community dividend worth NOK 100m was earmarked for Covid-related voluntary initiatives, cultural life and local communities. Through a variety of support arrangements, the bank eased the situation for actors that were particularly hard hit. The aim was to encourage solidarity and activity during an abnormal and difficult time for many.

"We awarded grants to creative and other artists enabling them to devote a period of inactivity to new projects. 200 marching bands received support to create a festive mood for Norway's national day, and 10,000 children and youngsters were invited to activities safe from coronavirus. Together with local business and industry we played our part in obtaining jobs for 750 young people. In addition we set the stage for more than 100 student organisations to continue their activities in a safe and secure manner," Ms Arnstad explains.

Outdoor concerts, an outdoor cinema and other cultural happenings that eased life during Covid-19, also received financial support. Just before Christmas 2020, SpareBank 1 SMN organised a Christmas concert that was communicated digitally on a broad front to senior centres and institutions throughout Central Norway. Overall, these initiatives have also secured work for a number of occupational groups that were left high and dry when the pandemic hit.

All in all, the group's support arrangements during the pandemic have achieved a broad outreach in traditional and social media alike. This type of visibility is important in building awareness and knowledge of the significance of the community dividend and the power intrinsic to the savings bank's ownership model.

Although the Covid response effort took up much of the community dividend's work and funds in 2020, there has also been room for other activities. Projects linked to the UN sustainability goals now closely follow the priorities applied to community dividend.

SpareBank 1 SMN distributed NOK 1m in grants to 25 talented individuals in the fields of culture, sports, and business and social development. About NOK 10m went to causes aimed at making food consumption and food production in the region more sustainable. The group also entered into a collaboration with the Norwegian University of Science and Technology (NTNU) to ensure the establishment of a campus pilot to promote students' entrepreneurial skills and to support the development of innovation-oriented student activities.

Ms Arnstad emphasises that the power inherent in SpareBank 1 SMN's projects often triggers both commitment and substantial funds to the voluntary sector in local communities. *"As a rule, 1 krone's worth of community dividend triggers a total of 6 kroner. The 'spleis' campaign to secure a positron emission tomography (PET) scanner in Sunnmøre is a good example of this mechanism. Our grant of NOK 1.5m sparked a communal effort which ensured that the target of NOK 30m was reached by an ample margin. The establishment of an environment-friendly artificial turf pitch at Frosta is another example; we matched each krone, ensuring that the target was reached, and passed,"* she adds.

The campaign 'Takk for maten', whose goal was to reduce food waste in the region, was also popular in 2020. Of particular note is the project 'Geitmyra Matkultursenter' in Trondheim where children learn healthy and sustainable food habits.



Development in the size of social dividend

The community dividend will lift the region in the period to 2023

Ambitions for community dividend have grown considerably, and will leave their imprint throughout SpareBank 1 SMN in the run-up to the 200th Anniversary in 2023. People and businesses in Central Norway will see that it pays for towns and local communities to make local choices. When the region prospers, SpareBank 1 SMN prospers. And if SpareBank 1 SMN prospers, the region also benefits through larger dividend payouts to the community.

SpareBank 1 SMN's ownership model, entailing close relations with people and businesses, is rock solid – as it has for almost 200 years.

"The community dividend enables us to invest in local communities. We will build and develop our region together with enthusiasts, competence institutions and everyone else that makes things happen in Central Norway," Ms Arnstad emphasises.

In 2020 a new strategic direction for the application of community dividend was adopted. Five priority investment areas were selected, one of which is sustainability/climate and the environment. The other areas are art and culture, sports and outdoor recreation, innovation and value creation and community. The UN sustainability goals will permeate all work on community dividend, and will underlie the investments made. All who apply for allocation of community dividend are now required to explain which sustainability goal(s) their application supports. Ahead SpareBank 1 SMN will focus on establishing good measuring and reporting tools that can document how community dividend contributes to sustainable development in Central Norway. This is fully in line with the key role of community dividend in the group's sustainability strategy.

"SpareBank 1 SMN shall stimulate sustainable development of Central Norway through its role as a driver for a green transition, as partner for the inclusive development of society and guide for a responsible corporate culture. We shall achieve this through continual improvement of our own day-to-day operations and organisation culture, development of our customer offering and responsible application of community dividend."

