

Statement by the Group CEO

2021 proved to be another unusual year. We grew used to the pandemic, acquired vaccines and learned to live with uncertainty. The climate challenge reigns at the very top of the global political agenda. In Norway a new government has taken office, while Norwegian banks have had to meet ever stricter government and regulatory requirements.

Handling these changes has been high on the agenda of the board of directors and management team of SpareBank 1 SMN, and we have once again demonstrated that our savings bank model and organisation are eminently suited to rapid adaptations. The crux is being close to our customers and the region, keeping a cool head and local decision making.

In addition we have devoted much time to business development, not least in terms of establishing closer links between the business lines. It goes under the name "One SMN", which means developing a fully-fledged finance centre physically and digitally. For our customers the upshot will be better access to broader expertise and a wider array of better integrated services. For our employees we will become an even more attractive workplace with greater emphasis on skills development and more diverse career opportunities. For our owners and shareholders it means we are taking the group's robust revenue income platform yet a step further.

The mobilisation of energies makes for high growth in all business lines and strengthens the group's market position. This is especially true for Corporate Banking, where growth in lending and deposits is higher than for many years. In addition, SpareBank 1 Markets delivered a very strong 2021, at the same time that Regnskapshuset continues to expand. Retail Banking similarly shows good growth and profit figures for the bank, combined with a record year for EiendomsMegler 1 Midt-Norge. The year 2021 was quite simply a good year for SpareBank 1 SMN.

The good year is also reflected in the price performance of the bank's equity certificate (EC). Prior to the pandemic the peak quotation was around NOK 105, while at the turn of 2022 it reached around NOK 150. We have moreover paid dividends of NOK 4.40 per EC over the course of the year.

An important strategy tool for SpareBank 1 SMN is cooperation. Much of this involves SpareBank 1-alliansen which includes strong product companies and a leading developer of digital solutions. A particularly important product company is the non-life insurer Fremtind, of which DNB is co-owner. This company reports a strong trend and excellent profits for 2021. Another joint venture is Vipps which in 2021 communicated its readiness for the Nordic markets by virtue of its merger with Danish Mobilepay and Finnish Pivo. The latest joint venture of which SpareBank 1 SMN is now a part is the car subscription company Fleks, of which Bertel O. Steen is co-owner.

Cooperation also characterises our approach to sustainability. Besides our substantial intragroup effort, we invite customers and organisations to join us in dialogue and cooperation. A pertinent example is our development, in collaboration with technology companies in Trondheim, of the tool "*My Climate Track*" which helps customers become more aware of the sustainability of their shopping habits through a dedicated internet bank and mobile bank function.

Our ownership model ensures that good performances by the bank also benefit the community. Knowledge of this model, and probably also its positive effect on the bank's position, have grown. Not least, much

interest has focused on the support given to cultural activities, the voluntary sector and local business and industry in the various phases of the pandemic.

The latest lockdown has increased economic uncertainty globally and nationally. The situation in Ukraine contributes to further uncertainty. Even so, we believe that 2022 will show high activity levels, low unemployment and a good economic trend in Mid-Norway and the rest of the country alike. That promises good framework conditions for a continued positive trend for SpareBank 1 SMN. At the same time a solid capital situation puts us in a position to manage uncertainty while concurrently seeking profitable growth.

The macroeconomic outlook is good, although international apprehensions and sanctions imposed on Russia cloud the picture. The board of directors and the management team are aware of threats and challenges the group may encounter. On the risk side, cybercrime and the transition risk posed by climate change figure prominently. Where challenges are concerned, a major effort is being made both to adapt to government requirements and to assure the required green innovativeness. Changes in the Norwegian savings bank structure are also on our agenda.

At the threshold of 2022 we have learned to live with the pandemic and its restrictions. We have also learned what we are missing. I personally look forwards to travelling round Mid-Norway to meet customers, employees and shareholders. As we state in our vision: it is together that we make things happen.

Jan-Frode Janson

Group CEO at SpareBank 1 SMN