

This is SpareBank 1 SMN

- a community builder for 200 valuable years

Our history goes back 200 years, all the way to 1823. Wealthy, powerful merchants held financial sway in Trondheim at the time, and a majority of the town's populace were servants or day labourers. Norges Bank had already been established here in 1816 but, contrary to expectation, was little used by the business community.

Trondheim was by then Norway's third-largest city, and was popular among Norwegian and foreign newcomers alike. Among them was the 32-year-old Jacob Roll from the south-east of Norway who settled here in 1815. He was both wealthy and powerful, and assumed a prominent position in the city right from his arrival. He was to be a highly important man in the history of the city, not least in our history.

The first savings banks in Norway saw the light of day in the 1820s, and in Trondheim the need for a bank started to become apparent. The need was felt both by the business community and by ordinary townsfolk who up to now were unable to earn interest on their savings.

Five men, headed by Jacob Roll, took the initiative to set up a savings bank. They were joined by more of the city's better-off men – men who were keen to build their community and to support business. In 1823, 44 of them put 1,596 speciedaler of their personal resources on the table, just over 400.000 kroner in today's money, to provide enough capital to start a savings bank.

Little did they know that this was to be the start of a long and proud history, a history still in the writing. On 26 May 1823 Trondhjems sparebank was founded, thanks to these citizens and their 1,596 speciedaler. This was the third savings bank to be established in Norway, and it is this bank that is SpareBank 1 SMN today.

The bank was to be for ordinary people. It was established in the best interest of working people and domestics, and men and women alike could deposit small sums which earned interest. The annual report from 1824 shows that deposits with the bank were made by two public foundations, four wives and widows, eight government officials, one merchant, 18 craftsmen, 26 prosperous citizens' children, 40 servants and eleven day labourers.

Between the 1820s and far into the 1900s new savings banks were established across the entire region. Many of them were amalgamated with what was once Trondhjems Sparebank. Trondhjems Sparebank became Trondhjems og Strindens Sparebank, which in turn became SpareBank 1 Midt-Norge and, in 2008, SpareBank 1 SMN.

In the 2000s we started to look beyond Trøndelag. The acquisition of Romsdals Fellesbank in 2005 was a highly important step in the transition from a bank for Trøndelag to a bank for the whole of Mid-Norway. Then, in 2008, followed the acquisition of the failing Icelandic bank, Glitnir Bank, which had previously bought up BN Bank and Kredittbanken in Ålesund. That provided us with the basis for a solid presence in Sunnmøre. On 2 May 2023 we merged with SpareBank 1 Søre Sunnmøre which has further entrenched our position in Møre and Romsdal.

The men who founded Trondhjems Sparebank were concerned to build their community and to play a part in helping the less well-off to accumulate savings. They also wanted the community to own the bank, and as

early as 1847 parts of its net profit were devoted to supporting projects that would benefit the local populace. In 1870 it was formally resolved to distribute one-tenth of actual profit to charitable causes, both social and cultural.

Over the course of 200 years both we and the community have changed. The project to which it was decided that the bank should make an annual contribution from 1847 onwards was the establishment of a forced labour institution, the public utility of which may be somewhat difficult to rally round today. What has not changed is that we still distribute parts of our net profit. Today more than 40 per cent is returned to the community each year. Known as the community dividend, it is invested mainly in five areas: art and culture, sports and outdoor recreation, innovation and value creation, community building and sustainability.

Moreover, today we are much more than a bank. We are the region's leading financial services group and can offer our customers a comprehensive and cohesive range of products and services in the banking, accounting and estate agency spheres, far beyond Trondheim.

Our head office remains in the city in which we were founded. We have kept to the same location since 1882, although the 'old bank' – which back in the day was capacious enough to house both Trondheim Art Society and a family along with the bank – has expanded along Søndre gate and now covers an entire block. Today we have offices throughout the region, from Rørvik in the north to Førde in the south and Røros in the east. In 2023 we also opened an office in Oslo.

The set of values dating from 1823 has been with us throughout our history and stands strong to this day. Our main objective is, and has always been, to provide good financial advice to people and businesses in good and bad times alike. The community remains our largest stakeholder and each year receives its rightful share of our net profit.

We have a big heart for the local communities across our region, and an unwavering belief that *Together we make things happen*. Not least, we have an unwavering belief that 'value' means far more than money. Together with people, businesses, clubs, organisations and local communities we have created value for 200 years. This we shall continue to do.

Our ambition

SpareBank 1 SMN's aspires to be the leading financial services group in Mid-Norway and among the best performers in the Nordic region. We aim to create financial value, to build the regional community and to assume our share of the responsibility for a sustainable development.

Our goals

With our strong customer relationships and high return over time, we have a good foundation on which to build further. We have clear-cut objectives in terms of profitability, financial position and efficiency.

Our goals for the coming period are:

- Profitable, with a 13 per cent return on equity
- Financially solid, with a CET1 ratio of 16.3 per cent. Payout ratio about 50 per cent

- Efficient. Annual goal of a cost-income ratio below 40 per cent at the parent bank, and below 85 per cent at subsidiaries
- Responsible. To achieve net zero emissions by 2050
- Strengthen our market position. Ambition to be number 1 in the group's areas of business
- More and more satisfied customers. Ambition to have the most satisfied customers in all business lines and market areas
- Proud and committed employees. Ambition to have the most committed staff in the financial industry in Norway
- Quality in all our work

Strategic priorities

We highlight five strategic priorities as particularly important in achieving the group's vision and long-term goals. These strategic priorities have been at centre stage since 2020, and will stand firm through 2024:

- Create 'One SMN' with a strengthened customer offering and close interaction across the bank, subsidiaries and support functions.
- Increase digitalisation and use of insights to ensure relevant advice, leading digital solutions and efficient operations.
- Head up the development of Norway's savings banks by exploiting the developmental power present in the SpareBank 1 Alliance, in collaboration with regional and national partners in the financial industry.
- Integrate sustainability into the business in order to reduce risk, and to stimulate sustainable development of Mid-Norway.
- Exploit the power inherent in our ownership model in order to contribute to the region's value creation, strengthen local business and industry and instil pride and commitment among employees.

SpareBank 1 SMN's organisational set-up

We are an independent regional savings bank and the region's leading financial services group. Together with our subsidiaries and affiliates, we are a complete financial centre catering to both the retail and the corporate market. With subsidiaries included, we have about 1,740 employees at the end of 2023.

SpareBank 1 SMN is one of six owners of the SpareBank 1 Alliance. Through this alliance and our own subsidiaries we offer competitive products in the fields of financing, savings and investment, insurance and payment services along with estate agency, leasing, accounting services and capital market services.

SpareBank 1 SMN is organised under the following structure:

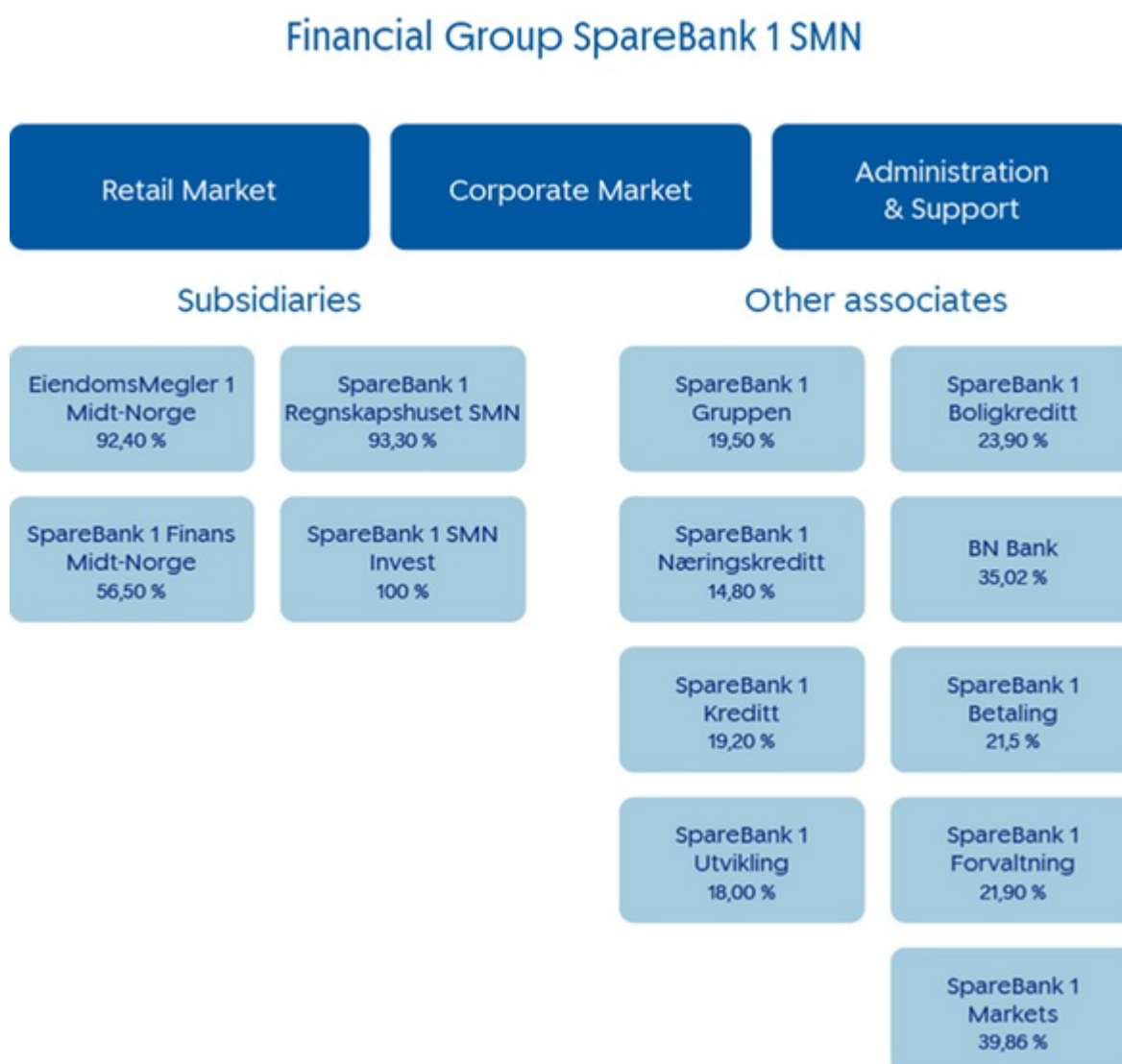


Figure 1: Overview of business lines in SpareBank 1 SMN

Our head office is located in Trondheim and the group has altogether 63 offices.

Some offices are stand-alone and in many localities two business lines are co-located under the same roof. 15 offices are what we term finance centres in which banking, accounting and estate agency businesses are present in one and the same location.

Where to find us:



Figure 2: Overview of SpareBank 1 SMN's offices

The group's head office is located in Trondheim along with a number of offices offering banking, accounting and estate agency services on a stand-alone or co-located basis.

Subsidiaries

EiendomsMegler 1 Midt-Norge

EiendomsMegler 1 Midt-Norge is a subsidiary of SpareBank 1 SMN. SpareBank 1 Nordmøre is co-owner. EiendomsMegler 1 Midt-Norge owns Brauten Eiendom and is part of EiendomsMegler 1-alliansen, the country's largest provider of estate agency services. The company, including Brauten Eiendom, has approx. 260 staff distributed across some 30 offices throughout Trøndelag and Møre and Romsdal, and focuses on existing homes, commercial property, new builds, rental and agricultural brokerage services. EiendomsMegler 1 Midt-Norge celebrated its 50th anniversary in 2023.

SpareBank 1 Regnskapshuset SMN

SpareBank 1 Regnskapshuset SMN is a subsidiary of SpareBank 1 SMN. Other owners are SpareBank 1 Gudbrandsdal and SpareBank 1 Lom og Skjåk. The company has some 550 employees across 43 locations in Trøndelag, Møre og Romsdal, Innlandet and Oslo. The company is a fully fledged finance and technology

centre and is one of the three largest operators in the accounting industry in Norway. In addition to traditional accounting services the company offers services in the fields of sustainability reporting, HR, transfer of ownership, taxes and duties, and IT.

SpareBank 1 Finans Midt-Norge

SpareBank 1 Finans Midt-Norge is a subsidiary of SpareBank 1 SMN. Other owners are Sparebanken Sogn og Fjordane, SpareBank 1 Sørøst-Norge, SpareBank 1 Østfold-Akershus, SpareBank 1 Nordmøre, SpareBank 1 Hallingdal Valdres, SpareBank 1 Gudbrandsdal and SpareBank 1 Lom og Skjåk. The company offers leasing, commercial loans, vendor's lien and invoice sale services to about 38,000 retail customers and 6,200 corporate clients. The company markets its products through parent banks, car dealers and direct sales. SpareBank 1 Finans Midt-Norge has total assets of NOK 12.4bn and is represented in the counties of Trøndelag, Møre and Romsdal, Vestland, Vestfold and Telemark along with Innlandet and Viken.

The proportion of financed objects with electric transmissions is growing strongly in the retail and corporate market alike. The company's credit policy sets clear guidelines for various requirements on businesses, products and sectors and takes particular account of sustainability so as to set the stage for customers to opt for more sustainable options when procuring new objects.

SpareBank 1 SMN Invest

SpareBank 1 SMN Invest AS is a wholly owned subsidiary of SpareBank 1 SMN, and holds shares and units in regional growth companies and funds. Activity in the company has been reduced, and it will not investing in new individual companies. The portfolio will accordingly be scaled back over time. The company's securities portfolio is worth NOK 536m at the end of 2023.

SpareBank 1 Alliance's companies

The SpareBank 1 Alliance consists of 13 independent savings banks that collaborate on a shared platform and brand. The collaboration is organised through the jointly owned companies SpareBank 1 Group and SpareBank 1 Utvikling with subsidiaries, in addition to a number of companies directly owned by the SpareBank 1 banks.

SpareBank 1 SMN's has a stake of 19.5 per cent in the SpareBank 1 Group. The SpareBank 1 Group wholly owns SpareBank 1 Forsikring, SpareBank 1 Factoring and SpareBank 1 Spleis. The SpareBank 1 Group holds a 65 per cent stake in Fremtind Forsikring and 50 per cent of Kredinor. In addition, SpareBank 1 SMN, together with other SpareBank1 banks, directly owns SpareBank 1 Boligkreditt, SpareBank 1 Næringskreditt, SpareBank 1 Kreditt, SpareBank 1 Betaling, SpareBank 1 Forvaltning and BN Bank.