

# Important events in 2023

## First quarter 2023

- Profit of NOK 778m after tax and a return on equity of 13%.
- Higher margins on lending strengthen revenues from the bank, in addition to good results from the accounting and estate agency businesses
- High inflation makes for increased costs
- SpareBank 1 SMN reports a hired-in substitute in the bank to the police for gross embezzlement. The person concerned is imprisoned and charged.
- In February the community dividend fund launches a support scheme for initiatives that promote equal opportunities for children and young people. The scheme's focus is on initiatives in the sphere of social inclusion, economic outsidersness and mental health

## Second quarter 2023

- Profit of NOK 923m after tax and a return on equity of 15.1%.
- Solid capitalisation and good liquidity puts us in a good position for further growth.
- A legal merger with SpareBank 1 Søre Sunnmøre is carried out and is expected to strengthen our position in Sunnmøre and Fjordane.
- High interest earnings as a result of growth and repricing.
- In May we celebrated our 200<sup>th</sup> anniversary and invited local communities throughout Mid-Norway to join our celebrations. Through our community dividend we supported a number of projects designed to create value for many years ahead.
- We make our largest ever investment of community dividend resources with a contribution of NOK 150m to the establishment of Såkorn 1 Midt, a seedcorn fund.

## Third quarter 2023

- Profit of NOK 740m after tax and a return on equity of 11.1%.
- The result for the quarter is affected by seasonal variations and extraordinary events. A tax expense correction and an impairment write-down of a shareholding in SpareBank 1 Mobilitet Holding negatively impact the result, along with seasonal variations recorded by SpareBank 1 Regnskapshuset SMN, EiendomsMegler 1 Midt-Norge and SpareBank 1 Markets and a deficit at the SpareBank 1 Group in the quarter.
- The merger with SpareBank 1 Søre Sunnmøre has a positive impact on growth, revenues and financial soundness, although the result is affected by merger costs.
- We prepare for dampened demand ahead and focus our growth strategy on geographical locations, prioritised customer segments and increased synergies at the finance centres with the ambition of strengthening our market position.
- The bank is solid with a capital ratio well above regulatory requirements. Robust loan portfolios, solid capital adequacy and ample liquidity provide prospects for further growth and good dividend capacity.
- We recruit further private banking advisers from Danske Bank to our offices in Trondheim and Oslo, thereby strengthening our offering to the private banking customer segment.
- The high cost of living is starting to bite and more customers are struggling to cope with increased expenses. A financial health team is set up focusing on preventive measures to assist financially vulnerable households.

- We continue to mark our 200<sup>th</sup> anniversary with a jubilee voyage, festivities and jubilee concerts in several locations in the region. The crew for the voyage consists of intrepid young people from across the world who have participated in an eight-month-long sustainability project that we organised in collaboration with the United Nations Association of Norway and the World Federation of United Nations Associations (WFUNA).

#### Fourth quarter 2023

- Net profit of NOK 1,247m and a return on equity of 18.3 per cent.
- Norges Bank raised its base rate to 4.50 per cent in December and credit growth to households slowed further in the fourth quarter.
- In December 2023 the transaction whereby SpareBank 1 SR-bank and SpareBank 1 Nord-Norge joined SpareBank 1 Markets on the owner side was finalised. As a result SpareBank 1 SMN now owns 39.9 per cent of SpareBank 1 Markets while SpareBank 1 SR-bank owns 33.34 per cent and SpareBank 1 Nord-Norge owns 18.1 per cent.
- Fremtind Forsikring and Eika Forsikring enter an agreement of intent to merge. The merged company will be known as Fremtind Forsikring.
- SpareBank 1 Kreditt and Eika Kredittbank pool their credit businesses in order to strengthen competitiveness and credit practices. The merged company's business address will be in Trondheim.
- SpareBank 1 SMN received a new Pillar 2 requirement in the fourth quarter. The requirement was lowered to 1.7 percentage points and must be met with a minimum of 56.25 per cent CET1 capital. In light of the change, the group's long-term CET1 target is revised to 16.3 per cent.
- The group continued its employee savings programme in the bank's equity certificates in the fourth quarter. The programme is designed to motivate employees to become co-owners of the bank. As much as 74 per cent of the employees have now joined the programme.