Annual report

2024

Bank
Eiendom
Regnskap

Front page photo; Eidsvatnet, Sunnmøre, Møre and Romsdal

Bohusvatnet, Sunndal

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Nidelva, Trondheim

This is SpareBank 1 SMN

Statement by the Group CEO

- Strategic strength and growth

Jan-Frode Janson
Group CEO SpareBank 1 SMN

2024 has been an eventful year for SpareBank 1 SMN in which we consolidated our position as Mid Norway's largest financial services group, while at the same time strengthening our role of committed and vigorous community builder.

The financial figures document broad and profitable growth. A high CET1 ratio shows us to be rock solid and thus well equipped both to handle market uncertainty and to continue our profitable growth. Our equity certificate shows a dividend-adjusted return close to 30 per cent for 2024. The year is thus one in a long sequence proving that the savings bank model creates value within, together with and for the local communities of which we are a part.

Our ambition is to be the world's best finance centre – physically and digitally. Our finance centres offer the customer a comprehensive range of financial services for personal and corporate customers alike. SpareBank 1 Regnskapshuset SMN continues its fine trend, and further acquisitions have enabled the establishment of further finance centres across the entire region that bring together all services under one roof. Our latest establishment in Sykkylven is a prime example. In 2025 we are also opening the doors of a brand new finance centre in Kristiansund. With 26 finance centres dispersed across towns and local communities throughout the region, we are strengthening our undisputed number 1 position in Mid Norway.

The digital aspect of our finance centres gained extra recognition when SpareBank 1's mobile bank was voted Norway's best. In parallel, we have taken into use artificial intelligence with a view to improving customer solutions and internal processes alike. Hence innovation is an important focus when it comes to further evolving our 200 year old business model. And where innovation is concerned, I borrow the words of Professor Peter Drucker: "Innovate or die".

Banking operations have seen a particularly strong year with profitable growth recorded in the business and personal markets alike. EiendomsMegler 1 Midt-Norge can also point to strong figures, with a particularly strong position in the market for new dwellings. Regnskapshuset is well into a comprehensive journey of change in a rapidly evolving segment. We accordingly hold high expectations for developments ahead. We also hold expectations for SpareBank 1 Finans Midt-Norge which showed good and profitable growth in the year behind us.

In 2024 we also sought to further evolve how we work as one group, and our organisational set-up. The customer and the customer journey have been at centre stage in this process. Through the organisation project "One SMN 2.0" we are developing shared functions across the business lines. These functions cover everything from process and product development, via efficient processes for preventing economic crime, to digital sales and marketing.

Where jointly owned companies are concerned, a highly important event was the merger between Fremtind and Eika Forsikring. The merger makes Fremtind market leader in personal insurance in Norway. And right at the close of the year Vipps, a Norwegian mobile payment app, now permitted contactless payment, i.e. tapping. This is a longed-for piece of news for our personal and business customers alike.

In 2024 we highlighted public health as a focal area in the management of our community dividend. In February news spread of our award of NOK 50 million to neuroscience research at the Kavli Institute in Trondheim. The opportunity to contribute to the neuroscience research conducted by Nobel laureates May Britt and Edvard Moser warmed all our hearts.

In June 2024 we entered a historic collaboration with the Norwegian University of Science and Technology (NTNU) on artificial intelligence. We are contributing NOK 40 million over a number of years, and joining AI Lab as partner. This collaboration is an important contribution to building and strengthening competitive advantages for business and industry in the region, but also in the nation as a whole.

We have also distributed funds to a number of projects large and small across all of Mid Norway through a support arrangement for clubs and associations working, for example, with outsiderness and mental health, children's outdoor play areas and adults' walking trips to recreational chalets ("Dagsturhytta"). On the sustainability front we have launched a support arrangement for Eco-Lighthouse certification for small and medium size businesses. Close to 100 businesses have received support to that end.

2024 has, like previous years, been marked by turbulence and conflict. War in Europe, turmoil in the Middle East, rising prices and a presidential election in the United States have created uncertainty in financial markets and politics alike. Here in Mid Norway both households and firms have experienced tighter finances. At the same time, lower inflation and prospects of interest rate cuts give hope of improvement. Our own Economic Barometer, based on figures from around 600 business leaders in the region, clearly evidences the growing optimism.

In a turbulent and uncertain world it is extra important for us to be a rock solid bank with 200 years' experience in handling change. As always with a clear promise to keep a cool head and to maintain our presence in upturns and downturns alike. And, as always, with a vision that underscores our will and ability to collaborate; together we make things happen.

Important events in 2024

First quarter

- Net profit of NOK 1 084m and a return on equity of 16 per cent.
- In January 2024, the transaction agreement to amalgamate the insurance businesses of Fremtind and Eika was signed. The Competition Authority's approval for the merger was granted on 1 March 2024.
- In the first quarter SpareBank 1 SMN reached a settlement in the embezzlement affair whereby the insurance company disbursed NOK 30 million to the bank. The embezzlement was first reported on in the first quarter of 2023.
- In spring 2023 it was decided to allocate up to NOK 150 million from the bank's community dividend for sustainable early-stage investments in Mid-Norway. An additional NOK 100 million in capital has now been raised in addition to the contribution from SpareBank 1 SMN, which means a total of NOK 200 million.

Second quarter

- Net profit of NOK 1 015m and a return on equity of 15,4 per cent.
- The Financial Supervisory Authority (Finanstilsynet) approved the merger between Fremtind Forsikring AS and Eika Forsikring AS on 27 June 2024. The transaction was carried through on 1 July and resulted in a significant equity increase in Fremtind.
- The SpareBank 1 Gruppen became the controlling interest in Kredinor in April 2024 with an equity interest of 68.6 per cent with an increase of capital resulting from the conversion of a convertible loan.
- The board of directors of Fleks filed for bankruptcy on 13 May 2024. SpareBank 1 Finans Midt-Norge and other SpareBank 1 banks owned 47.2 per cent of the company. With a view to ensuring a controlled disposal of the business, SpareBank 1 Finans Midt-Norge took over Fleks Green Fleet 01 AS, which was previously a subsidiary of Fleks.
- SpareBank 1 SMN and the Norwegian University of Science and Technology, Trondheim (NTNU) initiated a collaboration to strengthen the university's work on artificial intelligence (AI). SpareBank 1 SMN is to be a full partner in the AI Lab, and over the next five years NOK 40m of the bank's community dividend will be allocated to research in this field.

Third quarter

- Net profit of NOK 1.441m and a return on equity of 21,0 per cent.
- SpareBank 1 SMN has recognised a gain of NOK 452m as a result of the merger between the insurance arms of Fremtind and Eika.
- The group strengthens its focus on "One SMN" and, with a view to ensuring further synergies, changes are being made to the organisational structure. After the changes the bank will have two business lines, Retail Banking and Corporate Banking, with agriculture forming part of Corporate Banking. Development efforts across the business lines are assembled in the division for "Technology and Development". A new division with responsibility for quality and operational efficiency enhancements is also being established. The organisational changes will take effect on 1 January 2025.
- The loyalty programme agreement for the country's LO members is extended. The agreement covers both mortgage loans and savings products, and is part of the loyalty programme LO Favør.

Fourth quarter

- Net profit of NOK 1.052m and a return on equity of 14,4 per cent.
- In December 2024 the government decided to lower the minimum deposit required for residential mortgages from 15 to 10 per cent. It was also decided to allow banks to take account of income growth in the interest rate lock-in period for borrowers with a fixed interest mortgage when stress testing such mortgages.
- The group maintains its focus on "One SMN", and the finance centre model is further strengthened. 26 finance centres have been established in SpareBank 1 SMN's catchment area, each one co-locating all four business lines in the group.
- "Road to the World Championships" was among the initiatives to combine a focus on public health with SpareBank 1 sponsorship of the 2025 Ski World Championship. In collaboration with local sports clubs – and with support from the community dividend fund – lectures, a stage show and a mini world championship were organised at 10 different locations in SpareBank 1 SMN's catchment area.
- After a period of reduced, but positive credit growth to households, the twelve-month rate of credit growth to households has risen to 3.7 per cent as at December 2024. The corresponding figure for non-financial undertakings is 1.3 per cent. Norges Bank expects 3.8 per cent growth in household debt in 2025.

Financial performance measures

The group's financial alternative performance measures (APMs) are further described at smn.no

Description	Unit	2024	2023	2022	2021	2020
Profitability						
Return on equity	Per cent	16.6	14.2	12.3	13.5	10
Cost-income ratio	Per cent	42	45	42	45	47
Balance sheet						
Gross loans (ex. SB1 Boligkreditt and næringskreditt)	NOKm	180,102	169,862	152,629	147,301	134,648
Gross loans (incl. SB1 Boligkreditt og næringskreditt)	NOKm	249,350	236,329	211,244	195,353	182,801
Gross loans in retail market	NOKm	167,159	159,777	141,833	132,894	124,461
Gross loans in corporate market	NOKm	82,191	76,553	69,411	62,458	58,340
Growth in loans (gross)	Per cent	5.5 %	11.9 %	8.1 %	6,9 %	9.0 %
Impairment losses ratio	Per cent	0.05%	0.01%	0.00%	0,09 %	0.54%
Loans and advances to customers at Stage 3 in percentage of gross loans	Per cent	0.89%	0.88%	0.97%	1.68%	1.23%
Deposits from retail customers (Wage earners)	NOKm	62,581	57,874	48,316	44,589	40,600
Deposits from Corporates	NOKm	78,316	75,015	73,693	66,697	56,928
Growth in deposits last 12 month	Per cent	6.0 %	8.9 %	9.6 %	14,1 %	13.5 %
Deposit-to-loan ratio excl. SB1 Boligkreditt and SB1 Næringskre-ditt	Per cent	78%	78%	80%	76%	72%
Deposit-to-loan ratio incl. SB1 Boligkreditt and SB1 Næringskre-ditt	Per cent	57%	56%	58%	57%	53%

Description	Unit	2024	2023	2022	2021	2020
Solidity						
Common equity Tier 1 capital ratio	Per cent	18.3 %	18.8 %	18.9 %	18.0 %	18.3 %
Tier 1 capital ratio	NOKm	24,769	23,793	21,835	19,322	18,636
	Per cent	20.2 %	20.8 %	20.9 %	19.6 %	20.0 %
Capital ratio	Per cent	22.8 %	23.0 %	23.1 %	21.6 %	22.3 %
Risk weighted assets (RWA)	NOKm	122,622	114,633	104,716	98,664	93,096
Total eligible capital	NOKm	28,004	26,399	24,147	21,333	20,759
Liquidity Coverage Ratio (LCR)	Per cent	183	175	239	138	171
Leverage ratio	Per cent	7.0 %	7.2 %	7.1 %	6.9 %	7.1 %
Equity capital certificates (MING)						
Quoted price	NOK	171.32	141.8	127.4	149	97.6
No. of ECs issued	No. (million)	144.21	144.20	129.29	129.39	129.39
Market value	NOKm	24,706	20,448	16,471	19,279	12,629
Dividend per EC	NOK	12.50	12.00	6.50	7.50	4.40
Book value per EC	NOK	128.09	120.48	109.86	103.48	94.71
Profit per EC	NOK	20.60	16.88	12.82	13.31	8.87
Price-Earnings (PE) ratio, annualised	NOK	8.32	8.40	9.94	11.19	11.01
Price-Book (PB) value ratio	NOK	1.34	1.18	1.16	1.44	1.03
EC Fraction	Per cent	67%	67%	64%	64%	64%

Non-financial performance measures

This year it is decided to present the group's non-financial APMs in a recognisable format with the same focal areas as those defined in the wake of the group's materiality analysis in 2022 despite the fact that the APMs are not in line with the Corporate Sustainability Reporting Directive (CSRD).

Theme-specific objectives have not been set for 2025. This is a complex and time-consuming process which will be ongoing in coming periods. For the group it has been important to create a good foundation in the form of a double materiality analysis and reporting for use in this process.

In the course of 2025 processes will be initiated to update the group's targets and appurtenant APMs in connection with the introduction of CSRD and identified impacts, risks and opportunities (IROs). Such updating involves inter alia a complete revision of the group's targets and key performance indicators (KPIs) with appurtenant action plans and policies. Compliance with the minimum disclosure requirements (MDRs) in ESRS 2 will be a part of this process.

The Report of the Board of Director's will accordingly not include updated non-financial targets with appurtenant KPIs in line with MDRs and ESRS'. Goal attainment in terms of the goals set at the start of the reporting period is presented in the table to the right, and on the following page, as well as in the chapters *Climate change, Consumers and end-users, Community dividend* and *Business conduct* in the Report of the Board of Directors.

Responsible lending and investments	Target 2024	Results 2024
Losses due to fraud	< 22.5 NOKm	22.5 NOKm
Share of managers and employees having completed e-learning course in AML and anti-terrorist financing	100%	95%
Corporate loan volumes with ESG-score	90%	95%
Retail loan volumes with ESG-score	20%	0%
Share of loans that meet the requirement for green bonds	Under development **1)**	20%
Reduction of GHG-emissions from loan portfolios	SBTi **2)**	SBTi**2)**
Share of homes in the loan portfolio with energy performance certificates (EPC)	70%	38%
Share of commercial properties in the loan portfolio (>1.000 m2) with energy performance certificates (EPC)	90% of new grants	N/A

Advisory services and customer offering		
Sales volume products and services with an environmental benefit	> 3.000 NOKm	2.584 NOKm
Sales volume of products and services with a social benefit		47 NOKm
Category score for sustainability in WinningTemp	8	7.3
Share of managers and employees having completed e-learning course in ethics	100%	93%
No. of documented complaints of breaches of data privacy or loss of customers data	0	11

Sustainable transition of Mid-Norway	Target 2024	Results 2024
No. of participants in meeting places and innovation activities	6.000 participants 250 entrepreneur- and youth enterprises	6.025 participants 300 youth enterprises
No. of participants in competence and development programmes	500	450
Share of large corporate customers with credit commit-ments who have carbon accounting reports	25%	33%

Sustainable transition in SpareBank 1 SMN		
Share of Group's significant procurements (> NOK 100,000) from suppliers with carbon accounting reports	80%	73%
Share of managers and employees having completed e-learning course in information security	100%	93%
Reduction of GHG-emissions from day-to-day operations	SBTi 2)	SBTi 2)

1) The target has not been defined, pending updated target

2) Targets related to GHG-emissions are under development from 2023 in connection with the Group's commitment to SBTi.

3) This deviates from the EU Taxonomy. The Group disclosures related to the EU Taxonomy is disclosed under "Environment".

The Group's APMs on sustainability is described in the table to the right.

APM (sustainability)	Description
Losses due to fraud	Recorded operational losses due to fraud against the bank's customers.
Share of managers and employees having completed e-learning course in AML and anti-terrorist financing	Internal e-learning courses
Corporate loan volumes with ESG-score	Classification of corporate clients using the ESG model developed by the SpareBank 1 Alliance. Engagements exceeding NOK 10 million are classified as low, medium, or high ESG risk based on objective criteria
Retail loan volumes with ESG-score	A similar ESG model for retail customers has not been developed as of the reporting date.
Share of loans that meet the requirement for green bonds	The share of loans that meet the requirements of the bank's green bond framework, as published on the Group's website.
Reduction of GHG-emissions from loan portfolios	Reduction of Scope 3 Category 15 financed emissions
Share of homes in the loan portfolio with energy performance certificates (EPC)	The share of dwellings with valid EPC's
Share of commercial properties in the loan portfolio (>1.000 m2) with energy performance certificates (EPC)	The APM is no longer valid
Sales volume products and services with an environmental benefit	Environmental benefit is defined as green products in the bank's product hierarchy, sustainability services in SpareBank 1 Regnskapshuset, green loans in SpareBank 1 Finans MN, or commercial brokerage in Eiendomsmegler 1 MN.
Sales volume of products and services with a social benefit	Social benefit refers to products with social advantages, such as those that promote social inclusion.
Category score for sustainability in WinningTemp	Total score for sustainability-category in the Group's digital platform to measure and improve employee engagement, well-being and performance
Share of managers and employees having completed e-learning course in ethics	Yearly update on code of conduct
No. of documented complaints of breaches of data privacy or loss of customers data	Number of registered data privacy breaches in the Group's quality management system, BETR.
No. of participants in meeting places and innovation activities	Meeting places organised by the Group's community dividend
No. of participants in competence and development programmes	Competence and development programmes organised by the Group's community dividend
Share of large corporate customers with credit commitments who have carbon accounting reports	"Large corporate customers" exceed two out of three following criterias: turnover > 400 NOKm balance sheet total > 200 NOKm and number of employees > 250.
Share of Group's significant procurements (> NOK 100,000) from suppliers with carbon accounting reports	Suppliers where total purchases during the reporting period have exceeded NOK 100,000
Share of managers and employees having completed e-learning course in information security	Internal e-learning courses (PassOpp)
Reduction of GHG-emissions from day-to-day operations	Reduction of GHG-emissions from scope 1, scope 2 and scope 3 (upstream)

With a heart for the local community for over 200 years

The first Norwegian savings bank saw the light of day in 1822. The following year Trondhjems Sparebank was established, and it is this bank which is SpareBank 1 SMN today.

Norges Bank, Norway's central bank, had already been established here in 1816 but, contrary to expectation, was little used by the business community. What was needed was a bank to serve the needs of ordinary townsfolk as well as the business community.

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. Forty-four of them put 1,596 speciedaler of their personal resources on the table, just over 400.000 kroner in today's money, to provide sufficient capital to start a savings bank.

On 26 May 1823 Trondhjems sparebank was founded, the third savings bank to be established in Norway. The bank was to be for ordinary people, and men and women alike could deposit small sums on which they earned interest.

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 and the failing Icelandic bank, Glitnir Bank, which had previously bought up BN Bank and Kredittbanken in Ålesund, provided us with the basis for a solid presence in Sunnmøre. In 2023 we merged with SpareBank 1 Søre Sunnmøre which has further entrenched our position in Møre and Romsdal.

As early as 1847 we started to devote parts of our net profit to support projects that would benefit the local populace. 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.

In 2023 we celebrated 200 valuable years. 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 men who founded the bank wanted it to be owned by the community, and the community remains our largest stakeholder. We have a big heart for the local communities across our region, and an unwavering belief that "together we make things happen".

Together with people, businesses, clubs, organisations and local communities we have created value for more than 200 years. This we shall continue to do.

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, but we now 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.

Goals and ambitions

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 sustainable development.

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

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 have given prominence to five strategic priorities of particular importance to achieving the group's vision and long-term goals. These strategic priorities have been at centre stage since 2020, and will stand firm through 2025:

- 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. SpareBank 1 SMN actively invites mergers and offers potential partners a mutually beneficial merger outcome.
- Integrate sustainability into the business in order to reduce risk, ensure long-term earnings and 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 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 finance centre catering to the retail and the corporate market. With subsidiaries included, we have about 1,880 employees at the end of 2024.

Through the SpareBank 1 Alliance and our own subsidiaries we offer competitive products in the fields of financing, savings and investment, insurance, payments, estate agency, leasing, accounting and accounting advisory services, and capital market services aligned with customers' present and future needs.

SpareBank 1 SMN is organised under the following structure:

Retail market | Corporate market | Support and administrative functions

SpareBank 1 SMN Group

- SpareBank 1 SMN (100 %)
- EiendomsMegler 1 Midt-Norge AS (92,4 %)
- SpareBank 1 Finans Midt-Norge (57,3 %)
- SpareBank 1 Regnskapshuset SMN (93,3 %)
- St.Olavs Plass 1 SMN (100 %)
- SpareBank 1 SMN Invest (100 %)
- SpareBank 1 SMN Kvartalet (100 %)
- SpareBank 1 Bygget Steinkjer (100 %)
- Mavi XV (100 %)

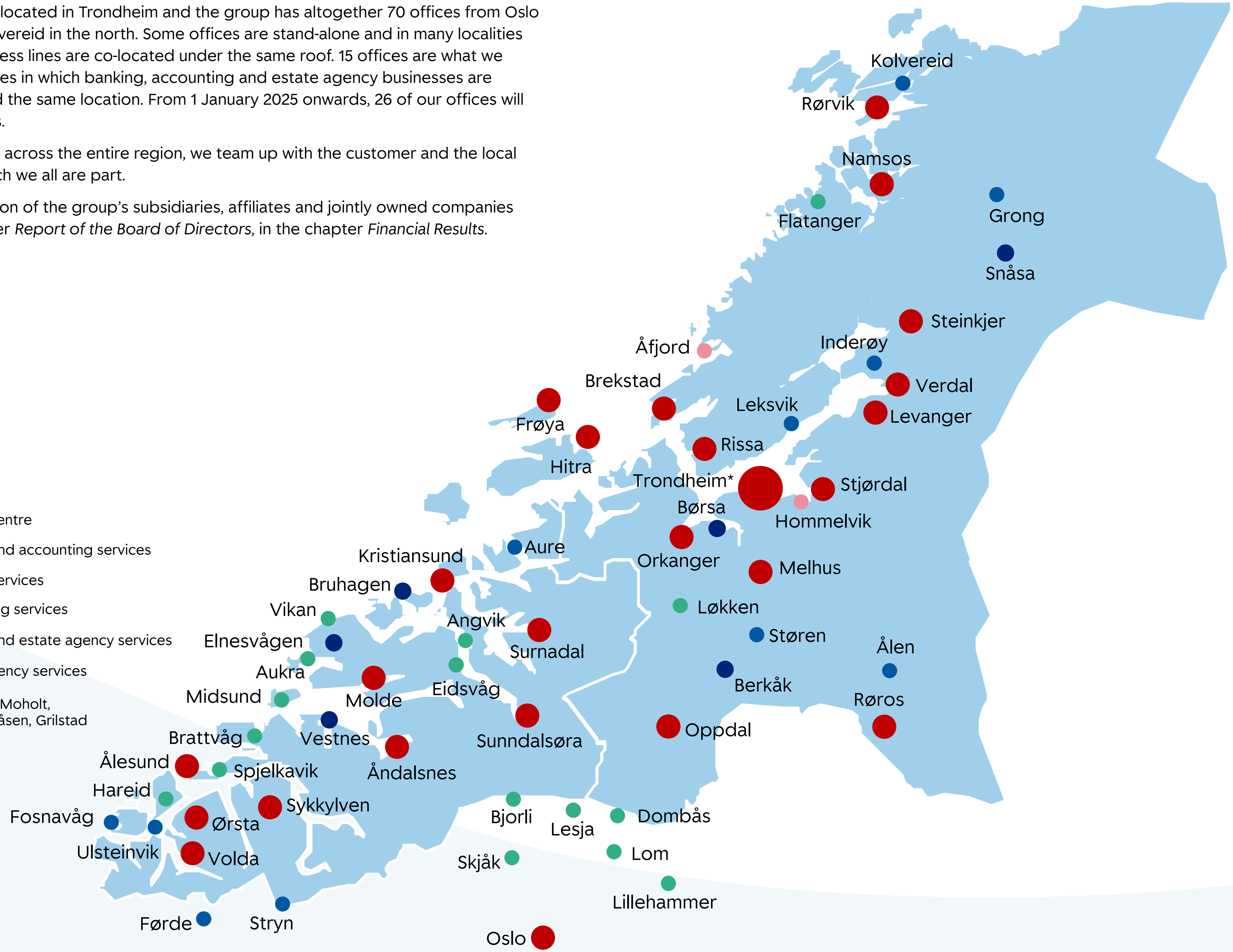
Associated companies

- SpareBank 1 Gruppen (19,5 %)
- SpareBank 1 Boligkreditt (23,2 %)
- BN Bank (35,0 %)
- SpareBank 1 Næringskreditt (12,7 %)
- SpareBank 1 Kreditt (17,9 %)
- SpareBank 1 Betaling (21,9 %)
- SpareBank 1 Utvikling (18,0 %)
- SpareBank 1 Forvaltning (21,5 %)
- SpareBank 1 Markets (39,9 %)

Our head office is located in Trondheim and the group has altogether 70 offices from Oslo in the south to Kolvereid in the north. Some offices are stand-alone and in many localities two or more 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. From 1 January 2025 onwards, 26 of our offices will be finance centres.

With our presence across the entire region, we team up with the customer and the local community of which we all are part.

A further description of the group's subsidiaries, affiliates and jointly owned companies can be found under *Report of the Board of Directors*, in the chapter *Financial Results*.



Finance centre

Banking and accounting services

Banking services

Accounting services

Banking and estate agency services

Estate agency services

* City Center, Moholt, Heimdal, Byåsen, Grilstad

Board of Directors

Kjell Bjordal (1953), board chair

Advanced Management Program at Wharton Business School (1989). MBA from the Norwegian School of Economics and Business Administration NHH (1976) and law studies.

Board member since 2007 and board chair since 2013. Member of the remuneration committee since 2012 and committee chair since 2013

Own business.

Experience as CEO of EWOS Group and head of Cermaq's fish food division. CEO of NorAqua, finance director and group CEO of the Glamox Group. Board chair of the Nordlaks aquaculture group, Axio and Norsk Landbrukskjemi.

Attended 20 of 21 board meetings in 2024.

Holds 130,000 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Christian Stav (1968), deputy board chair

Master of Business Administration from NHH (2003), Certified European Financial Analyst (AFA) NHH (2003). State authorised public accountant (1994) and business economist NHH (1991). Master of Accounting NHH (1992).

Board member since 2019. Head of the internal audit committee, member of the risk committee since 2019.

Group CEO at Nord-Trondelag Elektrisitetsverk (NTE).

Experience from accounting and advisory services, partner at EY Transaction Advisory Services, CFO at NTE.

Chair of NTE Energi AS, NTE Marked AS, NTE Elektro AS and NTE Telekom AS.

Attended 19 of 21 board meetings in 2024.

Holds 35.000 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Mette Kamsvåg (1971), board member

Business economist from the BI Norwegian School of Management (1994).

Board member since 2018. Member of the remuneration committee since 2014.

Self-employed.

Fifteen years' experience from IT and payment systems through various management positions with the Norwegian banks' payment and clearing house (BBS) and Nets. CEO at Nets from 2011 to 2014.

Board chair at WebMed AS and group.one. Deputy board chair at SmartCraft ASA and Board member of Wordline SA.

Attended 20 of 21 board meetings in 2024.

Holds 5.600 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Nina Olufsen (1976), board member

Master of Business Administration from BI Norwegian School of Management (2003) and law studies at the University of Oslo.

Member of the board since March 2024. Member of the risk committee and the internal audit committee from the same point in time.

Chief Strategy & People Officer i SqualeAQ Group, experience from leading positions in Mestergruppen, Morris AS and Norrøna sport AS. She has held a number of board positions.

Attended 14 of 21 possible board meetings in 2024.

Holds 0 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Ingrid Finboe Svendsen (1961), board member

Business graduate from BI Norwegian Business School (1990) and training in municipal administration from the Norwegian Municipal and Social College (1983).

Board member as from 2023, chair of the risk committee and member of the internal audit committee from the same point in time.

Director of Thomas Angell Stiftelser. Experience as director of the Norwegian Labour Inspection Authority. Several public sector positions, most recently as chief executive of Trondheim Municipality, and as director at Sør-Trøndelag county authority.

Board chair of Trondheim Spektrum, board member of the Olavsfestdagene festival and board member of E.C. Dahls stiftelse.

Attended 20 of 21 board meetings in 2024.

Holds 1.150 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Kristian Sætre (1961), board member

Master of Science from the Norwegian Institute of Technology NTH (1987). Mechanical engineer from Ålesund Engineering College (1982).

Board member as from 2023.

Extensive prior experience from various roles with AS Volda Mekaniske Verksted/Scana Volda, including 11 years as managing director of Scana Volda AS. Managing director of Ulstein Verft AS in the period 2013-2019, subsequently CEO of A-K maskiner. Currently senior vice president at Vard Group AS.

Deputy board chair of SpareBank 1 Søre Sunnmøre in the period 2008-2014 and alternate member in the period 2022-2023.

Extensive board experience with a number of companies in Norway and elsewhere.

Attended 19 of 21 board meetings in 2024.

Holds 300 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Freddy Aursø (1972), board member

MBA from the University of Newcastle (2003). Engineer from the Norwegian University of Science and Technology (NTNU, 1998).

Board member since 2022.

CEO at Lighthouse8.

Background as managing director of Global Media, Bigmouthmedia and LBi.

Chairman of Lighthouse8 AS, Lighthouse8 Pte Ltd, Lighthouse8 Pty Ltd and Lighthouse8 Ltd. Previously chair and board member of several companies in and outside Norway.

Attended 18 of 21 board meetings in 2024.

Holds 0 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Inge Lindseth (1963), workers representative

Graduate in IT Management from Sor-Trondelag University College (HiST) and in Project Management from BI Norwegian Business School.

Board member since 2019. Board member of the Finance Sector Union, region Trondelag, as from 2020. Regularly attending deputy representative to the national executive of the Finance Sector Union.

Chief union representative as from 2019.

Previously employee representative on the supervisory board. Previously specialist-in-charge / service desk manager in the technology, operations and security areas. Employed by SpareBank 1 SMN since 1982 in various positions and functions.

Attended 21 of 21 board meetings in 2024.

Holds 13.240 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Christina Straub (1974), workers representative

Bankakademiet stage 1 and Insurance.

Board member since 2019.

Deputy head of the Finance Sector Union's branch at SpareBank 1 SMN from 2019. Employed at Vår Bank & Forsikring (part of SpareBank 1 SMN from 2000) from 1998 to 2001, and at TietoEvry from 2001 to 2006. Has held various functions at SpareBank 1 SMN since 2006, in recent years as brand manager (payments) and staff representative on various committees.

Deputy leader of the finance sector union of Norway, Trøndelag region

Attended 19 of 21 board meetings in 2024.

Holds 1.171 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Runar Gretland (1978), observer

Corporate adviser at SpareBank 1 SMN, previously chief union representative and board member at SpareBank 1 Søre Sunnmøre.

Attended 19 of 21 board meetings in 2024.

Holds 367 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Group Management

Jan-Frode Janson (1969) Group CEO

PhD in Industrial Economics and Technology Management from the Norwegian University of Science and Technology NTNU (1996). Master of Science in Business from the Graduate School of Business in Bodø (1992).

Group CEO of SpareBank 1 SMN since 1 May 2019. Previously Group CEO of SpareBank 1 Nord-Norge and deputy managing director of Fokus Bank/Danske Bank. Has also held senior positions with Orkla and ABB.

Chairman of SpareBank 1 Betaling AS, Fremtind Forsikring AS, Fremtind Holding AS and of SpareBank 1 SMN's subsidiaries EiendomsMegler 1 Midt-Norge AS, Mavi XV AS and SpareBank 1 Regnskapshuset SMN AS. Board member of SpareBank 1 Gruppen AS, SpareBank 1 Utvikling DA, Vipps Mobilepay AS, VIPPS Holding AS, BankID BankAxept AS, and NTNU.

Holds 49.493 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Astrid Undheim (1980) Executive director Technology and Development

Doctorate in Communications Technology from the Norwegian University of Science and Technology (NTNU) (2009). Master of Science in Communications Technology from NTNU (2004).

Joined SpareBank 1 SMN in 2020, prior long experience with Telenor, latterly as head of the research department at Analytics & AI.

Member of the Council of Statistics Norway, member of the 'Norway towards 2025 Commission' (2020-2021). Previous experience from several public committees.

Holds 1.071 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Trond Søraas (1968)
Executive director Finance and strategy

Authorised financial analyst (AFA) from Norwegian School of Economics and Business Administration NHH (2006) and MBA from the same institution (1994).

Joined SpareBank 1 SMN in February 2022. Previous experience from KLP Banken AS and BN Bank ASA, most recently as director, Economy and Finance, BN Bank ASA.

Chairman of SpareBank 1 Markets AS, BN Bank ASA, SpareBank 1 SMN Invest AS and Gma Invest AS. Board member in SpareBank 1 Boligkreditt AS og SpareBank 1 Næringskreditt AS.

Holds 10.494 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Rolf Jarle Brøske (1980)
Executive Director Communications and Brand

Studies in political science and history at Molde University College and the Norwegian University of Science and Technology (NTNU).

Joined SpareBank 1 SMN in 2016. Previously industrial policy director at Det norske Oljeselskap, and on the management team of Danske Bank (Fokus Bank). Adviser to earlier minister of trade and industry, Børge Brende, and to the mayor of Trondheim. Has held a number of political positions.

Board chairman of Brøske & Bianchi Wine Import AS. Board member of SpareBank 1 Spleis AS, Trøndelag Høyre, Sør-Trøndelag Høyre and the Nidaros Cathedral Boys Choir.

Holds 16.174 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Ola Neråsen (1965)
Executive Director Risk Management

State authorised public accountant from NHH School of Economics and Business Administration (1994). MBA from the BI Norwegian School of Management (1990).

Joined SpareBank 1 SMN in 1997; executive director, Risk Management, since 2009. Previously with Deloitte and the Norwegian Armed Forces.

Board member of Stiftstaden Sykkelklubb

Holds 50.138 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Monica Haftorn Iversen (1975)
Executive Director Retail Banking

Master of Science in Business and economics from NHH (2002).

Joined SpareBank 1 SMN in May 2022. Assumed the position as Executive Director in november 2024.

Former Director of Market Areas for the Retail Market. Previously extensive experience from Danske Bank/Fokus Bank, most recently as Head of Performance Management Business Customers in the Nordics and part of the management team in Norway.

Board member of Eiendomsmegler 1 Midt-Norge AS.

Holds 494 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Vegard Helland (1975)
Executive Director Corporate Banking

Authorised financial analyst (AFA) from the Norwegian School of Economics and Business Administration NHH (2007) and MBA from the Bodø Graduate School of Business (1999).

Joined SpareBank 1 SMN in 2003, and has focused primarily on the corporate market. Executive director of Corporate Banking since 2010. Previously internal audit staff member and adviser with KPMG and analyst with Fontiera AS.

Chairman of SpareBank 1 Finans Midt-Norge. Board member of SpareBank 1 Markets AS, SpareBank 1 Factoring AS, SpareBank 1 Regnskapshuset SMN AS, Kredinor AS and Mavi XV AS.

Holds 36.529 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Kjetil Reinsberg (1961)
CEO EiendomsMegler 1 Midt-Norge

Graduate in real estate brokerage from BI Norwegian Business School (2008).

CEO of EiendomsMegler 1 Midt-Norge since 1999. Previously with Storebrand Bank, Notar and Bedre Råd, and several years' experience from the construction industry.

Chairman of Brauten Eiendom AS. Board member of EiendomsMegler 1 Norge, Agri Eiendom AS, Eiendom Norge Holding AS and Eiendom Norge.

Holds 32.635 ECs in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Arne Nypan (1970)
CEO SpareBank 1 Regnskapshuset SMN AS

Master of Business Administration (MBA) from Lund University, Sweden (1997). Bachelor of Business Administration (B.Sc.) from Copenhagen Business School (1995). Officer training from the Norwegian Military Academy (1992).

CEO of SpareBank 1 Regnskapshuset SMN since June 2020. Previously CEO of SpareBank 1 Finans Midt-Norge (2013-2020), head of Customer Concept at SpareBank 1 SMN (2013), general manager at SpareBank 1 SMN (2003-2012). Previously with Innovation Strategic Consulting and Fokus Bank (Danske Bank).

Chairman of Nypan AS. Board member of Rosenborg Sport AS and Rosenborg Ballklub

Holds 36.959 in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Stig Brautaset (1959)
Konserndirektør Sunnmøre og Fjordane

MBA from BI Norwegian Business School and law studies at Oslo University.

Joined SpareBank 1 SMN in May 2023. Previous experience from various management positions at DNB, Sparebanken Møre and Danske Bank. Managing director of SpareBank 1 Søre Sunnmøre from 2016 until the bank merged with SpareBank 1 SMN on 2 May 2023.

Advisor to the group management as of 1 January 2025.

Board member of EiendomsMegler 1 Midt-Norge AS and of SpareBank 1 Regnskapshuset SMN AS.

Holds 2.292 in SpareBank 1 SMN as at 31 December 2024 (including any ECs held by related parties).

Kristiansund, Nordmore

Report of the Board of Directors

Introduction

SpareBank 1 SMN will, for first time in 2024, report in accordance with the Corporate Sustainability Reporting Directive (CSRD). The directive has led to structural and content-related changes in the Board's annual report. The changes in reporting requirements mean that this year's reporting is more complex and comprehensive than in previous years. An overview of acronyms and abbreviations used in the Group's reporting has been prepared; see the glossary in the attachments.

The Group's sustainability statements follows below and in the next chapters. The Group's financial reporting is described on page 191 onwards.

The Group's sustainability statements is reported in accordance with the European Sustainability Reporting Standards (ESRS), and consists of information about the Group's material sustainability topics. Whether a topic is material or not is determined by a double materiality assessments. The analysis aims to ensure that the Group reports only on material topics and corresponding datapoints and disclosure requirements (DRs).

The sustainability statements consists of four Environmental themes, four social themes and one theme related to governance. Although eight out of ten standards are considered material, not all of the corresponding datapoints and DRs are material. The scope is largest within *Climate change*, *The Group's Employees*, *Consumers and end-users*, and *Business conduct*.

The process and completion of the Group's double materiality assessment is further described on 31. The assessment has resulted in several impacts, risks and opportunities (IRO) the Group shall manage through targets, KPIs, action plans, initiatives and policies. The Group's IROs are listed on page 36.

As of the reporting date no concrete targets with appurtenant KPIs in accordance with the CSRD. The focus in 2024 has been on compliance with regulations, while also laying a solid foundation for managing the Group's IRO in the upcoming periods. The Board of Directors, audit committee, and group management have been involved in several matters related to the CSRD throughout the year.

The Group has for several years disclosed KPIs measuring the Group's material topics in line with the results from previous materiality assessments. These KPIs are also included in this year's annual report, and several KPIs will be relevant in the upcoming periods. The Group will develop and adjust KPIs to manage the Group's material IROs. Financial and non-financial KPIs is described on page 7.

An overview of the Group's reporting in accordance with ESRS is described on page 41. The ESRS-index provides a detailed overview of the reporting requirements derived from various sections of the Group's sustainability statements.

SpareBank 1 SMN

Bank
Eiendom
Regnskap

The Group's business models

There is a growing recognition in business and industry that climate risk and conservation of biological diversity and ecosystems may require adjustments to strategies and business models. This increased awareness recognises that climate and natural risk also represent a financial risk.

In addition, the extent of economic crime in society is on the rise, for one thing because increased use of digital solutions and artificial intelligence has made it easier for criminals to perpetrate hacking and phishing attacks. Moreover, increased globalisation has enabled this form of criminality to be carried out across national borders.

The main objective of SpareBank 1 SMN's existing business models is to create financial value. To ensure that the Group's interests do not fall out of step with society's expectations, business models will be further developed to assure even greater value creation for stakeholders. Based on the Group's double materiality analysis, further development of the business model will entail a greater focus on SpareBank 1 SMN's material impacts, risks and opportunities (henceforth termed IROs).

In keeping with the Corporate Sustainability Reporting Directive (CSRD), a basis is taken in integrated reporting to describe SpareBank 1 SMN's business model:

Input

Various types of capital are included as inputs in SpareBank 1 SMN's business models. Capital values are increased, diminished or converted as a result of the Group's business activities, products and services. The following inputs feature in the Group's business models:

- **Financial capital:** Financing through deposits from customers, debt capital and equity capital investors.
- **Human capital:** In order to meet investors' requirements and expectations, the Group is dependent on competent, proud and committed employees. That is why the employees' work environment, well-being, professional and personal development are something we invest in every day.
- **Relational capital:** As an operator in banking, accounting, estate agency and leasing services, the Group is reliant on fruitful collaboration with customers, suppliers, business and industry, clusters and other business connections. This makes for relevancy in the region of which the Group is a part.
- **Natural capital:** All natural resources and ecosystems impacted by the Group, and on which it depends through its own operations and its value chains. This includes both renewable and non-renewable resources.

In order to develop and safeguard the above inputs the Group maintains an ongoing dialogue with stakeholders, carries out analyses of research and market trends, and has an eye to recognised practice with regard to responsible banking and innovation.

Products and services

The Group offers a broad range of products and services such as lending, savings and investment, accounting, estate agency and leasing services. The distribution channels include physical branches, a customer service centre and digital channels designed to offer the customer flexibility. Marketing is employed to build brand loyalty and attract new customers through a variety of campaigns and initiatives. Innovation is an integral aspect of the Group's strategy. The object here is to develop new products and services to meet changing customer needs and market conditions.

Products and services are described in detail under *Financial results*, and are a central aspect of the Group's positive and negative impacts. These were defined as part of the Group's double materiality analysis process.

Key positive findings are:

- The Group offers green loans and investments that support sustainable projects including renewable energy, energy-efficient buildings and green transport. In addition the bank has a green bond framework ensuring that the Group's funding is devoted to financing the above projects.
- The Group promotes circular economy by offering advice and supporting projects that reduce waste, and reuse and recycling is encouraged.
- The Group contributes to economic inclusion through financing local projects, and providing advice and support to small and medium size businesses in the local community. The Group is also a contributor to non-profit causes and community development through its allocations of community dividend.

Key negative findings are:

- The Group has an indirect negative impact on the climate and nature through financed emissions from loans and investments in sectors such as agriculture, fishery, commercial property and households. The Group is developing key performance indicators and transition plans designed to reduce the negative impact of these activities.

- Some Group activities and projects may have negative consequences for biodiversity, in particular in sectors such as fishery and agriculture. For the Group it is important to understand, identify and reduce this impact.
- The Group has an inherent negative impact as its operations can be exploited to commit financial crime. The Group has implemented a number of measures to prevent and combat economic crime. SpareBank 1 SMN and its subsidiaries have a statutory obligation to combat money laundering and terrorist financing. This involves maintaining an internal control system with risk assessments where monitoring and control are important factors when establishing customer relationships and for ongoing customer follow up. The Group has established an anti-fraud unit aiming to streamline processes and enhance the bank's ability to avert fraud. The Group's employees undergo external and internal competency enhancement in this area, and are required to comply with Group policies, guidelines and action plans.

Results

The Group's activities and business models impact our stakeholders in various ways:

- **Customers:** Greater financial security, increased financial inclusion and better, more effective economic solutions.
- **Investors:** Stable return and long-term value creation.
- **Employees:** Safe workplaces across the region.
- **The community:** Economic growth and sustainable development in the region.

The Group's value chain

Upstream

The Group's upstream activities comprise all processes and activities carried out by suppliers and business partners that are necessary for the Group's operations and the delivery of products and services. The most important upstream activities are:

- Financing of the Group, where deposits, debt and equity capital are the chief sources of capital. The bank's liquidity portfolio ensures that the Group has sufficient liquid assets. The Group's current rating with Moody's is Aa3.
- The product companies in the SpareBank 1 Alliance are part of the Group's value chain. The companies contribute to the Group's ability to offer a broad range of products and services.
- Purchases of goods and services include both strategic and local procurements. SpareBank 1 Utvikling makes strategic procurements that are utilised across the banks in the Alliance. They may for example include major investments and maintenance of technological and security-related infrastructure, marketing campaigns and so forth. Procurements for the individual bank's operations are handled at local level.

Own operations

The Group's own operations are processes and business activities that are carried out to achieve the Group's financial objectives, strengthen its market position, acquire more satisfied customers and ensure proud and committed employees. These activities are crucial to the customer's access to and benefits derived from the Group's products and services.

- Professional and personal development is important if the Group is to attract and retain skilled staff members. It is also an important factor in terms of delivering a good customer experience.
- The Group functions assist the business entities in meeting internal and external stakeholders' expectations and requirements.

Downstream

Downstream activities are a result of the Group's upstream activities and own operations. It is here that the Group's IROs are most significant. Examples of downstream activities are:

- Lending, savings and investments, estate agency and insurance for personal customers
- Financing, accounting and insurance for business customers.
- Community building, sports and outdoor recreation, art and culture, driving the green transition along with innovation and value creation through the community dividend fund.
- Own investments in jointly-owned companies and affiliates, along with investments in the liquidity portfolio, conclude our downstream activities.

Downstream activities contribute to developing the region and the local communities of which the Group is a part.

See *Financial results* for a description of results from jointly-owned companies and affiliates.

General information

Basis for preparation of the sustainability statement

The sustainability statement provides the Group's stakeholders with an objective and relevant picture of the Group's handling of significant impacts, risks and opportunities (from here on termed IROs) related to environmental, social and governance issues. The present sustainability statement covers the period 1 January to 31 December 2024.

The information is consolidated in line with the Group's financial statements. Where information is including that relates to specific operators in the value chain (upstream and downstream), this will be made explicit. No information related to intangible rights, know-how or development is omitted from the report.

This sustainability statement has been drawn up in keeping with chapter 2 of the Accounting Act (amended by Act of 21 June 2024 no. 42 (sanctioned by the King in Council on 1 November 2024)), which with effect from 1 January 2024 was expanded with the introduction of the Corporate Sustainability Reporting Directive (CSRD) (Commission Delegated Regulation (EU) 2023/2772) and the Directive's appurtenant reporting standards). In 2024 the Group reports for the first time in line with the Sustainability Directive, and the sustainability statement henceforth forms part of the Directors' report. This entails a broader responsibility for the bank's Board of Directors. See *Governing bodies* for details.

The report of the Board of Directors is structured in keeping with the requirements of ESRS 1.

- General information
- Environment
- Social
- Governance

This results in significant changes to the Report of the Board of Directors. The chapter on *Financial Results* follow from the requirements of the Accounting Act section 2-2.

Other frameworks and legislation included in the sustainability statement

The Group is subject to the provisions of the Transparency Act, the Equality and Anti-Discrimination Act, and the Public Limited Liability Companies Act (PLLCA) section 6-16b on remuneration and other emoluments to senior personnel.

Reporting of senior personnel's remuneration under the PLLCA section 6-16b and the Group's reporting on the 'activity duty and duty to issue a statement' under the Equality and Anti-Discrimination Act are publicly available on the Group's website. The Group's reporting for 2024 under the Transparency Act will be made available on the Group's website by 30 June 2025. Previous year's report is available on the Group's website.

If reference is made to other parts of the Annual Report, or to other publicly available information existing on the same reporting date, the reader will be informed accordingly

This year too, as a part of SpareBank 1 SMN's management of climate-related risks and opportunities, a report is made in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The latter report is included in the reporting on *Climate change*.

Sector-specific requirements and guidance for the banking and finance sector remain under preparation by the European Financial Reporting Advisory Group (EFRAG). In cases where the Group has identified material impacts, risks or opportunities not belonging to a given standard under ESRS, recourse is had to the Global Reporting Initiative (GRI) 2021 and to the sector-agnostic, and sector-specific, standards that are available, if relevant.

Where input is lacking in CSRD, other frameworks may be utilised. If this is the case it is explicitly stated next to the information concerned.

References to other parts of the Report of Board of Directors

The following information is incorporated by reference to other parts of the Directors' report:

Standard	Disclosure requirement	Incorporation by reference
ESRS 2	SBM-1.40	Financial results
ESRS 2	SBM-1.42	Business models and value chain
ESRS 2	SBM-3.48	Sector agnostic standards[1]
ESRS E1	IRO-1.20 flg.	General information - The Group's double materiality assessment
ESRS E2	IRO-1.11	General information - The Group's double materiality assessment
ESRS E3[2]	IRO-1.8	General information - The Group's double materiality assessment
ESRS E4	IRO-1.17 flg.	General information - The Group's double materiality assessment
ESRS E5	IRO-1.11	General information - The Group's double materiality assessment
ESRS S1	SBM-2.12	General information - Stakeholder dialogue in SpareBank 1 SMN
ESRS S2	SBM-2.9	General information - Stakeholder dialogue in SpareBank 1 SMN
ESRS S4	SBM-2.8	General information - Stakeholder dialogue in SpareBank 1 SMN
ESRS G1	GOV-1.5	General information - Governing bodies
ESRS G1	IRO-1.6	General information - The Group's double materiality assessment

1) The exception in ESRS 2 SBM-3.49 has been used by describing the approach and managing of the group's significant IRO, and how they are integrated with business models and strategy under relevant sector agnostic standards

2) IRO-1 must be complied with even though the topic has not been identified as material.

References to other reporting

The following information is incorporated by reference to other reporting:

Standard	Disclosure requirement	Incorporation by reference
ESRS 2	GOV-3.29	Report on remuneration and emoluments to senior personnel[1]
ESRS E1	GOV-3.13	Report on remuneration and emoluments to senior personnel[1]

1) Report on remuneration and emoluments to senior personnel is available on smn.no

Sustainability-related items are described in several notes to the financial accounts:

- Revenues per segment in line with IFRS 8 is presented in note 4.
- ESG risk is described under risk factors in note 6.

The following are enclosed with the Directors' report.

- Detailed references to where the various reporting requirements are complied with in the sustainability statement (IRO-2) are summarised in the *ESRS index*.
- Detailed references to datapoints in the Group's sustainability statement (IRO-2) included in other EU legislation are summarised in *List of datapoints that derive from other EU legislation.*

Information related to specific circumstances

The general reporting principles laid out below encompass all aspects of the sustainability statement. Where more detailed explanations of reporting principles are needed, they are included in qualitative information in the sustainability notes in the sector-agnostic standards.

Time horizons

The time horizons utilised in the sustainability statement are short-term, medium-term and long-term. Definitions of time horizons are as laid out in ESRS 1. The time horizons are as follows:

Time horizon	Definition
Short-term	Reporting period
Medium-term	End of short-term reporting period up to five years
Long-term	More than five years

Information that extends over the long term may be split up to ensure its relevance. This may be pertinent in the case of key performance indicators (MDR-T) and action plans (MDR-A). Where done, this is explicitly highlighted. Where a sector-agnostic reporting requirement has other time horizon definitions, these will be applied.

Value chain information

The Group's value chain information is confined to the Group's customers or suppliers. Hence the Group does not normally engage in direct dialogue or other interaction with other stages of the value chain. Other stages of the value chain are impacted indirectly through the requirements, expectations and conditions set by the Group for its own customers and suppliers.

Where indirect sources are utilised to obtain value chain information for targets and key performance indicators (KPIs), they are described in the context of the KPI concerned. The methodology and precision underlying the formulation of targets and KPIs are also described in the context of relevant targets and KPIs.

In cases where the transitional provision of ESRS 1 chapter 10.2 is applied, this will be explicitly stated. In such cases a description will be given of the efforts made to obtain the information needed, the reasons why the information could not be obtained, and what steps the undertaking has taken to ensure that such information will be available in the future.

Comparative information, estimation uncertainty and limitations

Targets and KPIs contain comparative information where this can be obtained without disproportionate effort. In cases where comparative information is unavailable, reasons will be given. Where relevant, qualitative comparative information is also disclosed. In keeping with the exemption provision of ESRS 1 point 136, comparative figures are not reported for each and every quantitative reporting requirement for the first year.

Estimation uncertainty arises where information cannot be measured directly. Estimation uncertainty related to targets and KPIs is highlighted. In such cases the sources, assumptions, limitations and level of estimation uncertainty are described.

Forward-looking information is subject to estimation uncertainty, and a high level of estimation uncertainty is highlighted.

Data sources and assumptions used in the sustainability statement are consistent with the corresponding data and assumptions used in the financial statements to the extent possible.

Changes in sustainability reporting and correction of priod period errors

In the event of changes in definition or other changes that impact targets or KPIs, comparative figures are also restated to ensure consistency over time. Changes in reporting may arise as a result of correction of prior period errors or in light of information that was not available at the time of reporting. If it is impracticable to restate comparative information, this is indicated.

Where errors are discovered in prior periods, they are corrected in the current year's sustainability statement unless it is considered impracticable or unnecessary to do so. This does not apply to topics or areas where reporting in line with the requirements of CSRD is to be submitted for the first time. In cases where prior period errors have been corrected, this is indicated next to the text in each case.

Material changes in the sustainability statement compared with the statement for 2023 are as follows:

- Reporting in accordance with the Global Reporting Initiative (GRI) is replaced with reporting in keeping with the Corporate Sustainability Reporting Directive (CSRD) and new reporting standards (ESRS). The GRI index is replaced with the ESRS index.
- Implementation of a double materiality analysis in keeping with CSRD. A detailed description of process and results is provided under *The Group's double materiality assessment*.
- The sustainability statement forms part of the Directors' report, and its structure is in line with ESRS 1.
- Financial and non-financial APMs are assembled in a separate chapter: *Key figures*.
- The climate account (for the parent company and Group) form part of the reporting on *Climate change* (notes 1-7) with changes in operational boundaries, categorisation and recognition.
- Expanded reporting on the EU Taxonomy prompted by the introduction of legislative act *EU 2023/2486 Environmental Delegated Act*. Reporting on eligibility in relation to environmental objective 3-6 is included.
- Annex VI (Annex for credit institutions) forms part of the EU Taxonomy report under *Environment*.
- The EU Taxonomy report includes further companies from and including 2024, and an overall KPI is reported for the Group as a mixed group. This is described more fully under *Environment*.

Events after the balance sheet date

Information which only becomes available after year-end date but which will be material, relevant and useful for decision-making viewed in connection with other information, is mentioned here. There are no known events after the balance sheet date.

Due diligence assessments related to sustainability

Due diligence assessments deal with the process for identifying, preventing, minimising and taking account of actual and potential negative impacts on the environment and society. The impact may stem from own operations, or the value chain, including products and services offered by the Group, or through business connections. Identified risks and opportunities are often a product of identified impacts. The double materiality analysis and the assessment of material impacts form part of the Group's due diligence assessments.

Due diligence assessments and risk management of the Group's IROs shall be anchored in governing documents, policies and process descriptions. This is an ongoing process which will continue in 2025.

The Group's due diligence assessments and how these are implemented, assessed and handled are described under each topic in the chapters *Environment*, *Social* and

Governance. The due diligence assessment's constituent parts, and where they are to be found, are described in following table.

Key elements of due diligence	Information in the Report of the Board of Directors
Embedding due diligence in governance, strategy and business model	Administrative, management and supervisory bodies (GOV-2) Report on remuneration and emoluments to senior personnel (GOV-3) Managing material impacts, risks and opportunities (SBM-3)
Engaging with affected stakeholders in all key steps of the due diligence	Administrative, management and supervisory bodies (GOV-2) Stakeholder dialogue in SpareBank 1 SMN (SBM-2) The Group's double materiality assessment (IRO-1) Policies (MDR-P) Processes for engaging with stakeholders (S1-2, S2-2, S4-2)
Identifying and assessing adverse impacts	The Group's double materiality assessment (IRO-1) Managing material impacts, risks and opportunities (SBM-3)
Taking actions to address those adverse impacts	Actions (MDR-A) The Group's transition plan (E1-1 og E4-1)
Tracking the effectiveness of these efforts and communi-cating	Targets and metrics (MDR-T and MDR-M) in sector agnostic standards

As of the reporting date, specific due diligence assessments have not been prepared under all the sections mentioned above. The Board of Directors has agreed on the need to assign due diligence obligations. Integrating this into action plans, measures, objectives and KPIs will be a part of detailed planning processes for managing the Group's IROs. The planning processes will be implemented in 2025.

Risk management and internal control of sustainability reporting

The greatest risks of error in sustainability reporting relate to incomplete, inconsistent or imprecise information. This is in part because the reporting process utilises manual key-entry, uncertain and limited data sources, and varying system support.

The Group is developing internal controls to handle the risks mentioned above, and will at the outset apply internal control in the financial reporting area. While there currently exists little in the way of internal control to manage the above risks, a number of risk-mitigating measures have been put in place:

- The risk and audit committees have received coaching the Corporate Sustainability Reporting Directive and in appurtenant reporting requirements.
- The Group has appointed an officer responsible for sustainability reporting.
- The Compliance Department conducts risk-based checks of regulatory compliance.
- A number of major data deliveries have been centralised to SpareBank 1 Utvikling in order to reduce sources of error.

In the course of 2025 priority will be given to preparation of an appropriate internal control system, both with a view to sustainability statements and to the process of drawing up objectives, KPIs, action plans and initiatives.

Stakeholder dialogue in SpareBank 1 SMN

The Group conducts a continuous stakeholder dialogue. This is part of the Group's effort to ensure a coherent and long-term approach to value creation for investors, customers, employees and the community. The Group has both internal and external stakeholders.

The table below illustrates the Group's stakeholders with various forms of dialogue and involvement. The stakeholder dialogue varies in form, timing and frequency depending on purpose. Stakeholders and dialogue activities is listed in a arbitrary order.

Internal stakeholders	External stakeholders
Board of Directors	Investors
ESG-committee	Rating agency
Group Executive Management	Customers in parent bank and subsidiaries
Miljøansvarlige	Suppliers
Own workforce	Government and supervisory authorities
Worker representatives	Clubs and associations
Subsidiaries	Media
Associated companies	Regional community
Supervisory board	Supervisory board
	Academia
	Nature

Internal dialogue and follow-up	External dialogue and follow-up
Capital market days	Capital market days
Quarterly presentations	NæringsDriv[1]
Board meetings (including employee representatives)	Meetings (investors, rating agencies, customers, suppliers, governments)
Group Executive Management meetings	Press releases and stock exchange announcements

Quarterly meetings in ESG-committee and miljøgruppe	Customer survey (CSI)
Employee and development reviews	Various events
Cooperation and Working Environment Committee (CWEC)	Supervisory board meetings
WinningTemp[2)]	Various information on smn.no
Daily formal and informal dialogue	Booths, lectures and company presentations
	The sustainability barometer
	Economic barometer

1) Meeting place organized by SpareBank 1 SMN for the region's business community, focusing on innovation and value creation.

2) Digital platform to measure and improve employee engagement, well-being and performance

The objective of the stakeholder dialogue is to ensure that the Group's strategies, directions and focal areas reflect internal and external opinions, viewpoints and perspectives. The dialogue with external stakeholders provides insights into several levels of the business. It is utilised to formulate overall strategic input for the Group, but also to enhance the customer experience and to maintain a good work environment.

An arena for dialogue with internal stakeholders is the Group's ESG Committee. The committee members hold competencies and experience from a variety of departments and business lines in the Group, and can notify relevant sustainability issues for consideration. The committee is headed by the Group's sustainability officer, and reports to the Chief Finance Officer. Each member of the committee is responsible for reporting to their own department and business line. The committee meets at least four times per year.

Insights from the stakeholder dialogue have impacted several processes. Some examples are:

- The Group has many different specialist areas with differing competency needs. In response to the desire of the Group's advisers for a more coherent competence-building offering, the Group has established the Academy. The Academy is an arena for development of those staff members who are to be tasked with ensuring that the Group meets the competency requirements facing a financial services group.
- In order to address the growth in fraud and financial outsiderness, the Group has in 2024 established an anti-fraud unit and launched a financial health team tasked with addressing financial ill health.

The stakeholder dialogue is a central aspect of the Group's double materiality analysis and due diligence assessments. See The Group's double materiality analysis for a fuller description of how the stakeholder dialogue is implemented. More information on the Group's dialogue with affected stakeholders is provided in the chapters *The Group's employees, Workers in the value chain* and *Consumers and end-users* under *Social*.

Governing bodies are informed of the dialogue with affected stakeholders throughout the year, both directly and indirectly. This occurs, among other things, in the form of reporting from different business areas on various matters.

The Group's understanding of completed stakeholder dialogue

In addition to the informal dialogue with stakeholders, a more systematised and extensive stakeholder dialogue is conducted in conjunction with the stakeholder analysis in which in-depth interviews with and questionnaires to investors, managers, employees, suppliers and customers have been at centre stage.

The stakeholder analysis reflects many of the same opinions and perspectives held by the stakeholders in the Group's previous stakeholder analysis conducted in 2022. Active prevention of economic crime in the shape of anti-money laundering, anti-terror financing and anti-fraud initiatives, a focus on circular economy, the role of green driver, employees' competencies and development of the customer offering were highlighted in 2024. In 2024 the Group's IROs related to biodiversity and ecosystems received greater attention among internal and external stakeholders alike.

Although some new areas are identified as material in 2024, most results of the analysis are consistent with previous years' materiality analyses.

Adjustments and changes in strategy and business models

Material IROs identified by the completed double materiality analysis and the appurtenant stakeholder dialogue will impact the Group's strategy and business models in coming years.

Our understanding of the Group's material IROs, and their integration and management, and adjustment of the business to those IROs, remain under development. The Board of Directors has agreed on the implementation of planning processes for the management of IROs in objectives, KPIs, action plans and policies, including reporting to governing bodies. The Board of Directors has in addition resolved that the plans shall be drawn up using a method for IRO management based on the MDR's of ESRS 2. These are MDR-P, -A, -M and -T. They lay down the content and reporting of targets, KPIs, action plans and policies.

Further information on the Board of Directors' and Group Management's monitoring and management of the Group's IROs can be found in *Governing bodies*.

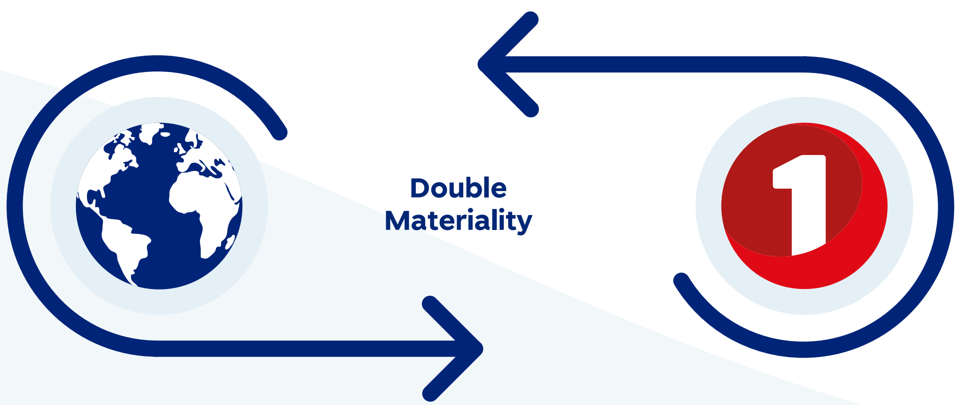
The Group's double materiality assessment

Since 2020, at two-year intervals, a materiality assessment has been prepared for the Group. A short time interval ensures that any changes in stakeholders' opinions and perspectives are taken into account. A two-year interval will be retained unless material changes of an organisational or operational nature, or in external factors, occur that impact the Group's IROs.

In 2020 the materiality assessment had a one-sided focus on how SpareBank 1 SMN impacts the climate, environment and society. In 2022 the Group performed for the first time a materiality assessment whose focus was broadened to include how climate, environment and society impact the Group's financial position, risks and opportunities. This was conducted in line with UNEPFI, MSCI and SASBs methodology.

In 2024, for the first time, a double materiality assessment was conducted in line with CSRD, and the methodology outlined in EFRAG's implementation guidance (IG 1) for double materiality assessments. Neither ESRS nor IG 1 are adapted to financial undertakings. The Group accordingly keeps abreast of good practices in the industry and of EFRAG's guidance for the financial sector. An update will ensue in 2025 if deemed necessary.

Double materiality has a basis in two dimensions: material impact and financial materiality. These are mutually dependent on each other.



Impact materiality

Impact materiality refers to the Group's impact on the environment, social conditions and corporate governance. The impact may be both positive and negative, actual and potential, and may stem from own operations or the Group's value chains. The value chain includes both the supplier chain (upstream value chain) and the Group's customers (downstream value chain). Assessment of the Group's material impact takes account of greenhouse gas emissions, environmental loss, working conditions (for the Group's employees and in the value chain), diversity, equality and discrimination, corruption, economic crime and cybersecurity.

The various topics were assessed based on the impact's *severity* (scale, scope and recoverability) and the *probability* of the impact's occurrence. Impacts are assessed over the short-term, medium term and long-term time horizon.

Financial materiality

Financial materiality refers to how changes in the macro picture, including changes in climate, nature and society may potentially affect the Group's financial position. For example, earnings, market position and various types of risk. Financial impact comprises both risks and opportunities, and can also stem from own operations or the Group's value chains. Here too, the value chain includes the Group's suppliers and customers. The assessment of financial materiality covers inter alia IT security, greenhouse gas emissions, controversial exposures and greenwashing. Opportunities linked to innovation and development of business models and customer offerings, and the role of green driver, are also considered.

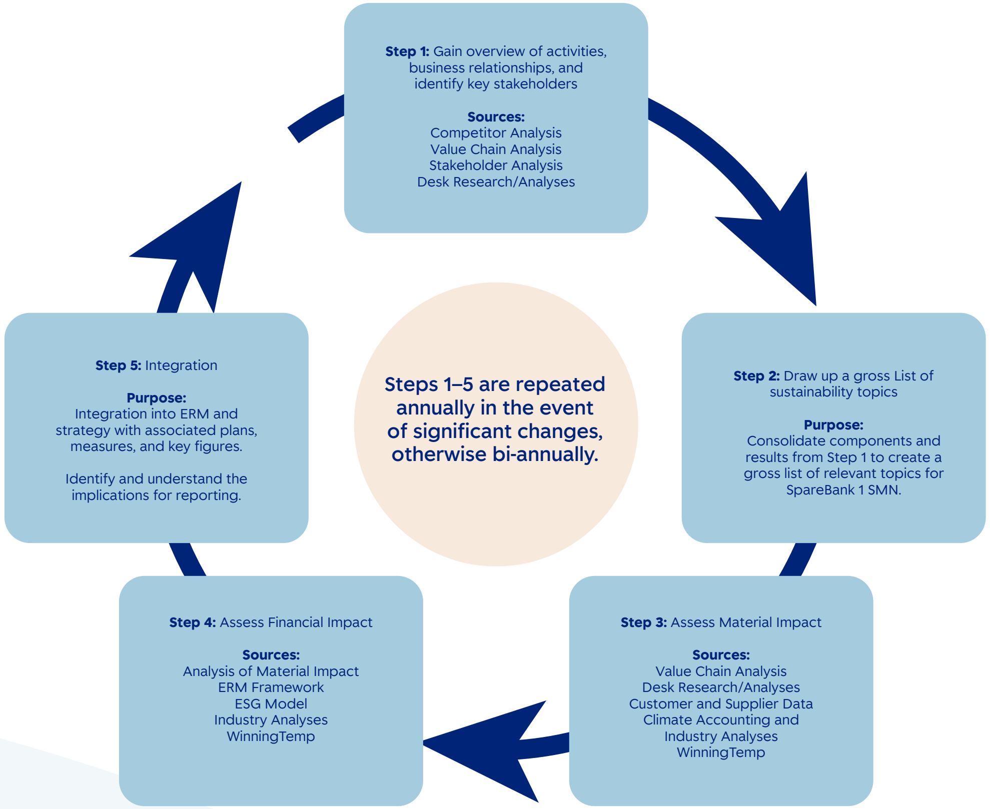
Risks and opportunities are assessed based on *scope* (financial effect), and the *likelihood* of the risk occurring or of the opportunity being realised. The assessments are performed over the short-term, medium term and long-term time horizon.

Process description

Conducting a double materiality analysis is a wide-ranging process. The Group's process is described step by step to provide an insight into strategic prioritisations, how the Group impacts and is impacted by various sustainability-related factors, and appurtenant risks and opportunities.

The process was initiated at the end of 2023. The Group's ESG Committee has acted as steering group with the CFO designated as project owner. External consultants have acted as project managers, and internal specialist resources with in-depth knowledge of ESG risk and ESG reporting have been involved in the analyses and interpretation of the results (see the process's steps 3-5 below). This combination has ensured the required capacity and competence in the process, both in terms of regulatory requirements and insight into the Group's operations.

The process is divided into five steps for reporting purposes:



The list of sources is not exhaustive, but gives a pointer to information that has had a bearing on the various steps. In addition, external documentation in the form of research, public reports and other data has been obtained in order to support assessments made. Each step is described below.

Step 1: Gain overview of activities and business relationships, and identify key stakeholders

The value chain represents the most of the Group's impacts through inter alia procurement of goods and services, and financing, estate agency and accounting services. In order to gain an insight into indirect activities to which the Group contributes through the value chain, a value chain analysis has been performed which, in addition to providing a basis for understanding the Group's impact, contributes inputs to steps three and four. The value chain analysis takes a basis in the first-order value chain (the Group's customers and suppliers), and does not address activities and business connections in ensuing stages of the value chain (for example customers' suppliers).

A comprehensive stakeholder analysis has also been undertaken in order to identify and calibrate all relevant IROs for the Group. This involved questionnaires to several of the Group's internal and external stakeholders (for example employees, retail customers, corporate customers, accounting customers and estate agency customers) in addition to in-depth interviews of the Supervisory Board, Board of Directors, Group Management, the Group's foundations, ESG Committee, large corporate customers, the Group's industry officers, and investors. The Group's understanding of the completed stakeholder dialogue is described under *Stakeholder dialogue at SpareBank 1 SMN*.

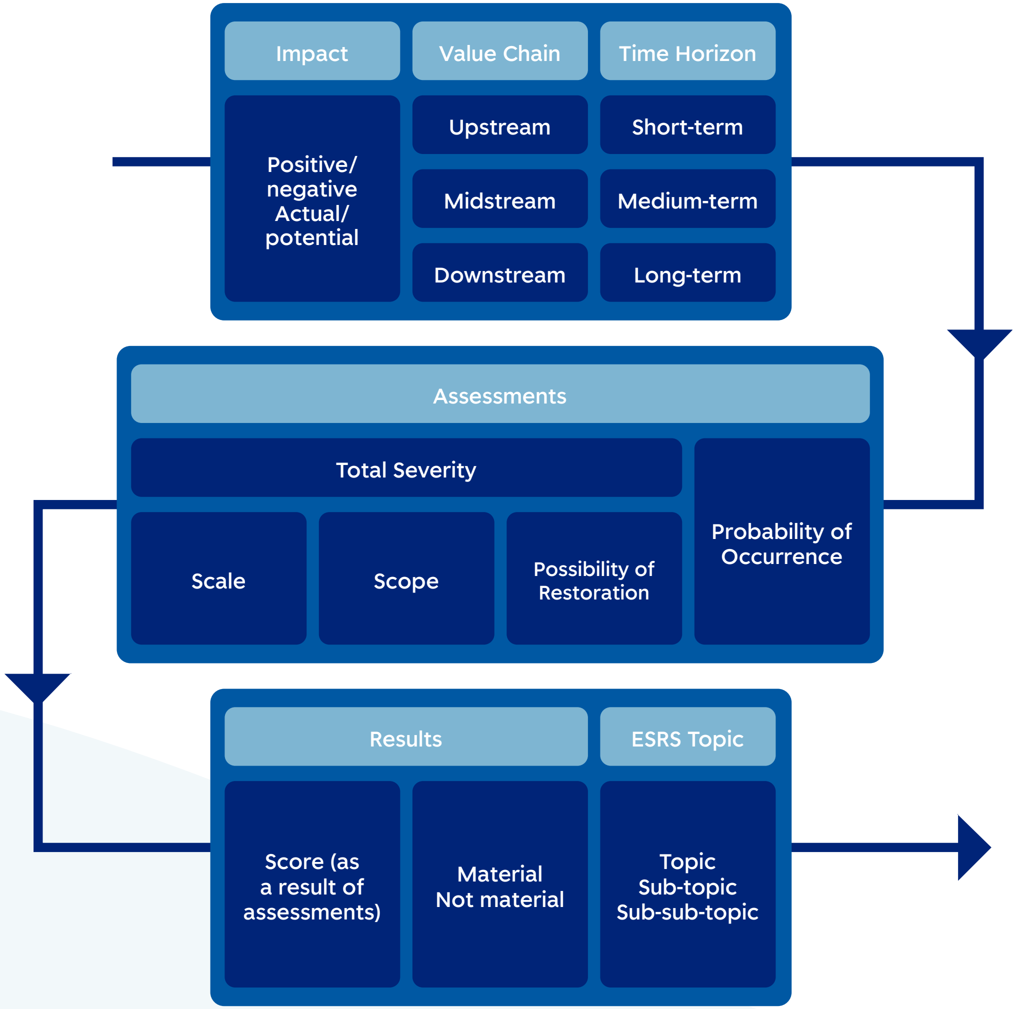
In addition, a competitor analysis has provided an overview of competitors' ambitions, objectives and strategies with regard to sustainability-related factors. The competitor analysis has provided insights into the industry's current practice and future ambitions.

Step 2: Draw up a gross list of sustainability topics

The value chain analysis, stakeholder analysis and competitor analysis are used to compile a gross list of various sustainability topics. The gross list employs a bottom-up approach. In order to ensure that the topics are compatible with sector-agnostic, sustainability-related topics in ESRS, the gross list is reconciled with the list in ESRS 1 Appendix A, AR 16. In cases where topics are identified that are not on the list, entity-specific reporting is utilised in accordance with Appendix A, AR 1-5.

Step 3: Assess impact

Through the analysis an assessment is made of positive and negative, actual and potential impacts throughout the value chain in order to compile a net list of the Group's material impacts. The process of assessing material impact is illustrated on the following page.



To ensure that only material reporting requirements are reported on, each impact is linked to one or more topics in the AR 16 list.

For each identified impact, that part of the value chain in which it plays out, and the time horizon in which it occurs, are defined. The time horizons utilised in the reporting are described more fully in *General information*. The majority of the Group's impacts will occur in the short and medium term.

The impacts are assessed with a basis in scale, scope and recoverability. Remediability is only assessed for negative impacts. Probability is only assessed if the impact is potential.

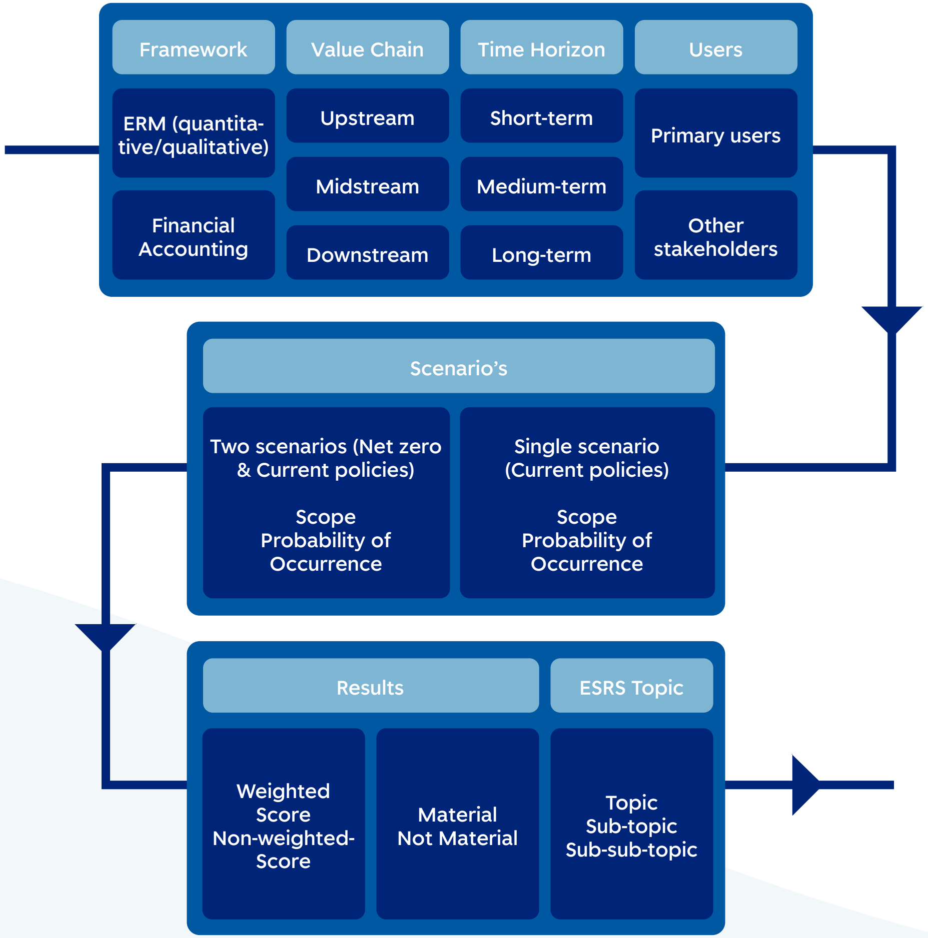
- **Scale** refers to the degree of negative/positive impact. A scale from one to five is employed. In order to establish the degree of severity of impacts with regard to social and governance factors, qualitative assessments are employed in by far the majority of cases. For environmental impacts, use is also made of quantitative assessments based on financed greenhouse gas emissions when employing calculations in keeping with PCAF.
- **Scope** refers to the breadth and extent of an impact. A scale from one to five is used. Qualitative assessments based on scope are applied to all impacts.
- **Remediability** refers to any limits to remediation of negative impacts on the climate, environment and/or social conditions. A scale from one to five is used. Qualitative assessments based on recoverability are applied to all negative impacts. .
- **Probability** of occurrence refers to the likelihood of the impact occurring. Qualitative assessments based on probability of occurrence are applied to all impacts

Internal analyses and stakeholder dialogue are employed to assure sufficient insight into all points.

A weighted score (degree of severity) decides whether an impact is material or not. The analysis shows that the Group's financing activities both to retail and corporate customers account for the largest actual and potential impacts on environment and society. This is not to say that other activities, either in the Group's own operations or upstream value chain, are insignificant.

Step 4: Assess risks and opportunities

Risks and opportunities can stem from the Group's impacts or dependences, and the assessment of risks and opportunities is therefore subsequent to the assessment of impacts. All identified risks and opportunities that impact, or can reasonably be expected to impact, the Group's financial position in the short, medium or long term are subject to assessment. The process for assessing financial materiality is illustrated below.



In order to ensure that only material reporting requirements are reported on, each risk and opportunity is linked to one or more topics in the AR 16 list.

For each identified risk or opportunity, that part of the value chain in which it plays out, and the time horizon in which it occurs, is defined. The time horizons utilised are the same as for the assessment of material impact. The Group's risks and opportunities occur in the short, medium and long term alike.

In the assessment of financial materiality the scope (potential size of financial effects) and the probability of occurrence are assessed on a scale from one to five. A basis is taken in two different scenarios from the Network for Greening the Financial System (NGFS):

- **Net Zero 2050:** Global warming limited to 1.5 degrees through strict climate policies and innovation. Net zero emissions are attained. Physical risk is lower, whereas transition risk is higher.
- **Current Policies:** Emissions increase up to 2080, leading to a temperature increase of 3 degrees. Net zero emissions are not attained. Physical risk is very high, bringing irreversible changes. Transition risk is lower.

For risks and opportunities where the difference in the scenarios materially impacts the assessments of scope and probability, both scenarios are taken into account. For risks and opportunities where the difference in the scenarios does not materially impact the assessments of scope and probability, only *Current policies*, as a more representative portrayal of today's situation, are assessed.

When assessing the financial materiality of risks and opportunities, differentiated threshold values are utilised. Threshold values linked to a given risk or opportunity are dependent on whether or not the type of risk or opportunity that occurs or is realised, is of an operational or a business nature. For operational risks and opportunities the bank's framework for operational risk is utilised. For business-related risks and opportunities the Group has based itself on the external auditor's materiality thresholds employed in the financial audit for the accounting year 2023. This is designed to prevent the omission of decision-useful information

The score is weighted when both scenarios are used, or based solely on the scenario *Current policies*, and decides whether a risk or opportunity is material or not. The Group has defined ESG risk as a driver of various risk types facing the Group. ESG risk serves to nuance assessments of the various risk types, and is given strengthened focus in the Group's risk management.

Step 5: Integrate into strategy, risk management and reporting

Based on the analyses of material impact and financial materiality, an overview has been drawn up of areas which contribute to realisation of the Group's strategic focal areas. These comprise IROs which in significant measure are subject to innovation and development efforts. In addition, assumptions and drivers have been identified for the purpose of supporting the Group's operations. These comprise IROs which in significant measure are subject to quality work and monitoring. Several of the IROs are already integrated into business models and strategy. This is the case for inter alia economic crime, the Group's employees, and consumers and end users. Other IROs require further integration and adjustment. These IROs will be set in train in the course of 2025 based on the CSRD's requirements and the Group's IRO management tool.

The results are largely consistent with the results from 2022, but topics such as biodiversity and circular economy have received greater attention in 2024. The Group's material IROs are illustrated in the table below.

Topics	Strategically relevant topics
Environment	Climate Change Pollution Biodiversity and Ecosystems Circular Economy and Resource Use
Consumers and end-users	Social Inclusion Access to quality information Prevention of fraud
Governance	Combating money laundering, terrorist financing and corruption

Topics	Key enablers and drivers
The Group's employees	Safety, remuneration, working time, work environment Diversity and inclusion Professional development and competence
Workers in the value chain	Working- and human rights.
Governance	Business culture
Data- and cyber-security	Data- and cyber-security
Community dividend[1]	Community dividend

1) Reporting related to community dividend is entity-specific (ES). This is further described under Social.

IROs related to **climate change** and **pollution** are closely interlinked, and relate to energy consumption and greenhouse gas emissions from own operations and the Group's value chains, and pollution to the air, water and earth in the value chain. **Biodiversity and ecosystems** also play out in the value chain, where IROs are largely centred round the Group's downstream activities. **Circular economy and resource use** have received increased attention, and are regarded as a solution strategy for mitigating climate change and preventing loss of biodiversity and ecosystems. Here too, IROs are centred in the Group's value chain, in particular downstream activities.

As previously, the fight against **money laundering, terrorist financing, and corruption** has been identified as strategically important. This is consistent with the materiality analysis conducted in 2022 but also represents a natural link to the financial industry and the developments in fraud-related areas in recent years.

Social inclusion and **customers' access to quality information** support all strategic focus areas. This involves developing and providing access to products and services for disadvantaged retail customers. It also includes ensuring that the Group avoids greenwashing and provides customers with reliable and accurate information on various topics through the Group's market communication. Additionally, the Group aims to help **prevent fraud** affecting its customers—an increasingly pressing issue for customers, society, and the financial system as a whole.

The Group's key enablers and drivers include its employees, workers in the value chain, societal impact, corporate governance, data and cybersecurity, and societal contributions. This encompasses areas such as privacy protection, professional development, diversity, and working conditions for employees, as well as human rights within the value chain.

The presentation below illustrates where in the value chain the Group's IROs are centred, and in which time horizon they are likely to occur.

Impacts		Value chain	Time horizons	Standard
Energy consumption from lending	Negative	Downstream	Medium, long	E1
Energy consumption from own operations	Negative	Own operations	Medium, long	E1
Financed and invested emissions	Negative	Downstream	Medium, long	E1
Emissions from procurement of goods and services	Negative	Upstream	Medium, long	E1
Financed pollution to air, water, and soil	Negative	Downstream	Medium, long	E2
Pollution from procurement of goods and services	Negative	Downstream	Medium, long	E2
Direct impact factors on biodiversity loss	Negative	Downstream	Long	E4
Impacts on state of species	Negative	Downstream	Long	E4
Waste	Negative	Downstream	Medium, long	E5
Resource use	Negative	Upstream	Medium, long	E5
Working conditions	Positive and Negative	Own operations	Short, medium	S1
Inequality and discrimination	Negative	Own operations	Short, medium	S1
Professional development	Positive	Own operations	All	S1
Diversity and inclusion	Positive	Own operations	Short, medium	S1
Working conditions	Negative	Upstream Downstream	Medium, long	S2
Breaches of personal data protection	Negative	Downstream	All	S4
Fraud	Negative	Downstream	All	S4
Lack of social inclusion	Negative	Downstream	All	S4
Access to quality information	Positive	Downstream	All	S4
Regional contributor	Positive	Downstream	All	Community dividend
Corruption and bribery	Negative	Own operations Downstream	All	G1
Money laundering and terrorist financing	Negative	Own operations Downstream	All	G1
Poor data and cybersecurity	Negative	Upstream Own operations	Medium, long	G1
Poor animal welfare	Negative	Downstream	Medium, long	G1

Risks	Value chain	Time horizons	Standard
Credit risk in the loan portfolio	Downstream	Medium, long	E1, E2, E4, E5
Deficient ESG data, quality, and insight	Upstream Downstream	Medium, long	E1, E2, E4, E5
Reduced access to or increased prices of goods and services	Upstream	Medium, long	E1
Loss of customers to ESG requirements	Downstream	Short, medium	E1, E2, E4, E5
Lack of sustainability competence	Own operations	Medium, long	S1
Inability to attract competent people	Own operations	Short, medium	S1
Increased sick absence	Own operations	All	S1
Breaches of labour and human rights in the value chain	Upstream Downstream	Medium, long	S2
Greenwashing	Downstream	Medium, long	S4
Poor protection of personal data, including personal and customer information	Downstream	All	S4
Poor processes for combating fraud	Downstream	All	S4
Poor processes for combating money laundering and terrorist financing	Own operations Downstream	All	G1
Disloyal servants	Own operations	All	G1
Breaches of IT security	Own operations	All	G1
Breaches of legislation	All	All	G1
Too high ambitions	Own operations	Long	G1

Opportunities	Value chain	Time horizons	Standard
Increased innovation and development of business models and customer offering	Downstream	Short, medium-long	E1, E4, E5
The role of driver of the green transition	All	Short, medium-long	E2, E4, G1
Major operator	All	All	S1
Focus on mental health	Own operations	All	S1
Focus on diversity and inclusion	Own operations	Short, medium	S1
Local presence and identity	Downstream	All	S4

The analyses (steps 3 and 4), and the results above, shall form a part of the Group's risk management and strategy processes.

The reporting includes standards that regulate the Group's material IROs. These standards are ESRS E1, E2, E4, E5, S1, S2, S4 and G1. Although the Group's sustainability statement takes account of eight out of ten topic-specific standards, it does not cover all reporting requirements in the standards. Only material reporting requirements are included in the reporting. For IROs linked to community dividend, cybersecurity and economic crime, entity-specific reporting requirements have been developed in line with ESRS 1 AR 1-5.

Entity-specific reporting is described below.

Chapter	Sub-chapter
Social	Community dividend
Consumers and end-users	Anti-fraud
Consumers and end-users	Data protection
Business conduct	Anti-money laundering and terrorist financing
Business conduct	Cybersecurity

Internal control and decision-making process

Important clarifications and issues have been reconciled with internal specialists in sustainability, the external auditor and external consultants in order to ensure relevance and objectivity. Such clarifications involve inter alia selection of stakeholders, and assessment of IROs.

Decisions have been taken at weekly status meetings with the steering group, and other meeting points with the Group management, and internal and external specialists. Decision-making for the further strategic process based on analyses and results will be part of governing bodies' annual schedule and strategy work in the Group.

Topic-specific assessments of IROs

Identifying and assessing IROs linked to climate change, pollution, biodiversity and ecosystems, resource use and circular economy and business practice follow the general assumptions in steps one to five above.

Climate-related IROs

Climate-related IROs are assessed as a part of the double materiality process.

The Group has for several years analysed financed greenhouse gas emissions in line with the Partnership for Carbon Accounting Financials (PCAF) to gain insight into the climate-related impact of the Group's loan portfolios. These estimates were utilised together with data and insights from the Group's climate account scope 1, 2 and 3 (upstream). Working groups, in-depth interviews and other international and national reports were also utilised to assess the Group's climate-related IROs.

Climate-related IROs are assessed for the entire value chain and own operations, where the most material IROs fall to the loan portfolio and the customers. Downstream is identified as the stage which the Group has the greatest possibility to impact, and to be impacted by, climate. This is not synonymous with the Group having omitted to assess the supplier chain and its own operations.

In addition to the above-mentioned sources of data and insights, all IROs are assessed based on two NGFS scenarios: one high emissions scenario ("Current Policies") and one low emissions scenario ("Net Zero"). The Group's transition plans are developed with a view to an orderly transition ("Net Zero"), but also prepare the business to tackle a disorderly transition and the high emissions scenario ("Current Policies"). The Group's analyses focus in all essentials on the downside scenario. The scenarios and the reason for their inclusion in the assessment of IROs are described below. The scenarios represent the Group's ambition to attain net zero by 2050 ("Net Zero"), and today's situation "(Current Policies"). Both scenarios represent various consequences in the short, medium and long term.

Net-Zero

Global warming is limited to 1.5 degrees with little or no exceedance through strict climate policies and innovation. Net zero emissions are expected to be attained by 2050. In this scenario, physical risk is relatively low. Transition risk is however higher due to more frequent technology changes and speedier changes in market preferences, and greenhouse gas emissions need to be cut back substantially over a short space of time. This scenario is to be found on the border between an orderly and a disorderly scenario, and contributes to an understanding of the consequences an orderly versus disorderly transition could have for the economy, and for the industries to which the Group is exposed. Climate-related transition events are assessed implicitly when this scenario is used.

Current policies

Only today's regulatory measures and policies are implemented. Emissions rise up to 2080 leading to a temperature increase of 3 degrees and increased physical risk. The emissions entail irreversible climate change. This scenario ensures the Group's ability to assess the long-term physical risks facing the economy.

Climate-related impacts are assessed at industry level by examining challenges facing industries, and their emission sources. Risks and opportunities are assessed based on various analyses that are described more fully under *Climate change*.

Physical risk and transition risk are assessed for the Group's portfolios of loans to both personal and corporate customers. Quantitative and qualitative TCFD analyses (Task Force on Climate-related Financial Disclosures) are utilised to assess physical risk and transition risk. The analyses are constantly updated to assess risks to the Group's loan portfolios. The analyses take a basis in two NGFS scenarios: "Current policies" and "Net Zero" at industry level. The industries represent various types of physical risk and transition risk, including transition events, which extend over the short, medium and long-term horizon. For example the majority of the Group's exposure to physical climate risk is centred round the building stock financed by the Group. Transition risk is mainly centred round specific industries (e.g. shipping, agriculture and offshore), and residential and commercial property.

In addition to the TCFD analyses, use is made of data and insights from the SpareBank 1 Alliance's ESG model and a stress test of ESG risk to assess risk and opportunities. Other climate-related risks and opportunities are assessed based on public and internal sources.

Pollution-related IROs

No assessment has been made of the Group's locations with regard to pollution-related IROs. This is covered by the assessments related to own operations and energy consumption under Climate-related IROs. Assessment of business activities where pollution is a material IRO is based on public sources, internal documentation and in-depth interviews with the Group's industry officers. Pollution is identified as a material impact in several industries financed by the Group. Pollution-related risks and opportunities often relate to climate change and biodiversity and ecosystems.

IROs related to water and marine resources

The impact of the Group's locations on water and marine resources or their dependence on such resources, are considered to be insignificant. Assessments have been made of how the Group's value chains are impacted by risks and opportunities linked to water and marine resources. Water consumption by for example data centres was considered, but is viewed as insignificant for the time being.

Biodiversity and ecosystem-related IROs

No assessment has been made of whether the Group's locations are located in, or adjacent to, areas that are biodiversity-sensitive. The Group's own operations do not contribute to the degradation of natural habitats, of species' habitats or to the disturbance of species present in protected areas. It has not been assessed whether it is necessary to implement measures to reduce biodiversity loss in the areas where the Group is located.

Identification and assessment of impacts has been based on the Group's business activities and input factors. This refers for example to purchases of IT equipment, and loans to retail customers, commercial property and agriculture.

Most industries financed by the Group are dependent on nature's diversity and well-functioning ecosystems, either directly or indirectly, and are thus mutually dependent on one another when it comes to minimising systematic risk. No thoroughgoing assessments have been made of the various industries' mutual dependence on one another beyond the fact that dependences are known to be a source of additional risk. Systematic risk has not been assessed or analysed to any extent.

Biodiversity and ecosystem-related risks and opportunities have been assessed on a par with climate-related risks and opportunities. See *Climate-related IROs* described above.

Resource use and circular economic IROs

Assessment of business activities and industries where resource use and circular economy constitute material IRO, builds on public sources, internal documentation and in-depth interviews with industry officers.

The focus on increased resource efficiency and the transition to a circular economy is regarded as a solution strategy, and the impacts are identified as material in the Group's value chains. In the downstream value chain the impact is considered material due to the Group's exposure to several resource-intensive and waste-generating industries. Upstream the impact is considered significant due to the Group's purchases of goods and services. The risks and opportunities refer to climate change and biodiversity and ecosystems, and derive inter alia from data sources and insights from TCFD analyses, the ESG model and stress test.

IROs related to business conduct

Public sources, internal documentation and in-depth interviews with inter alia the Group Management and industry officers are utilised to identify IROs related to business conduct.

The Group is dependent on trust, and must as a provider of financing and other financial services meet regulatory requirements with regard to anti-money laundering and anti-terror financing, as well as tackle the growing extent of fraud. The trust enjoyed by the Group is also based on its handling of potential corruption and bribery. This is reflected in its business culture, processes, procedures and its societal role in the region of which the Group is a part.

Governing bodies

Governing bodies are defined as the Supervisory Board, the Board of Directors and Group Management. Other committees, panels and group functions are intended to support the Group's ability to discharge its tasks in a good, objective and efficient manner.

Following completion of the Group's double materiality analysis, the second half of 2024 was devoted to understanding the implications of the Group's material IROs from various perspectives. Strategic assessments, transactions and risk management have thus not been impacted by the Group's material IROs in the course of the reporting year.

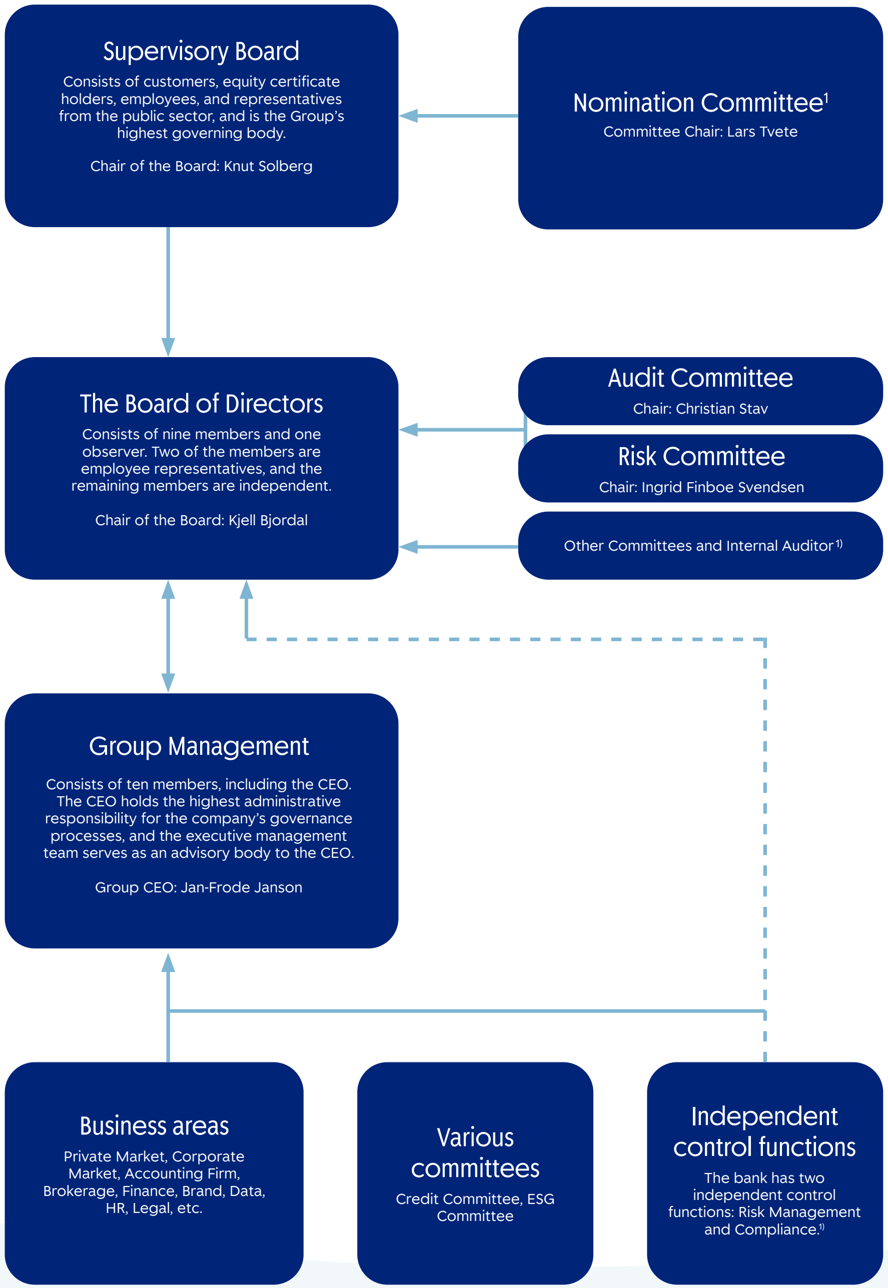
Governing bodies have considered a number of matters over the course of the reporting period:

- Completion of the Group's double materiality assessment
- Commencement of the project to draw up the Group's transition plan for the environment
- Implementation of detailed planning processes for management of the Group's IROs

The detailed plans will entail the setting of objectives with appurtenant key performance indicators for goal attainment, preparation of action plans with relevant measures, and drawing up of guidelines for tasks in the respective areas. The establishment of reporting lines and due diligence assessments will be a part of the process.

Governing bodies have not addressed specific IROs in the course of the reporting period. This will be an aspect of the work ahead.

The Group's governance structure and governing bodies are illustrated in the figure below. The Risk Management and Compliance Department is entitled to report directly to the Board of Directors when needed. Appropriate mechanisms for follow-up and measurement of goal attainment follow the governance structure illustrated to the right.



1) NUES' section 7, 9, 10 and 15.

Supervisory Board

The Group's paramount body is the Supervisory Board, consisting of 32 persons from four different stakeholder groups. These members comprise eight employees, nine customers, 12 equity certificate holders and three public sector representatives. Of the members, 21 are men and 11 women equating to a f*emale-to-male quotient* of 52 per cent. The Supervisory Board's leadership comprises a male chairperson and a female deputy chairperson. The Supervisory Board meets twice yearly, one meeting to formally review the annual accounts et al., the other dedicated to professional updating. The Supervisory Board's need for professional updating is clarified through dialogue with the Administration, and the Supervisory Board chair decides which resources are to be drawn on.

Board of Directors

The Board of Directors comprises nine members and an observer. Five members are men and four women, equating to a *female-to-male quotient* of 80 per cent. Two of the members are employee representatives elected by the employees. The observer is also an employee. The remaining members of the Board of Directors are elected by the Supervisory Board. All members elected by the Supervisory Board are independent, and without vested interests in the Group (78 per cent of the board are independent).

The Board of Directors has about 12 fixed meetings yearly and otherwise convenes as and when required. The Board has a broad range of competencies from various industries, The CSRD expands the board's responsibilities. This brings a need for new competencies to manage the Group's IROs. This competency need is considered to be met through the Board's broad experience from business and industry. The Board is also entitled to draw on knowledge and competencies in further areas by engaging external and internal experts.

The Board of Directors' expanded responsibilities have formed the backdrop to the Board's consideration of matters related to CSRD through the year. The Board has decided to establish plans and frameworks for how governing bodies are to integrate the Group's material IROs into their tasks. Updating of mandates and guidelines will be a natural part of this work.

For the Board of Directors this involves assuming a monitoring role vis-à-vis the Administration to see to it that material IROs are addressed, and appropriate reporting lines are being established between the Board and the Administration.

The members of the board are described here.

Risk committee and audit committee

As a stock-exchange-listed financial institution the Group is required to have in place a risk committee and an audit committee. The committees each consist of three board members – one man and two women. The committees have broad managerial experience from sizeable private undertakings and the public sector.

The Audit Committee is required inter alia to inform the Board of Directors of the outcome of the financial audit and the attestation of sustainability statements, monitor the systems for internal control of the financial and non-financial reporting, and to maintain ongoing contact with the elected auditor. The Audit Committee shall also assess and oversee the auditor's independence.

The members have completed a course within the scope of the CSRD in order to ensure that the committee has sufficient competence to take on expanded duties related to sustainability statements.

The Risk Committee is required inter alia to contribute to ensuring that risk management is in keeping with best practice and the Board's aspirations, and to help ensure that the Group's capital adequacy meets internal and regulatory requirements. In addition, the committee reviews risk management strategies, cases and matters related to the bank's anti-money laundering and anti-terrorist financing efforts, and policies, in preparation for consideration by the board. The committee is also responsible for follow-up of the internal audit function.

The risk committee shall also contribute to ensuring that laws and regulations along with internal rules that regulate the Group are identified, implemented and complied with.

The committees meets at least five times yearly.

Group management

The Group Management comprises eight men and two women equating to a f*emale-to-male quotient* of 20 per cent. The Group CEO has the topmost administrative responsibility for the Group's governance processes, and the Group Management acts as adviser to the Group CEO. In order to discharge its tasks the Group Management receives regular reports on a range of matters from experts in the Group and discusses, and provides input to, the matter in hand at regular meetings.

The Group Management has long experience from banking, technological, consultancy and financial activities in Mid Norway. The combination of experience and competence provides the Group Management with a good basis for understanding how the Group and Mid Norway as a region are impacted by a range of factors. In areas where the Group Management are in need of added expertise, they can draw on internal and external specialist resources.

It has been decided that responsibility for the management and oversight of the Group's material IROs shall rest with the Group Management. Responsibility for managing and overseeing the respective IROs is delegated to various executive directors. Status with regard to IRO management and goal attainment is reported to the Board of Directors. As at year-end the frequency of such reporting has yet to be clarified. Reporting frequency, along with integration into the Group Management's tasks and mandates, will be a continuing process.

The members of the Group Management are described here.

ESRS-index

The table below shows SpareBank 1 SMN's reporting for 2024 in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS).

Entity-specific reporting in line with ESRS 1 Appendix A AR 1-5 is presented in the table with a self-defined indicator. In cases where other reporting standards have been used due to the absence of guidelines in ESRS, this is noted under the "Indicator" column. Not all material AR requirements are listed in the table below. They have been adhered to to the extent they are deemed material.

Disclosure requirements	Indicator	Description	Description in annual report
GENERAL INFORMATION (ESRS 2)			
Basis for preparation (BP)			
BP-1	5a	Consolidated or individual preparation	Basis for preparation of the sustainability statement
BP-1	5b	Confirmation of consistent consolidation basis as financial statements	Basis for preparation of the sustainability statement
BP-1	5c	Inclusion of upstream and downstream value chain	Basis for preparation of the sustainability statement
BP-2	9	Deviations from time horizons defined in ESRS 1 section 6.4	Time horizons
BP-2	10	Key metrics containing value chain data estimated using indirect sources	Value chain information
BP-2	11	Sources of estimation and outcome uncertainty	Comparative information, estimation uncertainty and limitations
BP-2	12	Uncertainty in forward-looking information	Comparative information, estimation uncertainty and limitations
BP-2	13	Changes in preparation or presentation of information	Changes in sustainability reporting and correction of priod period errors

Disclosure requirements	Indicator	Description	Description in annual report
BP-2	14	Correction of prior period errors	Changes in sustainability reporting and correction of priod period errors
BP-2	15	References to other parts of the report	References to other parts of the report of the board of directors
BP-2	16	Disclosures required by other legislation	References to other reporting
Governance (GOV)			
GOV-1	21	Composition and diversity of governing bodies	Governing bodies
GOV-1	22	Roles and responsibilities of governing bodies in managing IRO	Governing bodies
GOV-1	23	Governing bodies' competence on sustainability issues, their availability, or planned development	Governing bodies
GOV-2	26a	Frequency of updates to governing bodies on material impacts, risks, and opportunities (IRO), implementation of due diligence, and effectiveness of policies, actions, key metrics, and targets	Governing bodies
GOV-2	26b	Assessment of material IRO in strategy setting, transaction decisions, and risk management	Governing bodies
GOV-2	26c	Overview of material topics addressed by governing bodies during the reporting period	Governing bodies
GOV-3	29	Governing bodies' incentive schemes and compensation related to sustainability	References to other reporting
GOV-4	30	Sustainability due diligence	Due diligence assessments related to sustainability
GOV-5	36	Key components of risk management and internal controls related to sustainability reporting	Risk management and internal control of sustainability reporting

Disclosure requirements	Indicator	Description	Description in annual report
Strategy (SBM)			
SBM-1	40a	Significant products, services, markets, customer groups, and employee count	References to other parts of the sustainability statement
SBM-1	40e	Targets related to specific products, services, markets, customer groups, geographic areas, or stakeholder relations	References to other parts of the sustainability statement
SBM-1	40f	Assessment of current products, services, markets, and customer groups in relation to set targets	References to other parts of the sustainability statement
SBM-1	40g	Strategic elements related to sustainability	References to other parts of the sustainability statement
SBM-1	42a	Input and process for collecting, developing, and ensuring input	Business models and value chain
SBM-1	42b	Outputs and outcomes in terms of current and expected benefits for customers, investors, and other stakeholders	Business models and value chain
SBM-1	42c	Key features of the value chain, position in the value chain, and description of important business relationships (suppliers, customers, distribution channels, and end-users) and their relation to the business	Business models and value chain
SBM-2	45a	Interaction with stakeholders	Stakeholder dialogue in SpareBank 1 SMN
SBM-2	45b	Company's understanding of conducted stakeholder dialogue	Stakeholder dialogue in SpareBank 1 SMN
SBM-2	45c	Adjustments to strategy and/or business model	Stakeholder dialogue in SpareBank 1 SMN
SBM-2	45d	Whether and how governing bodies are informed	Stakeholder dialogue in SpareBank 1 SMN
SBM-3	46	Integration of material impacts, risks, and opportunities into strategy and business model	In each material standard: Approach to the topic
Management of impacts, risks and opportunities (IRO)			

Disclosure requirements	Indicator	Description	Description in annual report
IRO-1	53a	Methodology and assumptions in identifying impacts, risks, and opportunities	The Group's double materiality assessment Process description Step 1: Gain overview of activities and business relationships, and identify key stakeholders Step 3: Assess impact
IRO-1	53b	Process related to identification, assessment, prioritization, and monitoring of potential and actual impacts on people and the environment	The Group's double materiality assessment Step 3: Assess impact
IRO-1	53c	Process related to identification, assessment, prioritization, and monitoring of risks and opportunities that have or may have financial effects	The Group's double materiality assessment Step 4: Assess risk and opportunities
IRO-1	53d	Process related to decision-making and internal controls	The Group's double materiality assessment Internal control and decision-making process
IRO-1	53e	Whether and how processes related to identification, assessment, and management of impacts and risks are integrated into overall risk management	The Group's double materiality assessment Step 4: Assess risk and opportunities
IRO-1	53f	Whether and how processes related to identification, assessment, and management of opportunities are incorporated into corporate governance	The Group's double materiality assessment Steg 5: Integrate into strategy, risk management and reporting
IRO-1	53g	Input parameters used in the process of identifying, assessing, and managing material impacts, risks, and opportunities	The Group's double materiality assessment Process description
IRO-1	53h	Changes in the process of identifying, assessing, and managing impacts, risks, and opportunities compared to previous years	The Group's double materiality assessment
IRO-2	56	List of data points originating from other EU legislation and information on where they can be found in the sustainability report	List of data points that derive from other EU legislation

Disclosure requirements	Indicator	Description	Description in annual report
IRO-2	56	List of ESRS reporting requirements stemming from the double materia-lity analysis	ESRS-index
IRO-2	56	Explanation of how material infor-mation related to material impacts, risks, and opportunities has been determined	The Group's double materiality assessment Step 5: Integration
SECTOR AGNOSTIC INFORMATION			
Environmental (ESRS E1 - E5)			
Climate change (ESRS E1)			
ESRS 2 GOV-3	13	Whether and how climate-related considerations influence governing bodies' compensation, including targets for greenhouse gas (GHG) emission reduction and the proportion of compensation in the current period linked to such considerations	References to other reporting
ESRS 2 SBM-3	48b	Current and expected effects of the most significant impacts, risks, and opportunities on business model, value chain, strategy, and decisions, and how the company responds or plans to respond	Assessment of climate-related IROs
ESRS 2 SBM-3	48c	How negative impacts actually or potentially affect people or the environment, their sources, and impacts caused by the type of activities and business relationships the company is involved in	Impacts on climate change
ESRS 2 SBM-3	48d	Current financial effects on financial position, performance, and cash flows, and material risks and oppor-tunities that may affect the carrying value of assets or liabilities during the upcoming reporting period	Climate-related risks and opportunities
ESRS 2 SBM-3	48e	Expected financial effects of the most significant risks and opportunities on financial position, performance, and cash flows over the short, medium, and long term	Climate-related risks and opportunities

Disclosure requirements	Indicator	Description	Description in annual report
E1-1	17	If a transition plan has not yet been developed, provide a description of whether and when the transition plan will be completed	Development of the Group's climate transition plan
E1-SBM-3	18	For each identified climate risk, explain whether it is a physical risk or a transition risk	Climate-related risks and opportunities
E1-SBM-3	19	Describe the resilience of the company's strategy and business model	Climate-related risks and opportunities
E1-IRO-1	20	Process related to identification and assessment of climate-related impacts, risks, and opportunities	The Group's double materiality assessment Topic-specific assessments of IROs
E1-IRO-1	21	Explain how climate-related scena-rios are used in identifying physical risk, transition risk, and opportuni-ties over the short, medium, and long term	The Group's double materiality assessment Topic-specific assessments of IROs
E1-2	24	Minimum disclosure requirement - policy (MDR-P)	Policies
E1-2	25	Whether and how policies address climate change, climate adaptation, energy efficiency, renewable energy, or other relevant topics	Policies
E1-3	28	Minimum disclosure requirement - actions (MDR-A)	Actions plans and measures
E1-3	29a	Measures and actions to address climate change and decarboniza-tion levers	Actions plans and measures
E1-3	29b	Achieved and expected emission reductions from measures and actions	Actions plans and measures
E1-4	32	Minimum disclosure requirement - targets (MDR-T)	Targets and KPIs
E1-4	33	Link between emission reduction targets and climate-related impacts, risks, and opportunities	Targets and KPIs
E1-4	34a	Reduction targets in absolute and intensity values (if relevant)	Targets and KPIs
E1-4	34b	Reduction targets for scope 1, 2, and 3 (either separately or combined)	Targets and KPIs

Disclosure requirements	Indicator	Description	Description in annual report
E1-4	34c	Base year and base value	Targets and KPIs
E1-4	34d	Targets for 2030 and potentially 2050	Targets and KPIs
E1-4	34e	Science-based and compatible with limiting global warming to 1.5 degrees. describe framework and methodology	Targets and KPIs
E1-4	34f	Decarbonization levers and quantitative contribution to reduction target	Targets and KPIs
E1-5	37	Company's energy consumption and energy mix	Note 3: Energy consumption
E1-6	48	Gross greenhouse gas (GHG) emissions (scope 1)	Note 4: GHG-emissions from own operations
E1-6	49	Gross greenhouse gas (GHG) emissions (scope 2 - location- and market-based)	Note 4: GHG-emissions from own operations
E1-6	51	Gross greenhouse gas (GHG) emissions (scope 3)	Note 5: GHG-emissions from the value chain
E1-6	52	Total gross greenhouse gas (GHG) emissions (location- and market-based)	Note 6: Total GHG-emissions
E1-6	53	Emission intensity (total GHG emissions per net revenue)	Note 7: GHG-intensity
E1-6	55	Reconciliation with financial statements	Note 7: GHG-intensity
E1-9	66	Expected financial effects due to significant climate-related physical risk	Note 8: Financial risks and opportunities from climate change and adaptation
E1-9	67	Expected financial effects due to significant climate-related transition risk	Note 8: Financial risks and opportunities from climate change and adaptation
E1.9	68	Reconciliation with relevant assets, liabilities, revenue items, and/or other relevant financial statement line items	Note 8: Financial risks and opportunities from climate change and adaptation
E1-9	69	Expected financial effects due to climate-related opportunities	Note 8: Financial risks and opportunities from climate change and adaptation

Pollution (ESRS E2)

Disclosure requirements	Indicator	Description	Description in annual report
ESRS 2 SBM-3	48b	Current and expected effects of the most significant impacts, risks, and opportunities on the business model, value chain, strategy, and decision-making, as well as how the company responds or plans to respond.	Assessment of pollution-related impacts and risks
ESRS 2 SBM-3	48c	How negative impacts actually or potentially affect people or the environment, where these impacts originate from, and the impacts caused by the types of activities and business relationships the company is involved in.	Impacts on pollution
ESRS 2 SBM-3	48d	Current financial effects on financial position, performance, and cash flows, as well as significant risks and opportunities that may affect the balance sheet value of assets or liabilities during the upcoming reporting period.	Pollution-related risks
ESRS 2 SBM-3	48e	Expected financial effects of the most significant risks and opportunities on financial position, performance, and cash flows over the short, medium, and long term.	Pollution-related risks
E2-1	14	Minimum Disclosure Requirement - Policy (MDR-P)	Policies
E2-1	15a	Whether and how policies ensure the minimization of negative impacts related to pollution of air, water, and soil.	Policies
E2-2	18	Minimum Disclosure Requirement - Actions (MDR-A)	Actions plans and measures
E2-2	AR13	In cases where measures affect the value chain, include information on which measures are taken and their type.	Actions plans and measures
E2-3	22	Minimum Disclosure Requirement - Targets (MDR-T)	Targets and KPIs
E2-3	23	Whether and how the targets relate to the prevention and control of pollution to air, water, and soil, as well as respective quantities and substances of concern and high concern.	Targets and KPIs

Disclosure requirements	Indicator	Description	Description in annual report
E2-3	25	Whether pollution-related targets are legally required or not.	Targets and KPIs
E2-6	39a	Quantitative and qualitative information on expected financial effects of pollution-related risks and opportunities.	Note 1: Financial risks as a result of pollution
E2-6	39b	Assessment of effects, related impacts, and the time horizons in which the financial effects are expected to occur.	Note 1: Financial risks as a result of pollution
E2-6	39c	Critical assumptions and sources of estimation uncertainty.	Note 1: Financial risks as a result of pollution
E2-6	41	Significant events where pollution had a negative impact on the environment and/or is expected to have a negative effect on cash flows, financial position, or financial performance.	Note 1: Financial risks as a result of pollution
Biodiversity and ecosystems (ESRS E4)			
ESRS 2 SBM-3	48b	Current and expected effects of the most significant impacts, risks, and opportunities on the business model, value chain, strategy, and decision-making, as well as how the company responds or plans to respond.	Assessment of IROs related to biodiversity and ecosystems
ESRS 2 SBM-3	48c	How negative impacts actually or potentially affect people or the environment, where these impacts originate from, and the impacts caused by the types of activities and business relationships the company is involved in.	Impacts on biodiversity and ecosystems
ESRS 2 SBM-3	48d	Current financial effects on financial position, performance, and cash flows, as well as significant risks and opportunities that may affect the balance sheet value of assets or liabilities during the upcoming reporting period.	Risks and opportunities linked to biodiversity and ecosystems

Disclosure requirements	Indicator	Description	Description in annual report
ESRS 2 SBM-3	48e	Expected financial effects of the most significant risks and opportunities on financial position, performance, and cash flows over the short, medium, and long term.	Risks and opportunities linked to biodiversity and ecosystems
E4-1	13	Resilience in current business models and strategy related to biodiversity and ecosystem-related physical, transitional, and systemic risks and opportunities.	The Group's nature strategy
E4-2	22	Minimum Disclosure Requirement - Policy (MDR-P)	Policies
E4-2	23	Whether and how the policy(ies) relate to significant impacts, dependencies, physical risks, transition risks, systemic risks, production, sourcing, and consumption from ecosystems, as well as the social consequences of identified impacts.	Policies
E4-2	24	Whether policies or practices for sustainable land and agriculture are maintained and whether policies address deforestation.	Policies
E4-3	27	Minimum Disclosure Requirement - Actions (MDR-A)	Action plans and measures
E4-3	28	Biodiversity offsets used in action plans.	Action plans and measures
E4-4	29	Minimum Disclosure Requirement - Targets (MDR-T)	Targets and KPIs
E4-4	32	Ecological thresholds, alignment with international or national strategies, linkage to IDRO in own operations and value chain, biodiversity offsets, and the mitigation hierarchy.	Targets and KPIs
E4-6	45a	Quantitative and qualitative information on expected financial effects of risks and opportunities related to biodiversity and ecosystems.	Note 1: Financial risks and opportunities as a result of biodiversity and ecosystems
E4-6	45b	Assessment of effects, related impacts, and the time horizons in which the financial effects are expected to occur.	Note 1: Financial risks and opportunities as a result of biodiversity and ecosystems

Disclosure requirements	Indicator	Description	Description in annual report
E4-6	45c	Critical assumptions and sources of estimation uncertainty.	Note 1: Financial risks and opportunities as a result of biodiversity and ecosystems
E4-6	AR39	How amounts are estimated and critical assumptions.	Note 1: Financial risks and opportunities as a result of biodiversity and ecosystems
Resource use and circular economy (ESRS E5)			
ESRS 2 SBM-3	48b	Current and expected effects of the most significant impacts, risks, and opportunities on business model, value chain, strategy, and decisions, and how the company responds or plans to respond	Assessment of IROs related to resource use and circular economy
ESRS 2 SBM-3	48c	How negative impacts actually or potentially affect people or the environment, their sources, and impacts caused by the type of activities and business relationships the company is involved in	Impacts on resource use and circular economy
ESRS 2 SBM-3	48d	Current financial effects on financial position, performance, and cash flows, and material risks and oppor-tunities that may affect the carrying value of assets or liabilities during the upcoming reporting period	Risks and opportunities related to resource use and circular economy
ESRS 2 SBM-3	48e	Expected financial effects of the most significant risks and opportunities on financial position, performance, and cash flows over the short, medium, and long term	Risks and opportunities related to resource use and circular economy
E5-1	14	Minimum disclosure requirement - policy (mdr-p)	Policies
E5-2	19	Minimum disclosure requirement - actions (mdr-a)	Action plans and measures
E5-3	23	Minimum disclosure requirement - targets (mdr-t)	Targets and KPIs
E5-3	24	How the objective relates to circular design, circular resource usage rate, minimization of raw material consumption, reversal of resource depletion, or other areas related to resource use and circular economy	Targets and KPIs

Disclosure requirements	Indicator	Description	Description in annual report
E5-4	30	Information on resource supply	Note 1: Resource use
E5-4	31	Total weight of products used during the reporting period	Note 1: Resource use
E5-4	32	Calculation methodology and key assumptions	Note 1: Resource use
E5-4	AR25	How double counting is avoided	Note 1: Resource use
E5-6	43a	Quantitative and qualitative information on expected financial effects of risks and opportuni-ties related to biodiversity and ecosystems	Note 2: Financial risks and opportunities as a result of resource use and circular economy
E5-6	43b	Assessed effects, related impacts, and the time horizons in which the financial effects are expected to occur	Note 2: Financial risks and opportunities as a result of resource use and circular economy
E5-6	43c	Critical assumptions and sources of estimation uncertainty	Note 2: Financial risks and opportunities as a result of resource use and circular economy
E5-6	AR35	Definition of time horizons, amount estimation, and critical assumptions	Note 2: Financial risks and opportunities as a result of resource use and circular economy
Social (S1 - S4)			
Own workforce (ESRS S1)			
ESRS 2 SBM-2	12	How workers' interests, views, and rights, including human rights, are safeguarded in strategy and business models	Stakeholder dialogue in SpareBank 1 SMN
ESRS 2 SBM-3	48b	Current and expected effects of the most significant impacts, risks, and opportunities on business model, value chain, strategy, and decisions, and how the company responds or plans to respond	Assessment of IROs related to employees
ESRS 2 SBM-3	48c	How negative impacts actually or potentially affect people or the environment, their sources, and impacts caused by the type of activities and business relationships the company is involved in	Impacts on employees

Disclosure requirements	Indicator	Description	Description in annual report
ESRS 2 SBM-3	48d	Current financial effects on financial position, performance, and cash flows, and material risks and opportunities that may affect the carrying value of assets or liabilities during the upcoming reporting period	Risks and opportunities related to employees
ESRS 2 SBM-3	48e	Expected financial effects of the most significant risks and opportunities on financial position, performance, and cash flows over the short, medium, and long term	Risks and opportunities related to employees
ESRS 2 SBM-3	13	Whether and how actual and potential impacts originate, are linked to, and adapt to strategy and business model, as well as the connection between impacts, risks, and opportunities	Assessment of IROs related to employees
ESRS 2 SBM-3	14a	Types of employees and non-employees subject to significant impacts	Assessment of IROs related to employees
ESRS 2 SBM-3	14b	Significant events with negative impact	Approach to the topic
ESRS 2 SBM-3	14c	Activities that result in positive impacts and types of employees and non-employees affected or potentially affected	Impacts on employees
ESRS 2 SBM-3	14d	Significant risks and opportunities arising from impacts and dependencies on the company's workforce	Assessment of IROs related to employees
ESRS 2 SBM-3	14e	Significant impacts that may arise due to transition plans intended to reduce negative impacts on climate and nature	Impacts resulting from the Group's transition plan for climate and environment
ESRS 2 SBM-3	14f	Tasks with significant risk of forced labor	Assessment of IROs related to employees
ESRS 2 SBM-3	14g	Tasks significantly at risk of child labor	Assessment of IROs related to employees
ESRS 2 SBM-3	15	Developed understanding of how individuals in the company's workforce with different traits, contexts, or job tasks may be particularly vulnerable to negative impacts	Approach to the topic
ESRS 2 SBM-3	16	Risks and opportunities related to specific employee groups	Assessment of IROs related to employees

Disclosure requirements	Indicator	Description	Description in annual report
S1-1	19	Minimum disclosure requirement - policy (MDR-P)	Policies
S1-1	20	Relevant commitments to human rights, approach to human and labor rights, engagement, and remediation of the company's workforce	Policy on protecting fundamental human rights and decent working conditions
S1-1	21	Whether and how policies align with international standards and guidelines	Policies
S1-1	22	Policies explicitly addressing human trafficking, forced labor, or child labor	Policy on protecting fundamental human rights and decent working conditions
S1-1	23	Health and safety system(s) for managing and preventing work-related injuries	Policies on health, environment and safety
S1-1	24	Anti-discrimination policy, covered grounds for discrimination, specific commitments to inclusion or other measures for affected employees, whether and how policies are implemented	Discrimination policy
S1-2	27	Whether and how employee perspectives inform decisions or activities aimed at addressing actual or potential impacts	Employee dialogue
S1-2	27a	How employee dialogue is conducted	Employee dialogue
S1-2	27b	Steps, type, and frequency of employee dialogue	Employee dialogue
S1-2	27c	Role responsible for ensuring dialogue occurs and that results are used in the approach to dialogue, and the function of this role	Employee dialogue
S1-2	27d	Commitment to internationally recognized agreements or other agreements regarding human rights	Employee dialogue
S1-2	27e	Assessment of the effectiveness of dialogue with employees	Employee dialogue
S1-2	28	Steps taken to gain insight into perspectives of employees particularly vulnerable to impacts	Employee dialogue

Disclosure requirements	Indicator	Description	Description in annual report
S1-3	32a	General approach and processes for providing or contributing to remediation in cases where the company has caused or contributed to significant negative impacts on its workforce	Concerns and whistleblowing channels
S1-3	32b	Specific channels in place where employees can express concerns or needs directly	Concerns and whistleblowing channels
S1-3	32c	Mechanisms for handling issues related to employees	Concerns and whistleblowing channels
S1-3	32d	Availability of various channels	Concerns and whistleblowing channels
S1-3	32e	Monitoring and tracking concerns or reports submitted and addressed, and how the effectiveness of channels is ensured	Concerns and whistleblowing channels
S1-3	33	Whether and how the company has assessed if its workforce is aware of and trusts the structures or processes related to concerns and reporting channels, including policies protecting against retaliation	Concerns and whistleblowing channels
S1-4	37	Minimum disclosure requirement - actions (MDR-A)	Action plans and measures
S1-4	38a	Implemented and planned measures to minimize negative impacts	Action plans and measures
S1-4	38b	Whether and how measures have been implemented to provide or enable remediation	Action plans and measures
S1-4	38c	Description of initiatives or actions aimed at positively impacting employees	Action plans and measures
S1-4	38d	Effectiveness of measures and follow-up on this	Action plans and measures
S1-4	39	Processes for identifying necessary measures and responses to actual or potential negative impacts	Action plans and measures
S1-4	40	Planned and ongoing measures to reduce risks and promote opportunities related to workforce impacts and dependencies, and monitoring effectiveness	Action plans and measures
S1-4	41	How the company ensures that current practices do not negatively impact employees	Action plans and measures
S1-4	43	Resources allocated for managing significant impacts	Action plans and measures
S1-4	AR37	Whether and how actual impacts are considered in terminating business relationships and how negative impacts from potential terminations are addressed	Action plans and measures
S1-5	46	Minimum disclosure requirement - targets (MDR-T)	Targets and KPIs
S1-5	47	Process for setting targets, whether employees have been involved in setting, measuring, and identifying improvements or lessons learned	Targets and KPIs
S1-6	50a	Employees (number and average)	Note 1: Own employees
S1-6	50b	Employees by contract type and gender (number and average)	Note 1: Own employees
S1-6	50c	Employees who have left the company (number and percentage)	Note 1: Own employees
S1-6	50d	Methodology for data collection, aggregation, and presentation	Note 1: Own employees
S1-6	50e	Definition of employees	Note 1: Own employees
S1-6	50f	Cross-references to financial statements	Note 1: Own employees
S1-6	AR59	Methodology for calculating turnover	Note 1: Own employees
S1-7	55a	Non-employees (number and average) divided into temporary and self-employed workers	Note 1: Own employees
S1-7	55b	Methodology for data collection, aggregation, and presentation	Note 1: Own employees
S1-7	55c	Explanation of changes if relevant	Note 1: Own employees
S1-7	56	Most common type of non-employee	Note 1: Own employees
S1-7	AR65	Necessary contextual information	Note 1: Own employees
S1-8	60	Percentage of employees covered by collective bargaining agreements	Worker rights

Disclosure requirements	Indicator	Description	Description in annual report
S1-8	63	Percentage of employees with a workers' representative	Worker rights
S1-9	66a	Gender and age distribution in top management (number and percentage)	Note 2: Position level and age distribution
S1-9	66b	Gender and age distribution in the rest of the workforce (number and percentage)	Note 2: Position level and age distribution
S1-9	AR71	Definition of top management	Note 2: Position level and age distribution
S1-10	69	Sufficient wage in accordance with relevant comparison	Remuneration
S1-10	70	Percentage of employees without sufficient wage in accordance with relevant comparison	Remuneration
S1-11	74	All employees covered by social benefits schemes	Worker rights
S1-12	77	Employees with disabilities	Worker rights
S1-12	AR76	Necessary contextual information	Worker rights
S1-13	83a	Evaluation of results and career development	Worker rights
S1-13	83b	Average training hours per employee by gender	Note 3: Competence and training
S1-14	88a	Percentage of employees covered by health and safety system	Note 4: Health, safety and environment
S1-14	88b	Fatalities due to work-related injuries or illnesses	Note 4: Health, safety and environment
S1-14	88c	Number of registered work-related accidents and their frequency	Note 4: Health, safety and environment
S1-14	88d	Number of cases of work-related illnesses	Note 4: Health, safety and environment
S1-14	88e	Number of lost workdays due to work-related injuries or illnesses	Note 4: Health, safety and environment
S1-15	93	Percentage of employees entitled to family-related leave, and percentage who took family-related leave by gender	Worker rights
S1-16	97a	Gender pay gap	Note 5: Remuneration disparities
S1-16	97b	Annual total remuneration ratio	Note 5: Remuneration disparities

Disclosure requirements	Indicator	Description	Description in annual report
S1-16	97c	Necessary contextual information to understand data and information	Note 5: Remuneration disparities
S1-16	AR99	Gender pay gap for the past two reporting periods	Note 5: Remuneration disparities
S1-16	AR100	Information on how objective factors influence the gender pay gap	Note 5: Remuneration disparities
S1-17	103	Number of discrimination cases in the reporting period and other employee complaints through grievance channels, including any fines and contextual information	Note 6: Work-related complaints
S1-17	104	Identified serious incidents related to human rights violations and any fines	Supporting employees' human rights
Workers in the value chain (ESRS S2)			
ESRS 2 SBM-2	9	How workers' interests, views, and rights, including human rights, are safeguarded in strategy and business models	Stakeholder dialogue in SpareBank 1 SMN
ESRS 2 SBM-3	48b	Current and expected effects of the most significant impacts, risks, and opportunities on business model, value chain, strategy, and decisions, and how the company responds or plans to respond	Assessment of impact and risk related to workers in the value chain
ESRS 2 SBM-3	48c	How negative impacts actually or potentially affect people or the environment, their sources, and impacts caused by the type of activities and business relationships the company is involved in	Impact on workers in the value chain
ESRS 2 SBM-3	48d	Current financial effects on financial position, performance, and cash flows, and material risks and opportunities that may affect the carrying value of assets or liabilities during the upcoming reporting period	Risk related to workers in the value chain
ESRS 2 SBM-3	48e	Expected financial effects of the most significant risks and opportunities on financial position, performance, and cash flows over the short, medium, and long term	Risk related to workers in the value chain

Disclosure requirements	Indicator	Description	Description in annual report
ESRS 2 SBM-3	11	Whether and how actual and potential impacts originate from, relate to, and adapt strategy and business model, as well as the interconnection between impacts, risks, and opportunities	Assessment of impact and risk related to workers in the value chain
ESRS 2 SBM-3	11a	Types of workers in the value chain subject to significant impacts	Assessment of impact and risk related to workers in the value chain
ESRS 2 SBM-3	11b	Geographical locations or goods and services where there is a significant risk of child labor or forced labor in the value chain	Assessment of impact and risk related to workers in the value chain
ESRS 2 SBM-3	11c	Significant events with negative impact	Impact on workers in the value chain
ESRS 2 SBM-3	11e	Significant risks or opportunities arising from impacts and dependencies on workers in the value chain	Risk related to workers in the value chain
ESRS 2 SBM-3	12	Developed understanding of how individuals in the value chain with different characteristics, contexts, or job roles may be particularly vulnerable to negative impacts	Assessment of impact and risk related to workers in the value chain
ESRS 2 SBM-3	13	Risks and opportunities related to specific groups of workers in the value chain	Assessment of impact and risk related to workers in the value chain
S2-1	16	Minimum disclosure requirement - policy (MDR-P)	Policies
S2-1	17	Relevant commitments to human rights, approach to human and labor rights, engagement, and remediation of workers in the value chain	Policy on protecting fundamental human rights and decent working conditions
S2-1	18	Policies explicitly addressing human trafficking, forced labor, or child labor	Policy on protecting fundamental human rights and decent working conditions
S2-1	18	Policies related to suppliers	Policies
S2-1	19	Whether and how policies are developed in accordance with international standards	Policies

Disclosure requirements	Indicator	Description	Description in annual report
S2-2	22	Whether and how workers' perspectives inform decisions or activities aimed at addressing actual or potential impacts	Dialogue with the Group's value chains
S2-2	22a	How dialogue with workers takes place	Dialogue with the Group's value chains
S2-2	22b	Steps, types, and frequency of dialogue with the value chain	Dialogue with the Group's value chains
S2-2	22c	The role operationally responsible for ensuring dialogue takes place and that results are used in the approach to dialogue, and the function of this role	Dialogue with the Group's value chains
S2-2	22d	Commitment to internationally recognized agreements or other agreements regarding human rights	Dialogue with the Group's value chains
S2-2	22e	Assessment of the effectiveness of dialogue with the value chain	Dialogue with the Group's value chains
S2-2	23	Steps taken to gain insight into the perspectives of workers particularly vulnerable to impact	Dialogue with the Group's value chains
S2-3	27a	General approach and processes to provide or contribute to remediation in cases where the company has caused or contributed to significant negative impacts on workers in the value chain	Dialogue with the Group's value chains
S2-3	27b	Specific channels in place where workers in the value chain can express concerns or needs directly	Dialogue with the Group's value chains
S2-3	27c	Availability of various channels	Dialogue with the Group's value chains
S2-3	27d	Follow-up and monitoring of concerns or reports received and handled, and how it is ensured that channels are effective	Dialogue with the Group's value chains

Disclosure requirements	Indicator	Description	Description in annual report
S2-3	28	Whether and how it has been assessed that workers in the value chain are aware of and trust the structures or processes related to concerns and reporting channels, including policies protecting against retaliation or reprisals against individuals using reporting channels	Dialogue with the Group's value chains
S2-4	32	Minimum disclosure requirement - actions (MDR-A)	Action plans and measures
S2-4	32a	Actions taken and planned measu-res to minimize negative impacts	Action plans and measures
S2-4	32b	Whether and how measures have been implemented to provide or enable remediation	Action plans and measures
S2-4	32c	Description of initiatives or actions aimed at positively influencing workers	Action plans and measures
S2-4	32d	Effectiveness of measures and follow-up on this	Action plans and measures
S2-4	33a	Processes for identifying necessary measures and responses to actual or potential negative impacts	Action plans and measures
S2-4	33b	Approach to addressing specific impacts on workers in the value chain	Action plans and measures
S2-4	33c	Approach to ensuring effective processes for remediation in cases of negative consequences for workers in the value chain	Action plans and measures
S2-4	34	Planned and ongoing measures to reduce risks and promote opportunities related to impacts and dependency on the workforce and follow-up on effectiveness	Action plans and measures
S2-4	35	How it is ensured that current practices do not negatively affect workers	Action plans and measures
S2-4	36	Severe human rights-related incidents in the upstream and/or downstream value chain	Action plans and measures
S2-4	38	Resources allocated to managing significant impacts	Action plans and measures

Disclosure requirements	Indicator	Description	Description in annual report
S2-5	46	Minimum disclosure requirement - targets (MDR-T)	Targets and KPIs
S2-5	47	Process for setting targets, whet-her workers have been involved in target setting, measurement, and identification of improvements or lessons learned	Targets and KPIs

Consumers and end-users (ESRS S4)

ESRS 2 SBM-2	12	How consumers and end-users' interests, views, and rights, inclu-ding human rights, are considered in strategy and business models	Stakeholder dialogue in SpareBank 1 SMN
ESRS 2 SBM-3	48b	Current and expected effects of the most significant impacts, risks, and opportunities on business model, value chain, strategy, and decisions, and how the company responds or plans to respond	Assessment of IROs related to consumers and end-users
ESRS 2 SBM-3	48c	How negative impacts actually or potentially affect people or the environment, their sources, and impacts caused by the type of activities and business relationships the company is involved in	Impacts on consumers and end-users
ESRS 2 SBM-3	48d	Current financial effects on financial position, performance, and cash flows, and material risks and oppor-tunities that may affect the carrying value of assets or liabilities during the upcoming reporting period	Risks and opportunities related to consumers and endusers
ESRS 2 SBM-3	48e	Expected financial effects of the most significant risks and opportunities on financial position, performance, and cash flows over the short, medium, and long term	Risks and opportunities related to consumers and endusers
ESRS 2 SBM-3	10	Whether and how actual and potential impacts originate, relate to, and align with strategy and business model, as well as the connection between impacts, risks, and opportunities	Assessment of IROs related to consumers and end-users
ESRS 2 SBM-3	10a	Types of consumers and end-users subject to significant impacts	Assessment of IROs related to consumers and end-users

Disclosure requirements	Indicator	Description	Description in annual report
ESRS 2 SBM-3	10b	Significant events with negative impact	Assessment of IROs related to consumers and end-users
ESRS 2 SBM-3	10c	Activities that result in positive impacts and types of consumers and end-users affected or potentially affected	Assessment of IROs related to consumers and end-users
ESRS 2 SBM-3	10d	Significant risks and opportunities arising from impacts and dependencies on own workforce	Risks and opportunities related to consumers and endusers
ESRS 2 SBM-3	11	Developed understanding of how individuals in the own workforce with different traits, contexts, or job tasks may be particularly vulnerable to negative impacts	Assessment of IROs related to consumers and end-users
ESRS 2 SBM-3	12	Which risks and opportunities are related to specific groups within employees	Assessment of IROs related to consumers and end-users
S4-1	15	Minimum disclosure requirement - policy (MDR-P)	Policies
S4-1	17	Whether and how policies are developed in accordance with international standards	Policies
S4-2	20	Whether and how consumers and end-users' perspectives inform decisions or activities aimed at managing actual or potential impacts	Customer dialogue
S4-2	20a	How dialogue with consumers and end-users takes place	Customer dialogue
S4-2	20b	Steps, type, and frequency of dialogue with consumers and end-users	Customer dialogue
S4-2	20c	Role responsible for ensuring dialogue occurs and results are used in the approach to dialogue, and the function of this role	Customer dialogue
S4-2	20d	Assessment of the effectiveness of dialogue with the value chain	Customer dialogue
S4-2	21	Steps taken to gain insight into the perspectives of employees particularly vulnerable to impacts	Customer dialogue
S4-3	25a	General approach and processes for providing or contributing to remediation in cases where the company has caused or contributed to significant negative impact on workers in the value chain	Customer dialogue
S4-3	25b	Specific channels in place where workers in the value chain can voice concerns or needs directly	Customer dialogue
S4-3	25c	Accessibility of different channels	Customer dialogue
S4-3	25d	Monitoring and follow-up of concerns or reports received and handled, and how it is ensured that channels are effective	Customer dialogue
S4-3	26	Whether and how workers in the value chain are aware of and trust the structures or processes related to concerns and whistleblowing channels, including policies protecting against retaliation or retribution against individuals using whistleblowing channels	Customer dialogue
S4-4	31	Minimum disclosure requirement - actions (MDR-A)	Action plans and measures
S4-4	31a	Completed and planned measures to minimize negative impacts	Action plans and measures
S4-4	31b	Whether and how measures have been implemented to provide or enable remediation	Action plans and measures
S4-4	31c	Description of initiatives or actions with the primary purpose of positively impacting consumers and end-users	Action plans and measures
S4-4	31d	Effectiveness of measures and follow-up of this	Action plans and measures
S4-4	32a	Processes for identifying necessary measures and responses to actual or potential negative impacts	Action plans and measures
S4-4	32b	Approach to handling specific impacts on consumers and end-users	Action plans and measures

Disclosure requirements	Indicator	Description	Description in annual report
S4-4	32c	Approach to ensuring effective processes for remediation of negative consequences for consumers and end-users	Action plans and measures
S4-4	33	Planned and ongoing measures to reduce risks and promote opportunities related to impacts and dependence on workforce, and follow-up of effectiveness	Action plans and measures
S4-4	34	How it is ensured that current practices do not negatively affect employees	Action plans and measures
S4-4	38	Resources allocated for managing significant impacts	Action plans and measures
S4-5	41	Minimum disclosure requirement - targets (MDR-T)	Targets and KPIs
S4-5	41	Process for target setting, whether consumers and end-users have been involved in target setting, measurement, and identification of improvements or learnings	Targets and KPIs
SMN1-1	ESRS 1 AR1-5	Data protection	Personal data protection
SMN1-2	GRI 418-1a	Number of complaints processed related to data protection breaches from third parties and regulatory authorities	Personal data protection
SMN1-2	GRI 418-1b	Number of identified customer data losses	Personal data protection
SMN1-2	GRI 418-1c	Description if no incidents have been identified	Personal data protection
SMN1-2	GRI 418-2	Whether breaches are related to incidents in previous reporting periods	Personal data protection
SMN2-1	ESRS 1 AR1-5	Anti-fraud	Anti-fraud
SMN2-2	ESRS 1 AR1-5	Number of prevented fraud attempts	Anti-fraud
SMN2-2	ESRS 1 AR1-5	Losses due to fraud	Anti-fraud
Governance (G1)			

Disclosure requirements	Indicator	Description	Description in annual report
Business conduct (ESRS G1)			
ESRS 2 GOV-1	5a	Role of governing bodies related to business conduct	Governing bodies
ESRS 2 GOV-1	5b	Competence of governing bodies related to business conduct	Governing bodies
ESRS 2 SBM-3	48b	Current and expected effects of the most significant impacts, risks, and opportunities on business model, value chain, strategy, and decisions, and how the company responds or plans to respond	Assessment of IROs related to business conduct
ESRS 2 SBM-3	48c	How negative impacts actually or potentially affect people or the environment, their sources, and impacts caused by the type of activities and business relationships the company is involved in	Impacts on business conduct
ESRS 2 SBM-3	48d	Current financial effects on financial position, performance, and cash flows, and material risks and opportunities that may affect the carrying value of assets or liabilities during the upcoming reporting period	Risks and opportunities related to business conduct
ESRS 2 SBM-3	48e	Expected financial effects of the most significant risks and opportunities on financial position, performance, and cash flows over the short, medium, and long term	Risks and opportunities related to business conduct
G1-1	7	Minimum disclosure requirement - policy (MDR-P)	Policies
G1-1	9	Establishment, development, promotion, and evaluation of corporate culture	Approach to the topic
G1-1	10a	Description of procedures for identifying, reporting, and investigating breaches of ethical guidelines or other internal rules	Approach to the topic Policies
G1-1	10c	Whistleblower protection	Approach to the topic
G1-1	10f	Guidelines related to animal welfare	Policies
G1-1	10g	Competence development on business conduct	Approach to the topic

Disclosure requirements	Indicator	Description	Description in annual report
G1-1	10h	High-risk departments exposed to corruption and bribery	Note 1: Competency enhancement
SMN3-1	ESRS 1 AR1-5	Anti-money laundering and counter-terrorist financing	Anti-money laundring and terrorist financing
G1-3	18a	Procedures implemented to prevent, detect, and handle allegations or instances of corruption and bribery	Anti-corruption
G1-3	18b	Whether individuals responsible for investigating cases are independent	Anti-corruption
G1-3	18c	Procedures for reporting results to governing bodies	Anti-corruption
G1-3	20	How guidelines are communicated to relevant areas of responsibility	Anti-corruption
G1-3	21a	Type of training related to corruption and misconduct that is offered, what is required, what it includes, and its level of detail	Anti-corruption
G1-3	21b	Percentage of high-risk departments receiving training	Note 1: Competency enhancement
G1-3	21c	Training offered to governing bodies	Note 1: Competency enhancement
SMN4-1	ESRS 1 AR1-5	Data and cybersecurity	Data- and cyber-security
G1-4	24a	Convictions and potential fines	Anti-corruption

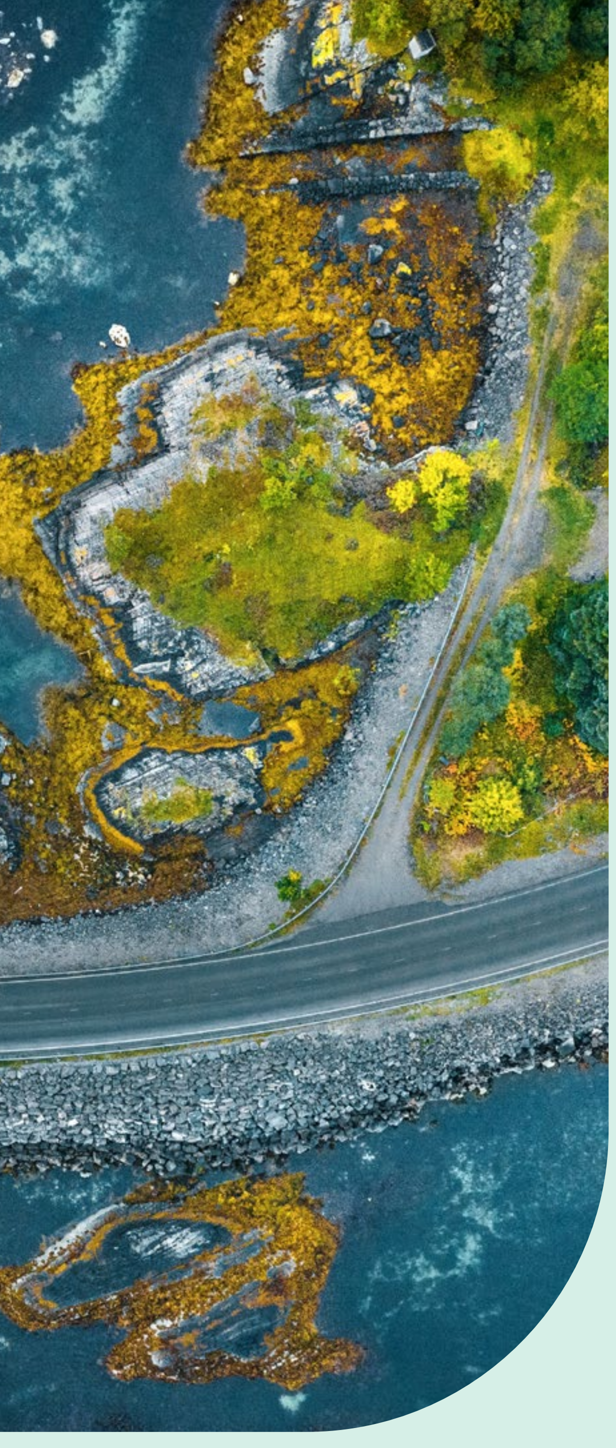
List over datapoints that derive from other EU-legislation

Disclosure requirement	Datapoint	Description in the report of the board of directors	Description in other EU legislation	Reference to: SFDR	Pillar III	Benchmark regulation	EU Climate Law
General information (ESRS 2)							
GOV-1	21d	Governing bodies	Board's gender diversity	x		x	
GOV-1	21e	Governing bodies	Percentage of board members who are independent			x	
GOV-4	30	Sustainability due diligence	Statement on due diligence	x			
SBM-1	40d i	Not relevant	Involvement in activities related to fossil fuel activities	Not relevant	Not relevant	Not relevant	
SBM-1	40d ii	Not relevant	Involvement in activities related to chemical production	Not relevant		Not relevant	
SBM-1	40d iii	Not relevant	Involvement in activities related to controversial weapons	Not relevant		Not relevant	
SBM-1	40d iv	Not relevant	Involvement in activities related to cultivation and production of tobacco			Not relevant	
Climate change (ESRS E1)							
E1-1	14	Development of the Group's climate transition plan	Transition plan to reach climate neutrality by 2050				x
E1-1	16g	Development of the Group's climate transition plan	Undertakings excluded from Paris-aligned Benchmarks		x	x	
E1-4	34	Targets and KPIs	GHG emission reduction targets	x	x	x	
E1-5	38	Note 3: Energy consumption	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x			
E1-5	37	Note 3: Energy consumption	Energy consumption and mix	x			
E1-5	40-43	Note 3: Energy consumption	Energy intensity associated with activities in high climate impact sectors	x			
E1-6	44	Note 4: GHG-emissions from own operations Note 5: GHG-emissions from the value chain Note 6: Total GHG-emissions	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x	
E1-6	53-55	Note 7: GHG-intensity	Gross GHG emissions intensity	x	x	x	

Disclosure requirement	Datapoint	Description in the report of the board of directors	Description in other EU legislation	Reference to: SFDR	Pillar III	Benchmark regulation	EU Climate Law
E1-7	56	Not material	GHG removals and carbon credits	Not material			
E1-9	66	Note 8: Financial risks and opportunities from climate change and adaptation	Exposure of the benchmark portfolio to climate-related physical risks			x	
E1-9	66a	Note 8: Financial risks and opportunities from climate change and adaptation	Disaggregation of monetary amounts by acute and chronic physical risk		x		
E1-9	66c	Note 8: Financial risks and opportunities from climate change and adaptation	Location of significant assets at material physical risk		x		
E1-9	67c	Note 8: Financial risks and opportunities from climate change and adaptation	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x		
E1-9	69	Note 8: Financial risks and opportunities from climate change and adaptation	Degree of exposure of the portfolio to climate- related opportunities			x	
Pollution (ESRS E2)							
E2-4	28	Not material	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Not material			
Water and marine resources (ESRS E3)							
E3-1	9	Not material	Water and marine resources	Not material			
E3-1	13	Not material	Dedicated policy	Not material			
E3-1	14	Not material	Sustainable oceans and seas	Not material			
E3-4	28c	Not material	Total water recycled and reused	Not material			
E3-4	29	Not material	Total water consumption in m^3 per net revenue on own operations	Not material			
Biodiversity and ecosystems (ESRS E4)							
SBM-3	16a i)	Not material	Significant locations in own operations (and/or under operational control) where activities impact biodiversity-sensitive areas	Not material			
SBM-3	16b	Not material	Significant locations in own operations (and/or under operational control) with negative impacts on land degradation, desertification, or soil sealing	Not material			

Disclosure requirement	Datapoint	Description in the report of the board of directors	Description in other EU legislation	Reference to: SFDR	Pillar III	Benchmark regulation	EU Climate Law
SBM-3	16c	Not material	Significant locations in own operations (and/ or under operational control) where operations impact endangered species	Not material			
E4-2	24b	Policies	Sustainable land / agriculture practices or policies	x			
E4-2	24c	Policies	Sustainable oceans / seas practices or policies	x			
E4-2	24d	Policies	Policies to address deforestation	x			
Resource use and circular economy (ESRS E5)							
E5-5	37d	Not material	Non-recycled waste	Not material			
E5-5	39	Not material	Hazardous waste and radioactive waste	Not material			
Own workforce (ESRS S1)							
SBM-3	14f	Assessment of IROs related to employees	Risk of incidents of forced labour	x			
SBM-3	14g	Assessment of IROs related to employees	Risk of incidents of child labour	x			
S1-1	20	Policies	Human rights policy commitments	x			
S1-1	21	Policies	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x	
S1-1	22	Not material	Processes and measures for preventing trafficking in human beings	Not material			
S1-1	23	Policies	Workplace accident prevention policy or management system	x			
S1-3	32c	Concerns and whistleblowing channels	Grievance/complaints handling mechanisms	x			
S1-14	88b	Note 4: Health, safety and environment	Number of fatalities and number and rate of work-related accidents	x		x	
S1-14	88c	Note 4: Health, safety and environment	Number of fatalities and number and rate of work-related accidents	x		x	
S1-14	88e	Note 4: Health, safety and environment	Number of fatalities and number and rate of work-related illness	x			
S1-16	97a	Note 5: Remuneration disparities	Unadjusted gender pay gap	x		x	
S1-16	97b	Note 5: Remuneration disparities	Excessive CEO pay ratio	x			
S1-17	103a	Note 6: Work-related complaints	Incidents of discrimination	x			
S1-17	104a	Note 6: Work-related complaints	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x	

				Reference to:			
Disclosure requirement	**Datapoint**	**Description in the report of the board of directors**	**Description in other EU legislation**	**SFDR**	**Pillar III**	**Benchmark regulation**	**EU Climate Law**
Workers in value chain (ESRS S2)							
SBM-3	11b	Assessment of impact and risk related to workers in the value chain	Significant risk of child labour or forced labour in the value chain	x			
S2-1	17	Policies	Human rights policy commitments	x			
S2-1	18	Policies	Policies related to value chain workers	x			
S2-1	19	Policies	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x	
S2-1	19	Policies	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x	
S2-4	36	Approach to the topic	Human rights issues and incidents connected to its upstream and downstream value chain	x			
Affected communities (ESRS S3)							
S3-1	16	Not material	Human rights policy commitments	Not material			
S3-1	17	Not material	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Not material		x	
S3-4	36	Not material	Human rights issues and incidents	Not material			
Consumers and end-users (ESRS S4)							
S4-1	16	Policies	Policies related to consumers and end-users	x			
S4-4	17	Approach to the topic	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x	
S4-4	35	Approach to the topic	Human rights issues and incidents	x			
Business conduct (ESRS G1)							
G1-1	10b	Anti-corruption	United Nations Convention against Corruption	x			
G1-1	10d	Approach to the topic	Protection of whistle-blowers	x			
G1-4	24a	Anti-corruption	Fines for violation of anti-corruption and anti-bribery laws	x		x	
G1-4	24b	Anti-corruption	Standards of anti- corruption and anti- bribery	x			



Parts of the Atlantic Road seen from the air

Environment

EU Taxonomy

The EU Taxonomy Regulation - (EU) 2020/852 - establishes a Europe-wide classification system that helps companies and investors to identify environmentally sustainable economic activities. This classification standard aims to promote sustainable investments and economic activities by providing companies and investors with clear guidelines and criteria for assessing and reporting on sustainability aspects of their businesses and projects. The EU Taxonomy Regulation sets concrete requirements as to what activities can be considered sustainable and criteria that must be met in order for a company's activity to be regarded as sustainable.

In order for an activity to be regarded as taxonomy-aligned, it must be considered to substantially contribute to at least one of the Taxonomy's six environmental objectives (technical screening criteria), while doing no significant harm (DNSH) to any of the other five objectives. The activity must moreover comply with minimum social safeguards.

The Act on Sustainable Finance incorporates the Taxonomy Regulation with ensuing Commission Regulations into Norwegian law. The Taxonomy Regulation entered into force in the EEA Agreement on 15 December 2022 with effect from 1 January 2023.

In the same period, the Climate Delegated Act (EU 2021/2139), which includes technical screening criteria and DNSH requirements for environmental objectives 1 and 2, was implemented into Norwegian law. At the end of 2023, the Delegated Act for the remaining four environmental objectives (EU 2023/2486) was also adopted in the EU. In February 2024, the Norwegian Ministry of Finance implemented this act with effect from January 1, 2024.

As of 2024, the Group is required to report on all six environmental objectives.

The six overarching climate and environmental objectives are:

- Climate change mitigation.
- Climate change adaptation.
- Sustainable use and protection of water and marine resources.
- Transition to a circular economy, waste prevention and recycling.
- Pollution prevention and control.
- Protection and restoration of biodiversity and ecosystems.

Reporting principles and assumptions

The same companies that disclosed taxonomy information for 2023 will also be required to disclose it in 2024, in accordance with EU 2013/34, the Non-Financial Reporting Directive (NFRD). This requirement will be extended when the CSRD comes into effect, which will also apply to large non-listed companies. Institutions subject to the NFRD include both financial and non-financial large public interest entities.

For the reporting period 2024, reporting is required for all environmental objectives. The Group's reporting on environmental objectives 1 and 2 includes an assessment of whether, and to what extent, the Group's economic activities are taxonomy-eligible and taxonomy-aligned. For environmental objectives 3 through 6, the Group will report only eligibility until 2026.

For credit institutions, taxonomy reporting must follow a proportional consolidation approach in line with the EU Regulation 575/2013 (CRR). The Group comprises various financial and non-financial activities and reports an average KPI as a mixed group. This involves the disclosure of KPIs and related templates for different financial activities in the Group's taxonomy reporting for the year. Reported figures from the Group's subsidiaries, associates, and joint ventures are included based on ownership share.

The following significant undertakings are included in the Group's taxonomy reporting:

Company	Ownership share	Consolidation approach	Criteria	Annex 3)
SpareBank 1 SMN	100%	Full	Annex V	Annex VI
SpareBank 1 Finans Midt-Norge AS	57.25%	Full	Annex V	Annex VI
BN Bank ASA	35.02%	Proportional	Annex V	Annex VI
SpareBank 1 Boligkreditt AS	23.16%	Proportional	Annex V	Annex VI
SpareBank 1 Kreditt ASA 1)	17.88%	Proportional	Annex V	Annex VI
SpareBank 1 Næringskreditt AS	12.70%	Proportional	Annex V	Annex VI
SpareBank 1 Invest SMN AS 2)	100%	Full	Annex I	Annex II
SpareBank 1 Regnskapshuset SMN AS	93.28%	Full	Annex I	Annex II
EiendomsMegler 1 Midt-Norge AS	92.43%	Full	Annex I	Annex II
SpareBank 1 Forvaltning AS (group)	21.51%	Proportional	Annex III	Annex IV
SpareBank 1 Markets AS	39.86%	Proportional	Annex VII	Annex VIII

1) The merger between SpareBank 1 Kreditt ASA and Eika Kredittbank was completed on January 7, 2025, and the company is now called Kredittbanken ASA.

2) The company manages a portfolio on behalf of SpareBank 1 SMN. Portfolio management is defined in MiFID II as: "Managing portfolios in accordance with mandates given by clients on a discretionary, client-by-client basis, where such portfolios include one or more financial instruments." The company's management does not align with this definition, nor does the company hold a license from the Financial Supervisory Authority of Norway (Finanstilsynet) to engage in portfolio management. The exception in Chapter 9 of the Securities Trading Act does not apply to portfolio managers. Therefore, the company is reported in accordance with the criteria for non-financial undertakings, as defined in EU 2021/2178 Annex I, following the reporting framework in Annex II.

3) All companies are included in prudential consolidation in accordance with EU 575/2013, Annex VI. For non-financial companies and investment firms, taxonomy-aligned activities are reported only in the corresponding Annex, as outlined in the table above.

In addition, SpareBank1 Kvartalet SMN AS, SpareBank1 Bygget Steinkjer AS and St. Olavs Plass 1 SMN AS are fully consolidated.

Significant changes from previous years disclosures

1. For 2023, only one Green Asset Ratio (GAR) KPI for turnover and capital expenditures (CapEx) was published. For 2024, the Group has published two KPI's. A new definition of top 15 percent most energy-efficient buildings has been applied to GAR for 2023.
2. The Group's taxonomy reporting for 2023 included only Annex V – KPIs for credit institutions and the corresponding Annex VI templates, in compliance with the taxonomy regulation's consolidation requirements for large financial groups with a credit institution as the parent company. Since last year's reporting, the European Commission has introduced several amendments to the regulatory framework, along with updates in the FAQ, requiring financial groups with diverse financial activities and segments to report on all relevant KPIs and corresponding templates applicable to their business. Comparable figures are not published.
3. For 2024, two distinct KPI's on Group-level have been developed, tailored to different debt capital providers to differentiate how funds are allocated. Green debt capital is utilized in accordance with the bank's green bond framework, whereas other debt capital is used to finance various projects and exposures, independently of the green bond framework.
4. In this year's reporting, the definition of the top 15 per cent criterion has been modified to ensure consistency and comparability across the Norwegian banking sector. This replaces the previous interpretation based on the guidance of NVE with the so-called "Multiconsult-method", which has been used by other Norwegian banks since 2023. The NZEB-10% criterion remains part of the 2023 model, where each residential property is assessed individually based on energy consumption data from the energy certificate.
5. The purpose of transitioning from the NVE-method to the Multiconsult-method is to adapt to a more comprehensive and forward-looking approach to assessing building emissions and energy efficiency. The Multiconsult-method employs a lifecycle perspective, where emission factors are calculated as an average over building's expected lifespan of 60 years. This method also accounts the linear reduction in CO_2-emissions toward 2050, aligning with Europe's net-zero emissions ambition. The change in method increases GAR by 2,1 per cent.

Results and KPIs on company level

In line with the EU 2021/2178 (Disclosures Delegated Act) the Group is obliged to report several KPIs. The Group reports as a mixed group with embedded KPI and templates for several business areas. The following KPIs is described closer through the next pages in the following order:

Annex I and II - Non-financial undertakings

- Turnover
- Capital expenditure (CapEx)
- Operational expenditure (OpEx)

Annex III and IV - Asset managers

- KPI turnover-based: The turnover of the investment objects per environmental objective.
- KPI CapEx-based: The capital expenditures of the investment objects per environmental objective.

Annex V and VI - Credit institutions

- Green Asset Ratio (GAR) Stock
- Green Asset Ratio (GAR) Flow
- Financial Guarantees (FinGuar)
- Assets under Management (AuM)

Annex VII and VIII - Investment firms

- Share of revenue from services and activities related to covered economic activities within the total revenue from investment services and activities.
- Share of revenue from investment services and activities related to aligned economic activities within the revenue from investment services and activities connected to covered economic activities.
- Share of revenue from investment services and activities related to aligned economic activities within the total revenue from investment services and activities (GAR).

Annex I & II - Non-financial undertakings

1. Turnover
2. Capital expenditure (CapEx)
3. Operating expenses (OpEx)

The Group's non-financial undertakings generate no turnover, capital expenditures (CapEx) or operating expenditures (OpEx) from activities classified as aligned with the EU taxonomy. In 2024, the Groups wholly owned real estate companies have not made any taxonomy-aligned investments. However, investments are planned for 2025 as part of the process of obtaining the Miljøtårn cerifitcation.

Turnover

In 2024, the activities generating turnover are primarily linked to IT consultancy and advisory services within SpareBank 1 Regnskapshuset SMN AS.

Capital expenditure (CapEx)

The Capital Expenditures for 2024 has primarily consisted of new modified lease agreements in accordance with IFRS 16, as well as renovation and maintenance of buildings and technical installations, including energy efficiency improvements.

Future investments are planned to certify more of the Group's owned buildings in accordance with the BREEAM In-Use criteria, contributing to increased energy efficiency.

Operating expenses (OpEx)

Operating expenses include activities such as:

- Building renovations
- Short-term lease agreements
- Maintenance and repairs

Operating expenses in 2024 have primarily been driven by short-term lease agreements and expensed renovation as well as maintenance of buildings.

Other non-financial undertakings do not involve investments classified as taxonomy-aligned. However, SpareBank 1 Regnskapshuset SMN and Eiendomsmegler 1 Midt-Norge have invested in a new finance center in Molde, where upgrades has been carried out in 2024. The investment costs related to these upgrades are accounted for by the parent company and are included in the re-invoiced rental costs to the subsidiaries. As a results, these costs cannot be classified as capital expendiatures, as they cannot be separated out.

The Group's non-financial undertakings has the following taxonomy-eligible activities:

Economic activity	Code	Turnover	Capital Expenditure (CapEx)	Operational expenditure (OpEx)
Data processing, hosting and related activities	CCA 8.1	X		
Computer programming, consultancy and related activities	CCA 8.2	X		
Renovation of existing buildings	CCM 7.2		X	X
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3		X	X
Acquisition and ownership of buildings1)	CCM 7.7		X	X
Use of concrete in civil engineering	CE 3.5			X

1) New or amended lease agreements in accordance with IFRS 16.

Share of taxonomy-aligned and -eligible activities per KPI:

	Proportion of turnover / total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	-
CCA	**-**	**6.2 %**
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

	Proportion of CapEx / total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	**-**	**7.9 %**
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

	Proportion of OpEx / total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	**-**	**5.7 %**
CCA	-	-
WTR	-	-
CE	-	0.1 %
PPC	-	-
BIO	-	-

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		Year 2024		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') ()									
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		MNOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0 %**		
Of which enabling		**0**	**0%**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0 %**	**E**	
Of which transitional		**0**	**0%**	**0.0 %**						**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0 %**		**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) ()																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Computer programming, consultancy and related activities	CCA 8.2	18	1.4 %	N/EL	EL	N/EL	N/EL	N/EL	N/EL								1.3 %		
Data processing, hosting and related activities	CCM 8.1 CCA 8.1	62	4.8 %	EL	EL	N/EL	N/EL	N/EL	N/EL								4.5 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**80**	**6.2 %**	**4.8 %**	**6.2 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**								**5.8 %**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**80**	**6.2 %**	**4.8 %**	**6.2 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**								**5.8 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**1,213**	**93.8 %**																
TOTAL		**1,293**	**100 %**																

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		Year		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') ()									
Economic Activities (1)	**Code () (2)**	**CapEx (3)**	**Proportion of CapEx, year 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy(9)**	**Biodiversity(10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
Text		MNOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0 %**		
Of which enabling		**0**	**0%**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0 %**	**E**	
Of which transitional		**0**	**0%**	**0.0 %**						**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0 %**		**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) ()																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	3	5.9 %	EL	EL	N/EL	N/EL	N/EL	N/EL								8.6 %		
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	1	2.0 %	EL	EL	N/EL	N/EL	EL	N/EL								2.8 %		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	0	0.0 %	EL	EL	N/EL	N/EL	N/EL	N/EL								0.5 %		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**4**	**7.9 %**	**7.9 %**	**7.9 %**	**0.0 %**	**0.0 %**	**2.0 %**	**0.0 %**								**11.9 %**		
A. Capex of Taxonomy-eligible activities (A.1+A.2)		**4**	**7.9 %**	**7.9 %**	**7.9 %**	**0.0 %**	**0.0 %**	**2.0 %**	**0.0 %**								**11.9 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**42**	**92.1 %**																
TOTAL		**46**	**100 %**																

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		Year		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') ()									
Economic Activities (1)	**Code () (2)**	**OpEx (3)**	**Proportion of OpEx, year 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
Text		MNOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0 %**		
Of which enabling		**0**	**0%**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0 %**	**E**	
Of which transitional		**0**	**0%**	**0.0 %**						**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0 %**		**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) ()																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Renovation of exisiting buildings	CCM 7.2 CCA 7.2 CE 3.2	1	4.9 %	EL	EL	N/EL	N/EL	EL	N/EL								5.6 %		
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	0	0.8 %	EL	EL	N/EL	N/EL	N/EL	N/EL								1.1 %		
Use of concrete in civil engineering	CE 3.5	0	0.1 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								8.5 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2**	**5.8 %**	**5.7 %**	**5.7 %**	**0.0 %**	**0.0 %**	**4.9 %**	**0.0 %**								**15.3 %**		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**2**	**5.8 %**	**5.7 %**	**5.7 %**	**0.0 %**	**0.0 %**	**4.9 %**	**0.0 %**								**15.3 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**29**	**94.2 %**																
TOTAL		**30**	**100 %**																

Annex III & IV - Asset managers

SpareBank 1 SMN offers asset management and fund services through the Group SpareBank 1 Forvaltning AS, which in turn owns Odin Forvaltning AS as a subsidiary.

SpareBank 1 Forvaltning does not manage its own holdings and is classified as an **investment firm that does not trade on its own behalf.**

Reporting in accordance with Annex IV will therefore include the following key performance indicators:

1. KPI - turnover-based (in per cent and NOK million)
   Based on the turnover of investment objects per environmental objective.
2. KPI - CapEx-based (in per cent and NOK million)
   Based on the capital expenditure of investment objects per environmental objective.

SpareBank 1 Forvaltning AS has not published the taxonomy report as per the 2024 reporting year. The company's taxonomy information will be included in SpareBank 1 SMNs consolidated taxonomy report once it becomes available.

Annex V & VI - Credit institutions

1. **Green Asset Ratio (GAR) Stock (Green ratio for holdings):**
   Represents the total value of sustainable exposures on the balance sheet divided by total assets (total assets correspond to point 1 through 6 in the table below).
2. **Green Asset Ratio (GAR) Flow (Green ratio for new exposures):**
   Represents the total value of new sustainable exposures in the current year divided by total assets.
3. **Financial Guarantees (FinGuar) (Green ratio for financial guarantees to financial and non-financial undertakings):**
   Represents the share of financial guarantees for debt instruments that finance taxonomy-aligned activities, divided by total financial guarantees (point 8 in the table).
4. **Assets under Management (AuM):**
   Represents the share of assets under management that belong to undertakings financing taxonomy-aligned economic activities, divided by total assets under management (point 8 in the table).

Key performance indicators related to Fees and Commissions (F&C) and the Trading Book are not required for this reporting period and will not be mandatory until the 2026 reporting year.

The following page provides an overview of the different engagement categories included in the Group's taxonomy reporting for credit institutions.

#	Reporting category	Description/definition	Taxonomy-aligned activities	Data collection
1	Financial undertakings	Financial undertakings or holdings in financial undertakings (which are not held for trading purposes)	Gross exposure to NFRD undertakings that have submitted taxonomy reports multiplied by GAR. Also includes special purpose bonds	Reporting based on the company's/customer's own reporting to SpareBank 1 SMN. Few reports submitted by the reporting date for 2024.
2	Non-financial undertakings subject to NFRD	Based on screening of the group's loan portfolio, customers are essentially small/medium undertakings with no reporting obligation for 2024	None	Reporting based on the company's/customer's own reporting to SpareBank 1 SMN. For obligated counterparties that had not published reporting at the reporting date, last year's reporting has been used.
3	Households – mortgages	This category deals with loans secured on dwellings able to meet requirements as to climate change mitigation and climate change adaptation (objectives 1 and 2)	Assessment based on construction year, energy consumption and doing no significant harm to climate adaptation	All data used in the classification are delivered by Eiendomsverdi. Specifically, energy consumption is obtained for dwellings with a valid energy certificate, and all dwellings are checked against the NVE's risk map for flooding, high water levels and landslide. Selection criteria are described below the table.
4	Households – car loans	This category deals with loans to households secured on electric cars	None	The group lacks information on electric car tyres. All electric car loans are therefore excluded since most car tyres lead to environmental damage.
5	Local authorities	This category deals with exposure to local and regional authorities	None	Local authorities are not subject to NFRD and no voluntary reporting submitted.
6	Non-financial, not subject to NFRD	Small and medium-sized enterprises	None	This category not to be included in the numerator when calculating GAR for 2023 due to no reporting obligation. No voluntary reporting submitted by reporting date.
7	Other assets not included in calculation of GAR	Government securities, exposures to central banks and trading portfolio	Not relevant	Not relevant
8	Off-balance-sheet assets – financial guarantees and assets under management subject to NFRD	Guarantees or assets under management	None	Reporting is based on the company's/customer's own reporting to SpareBank 1 SMN.

Several of the Group's NFRD-obliged counterparties lack taxonomy reporting or have provided incomplete reports. This limits the availability to fully assess taxonomy-eligible and taxonomy-aligned exposures in engagement categories 1 and 2. In such cases both taxonomy-eligible and taxonomy-aligned exposures are set to 0.

Special considerations for Minimum Social Security (MSS) in engagement category 1 and 2

In cases where counterparties are subject to the Norwegian Transparency Act (Åpenhetsloven) their reporting is used to assess whether due diligence related to human rights is embedded in accordance with the OECD Guidelines for Multinational Enterprises.

Going forward, counterparties' CSRD reporting will be used, and reporting under the Norwegian Transparency Act (Åpenhetsloven) will only be applied if the counterparty is not subject to CSRD requirements. In most cases, it has not been possible to assess counterparties' CSRD reporting for 2024, as such reporting was not available at the time of assessment.

For counterparties outside of the EU, other sources will be used, included board-approved polices and publicly available reports.

Methodology for calculation of engagement category 3: Households - mortgages

The upper threshold for energy consumption in green residential buildings has been established in collaboration with Multiconsult. For residential buildings constructed 2021 and onwards, the corrected "Guidance on the Calculation of Primary Energy Demand in Buildings and Energy Frameworks for Nearly Zero-Energy Buildings (NZEB)" has been applied, including all buildings with energy Label A.

For the reporting category "Households – Mortgages", the upper threshold for energy consumption in green buildings has been set in collaboration with Multiconsult. For residential buildings constructed from 2021 and onwards must meet the requirements for NZEB, and, in addition, be at least 10 % more energy efficient than what was defined in the national NZEB definition. This corresponds to residential buildings that comply with TEK17 and have Energy Label A, or the highest-performing B-Labeled buildings, as long as their specific primary energy consumption remains below a defined threshold. Residential buildings constructed after 2021 with Energy Label A and mortgages issued after January 31, 2023, are considered eligible under NZEB 10 % criterion.

When assessing whether a residential building does not cause significant harm to the climate adaptation objective, buildings exposed to physical climate risk (such as flooding, storm surges, landslides, and avalanches) are excluded. The same assessment methodology is applied as in Note 8: Financial Consequences of Climate-Related Risks and Opportunities. For more details, refer to the Group's Climate Change Report.

Template 0: Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation - disclosure covering year 2024

		Total environmentally sustainable assets (NOKm)	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**25,646**	**7.8 %**	**7.4 %**	**95.2 %**	**37.1 %**	**4.8 %**

		Total environmentally sustainable activities (NOKm)	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	**GAR (flow)**	5,839	1.8 %	1.8 %	12.6 %	0.0 %	0.0 %
	Trading book*						
	Financial guarantees	0	0%	0%			
	Assets under management	0	0%	0%			
	Fees and commissions income**						

** For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR*

***Fees and commissions income from services other than lending and AuM*

Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

**** % of assets covered by the KPI over banks´ total assets*

*****based on the Turnover KPI of the counterparty*

******based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used*

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment.

Template 0: Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation - disclosure covering year 2023

		Total environmentally sustainable assets NOKm)	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**23,509**	**7.8 %**	**7.8 %**	**92.5 %**	**30.4 %**	**7.5 %**

		Total environmentally sustainable activities (NOKm)	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	**GAR (flow)**	3,776	1.3 %	1.3 %	12.0 %	0%	0%
	Trading book*						
	Financial guarantees	0	0%	0%			
	Assets under management	0	0%	0%			
	Fees and commissions income**						

** For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR*

***Fees and commissions income from services other than lending and AuM*

Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

**** % of assets covered by the KPI over banks´ total assets*

*****based on the Turnover KPI of the counterparty*

******based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used*

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment.

KPIs for 2023 is revised based on updated definitions of NZEB-10 and top 15 per cent. This is further described in *Significant changes from previous years disclosures* and *Methodology for calculation of engagement category 3: Households - mortgages* above.

Template 1: Assets for the calculation of GAR - disclosure covering year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
NOK million		31/12/2024																														
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	207,791	182,313	25,646	24,373	24,373																						182,313	25,646	24,373	24,373	
2	**Financial undertakings**	**14,022**	**346**	**319**	**1**																							**346**	**319**	**1**		
3	Credit institutions	14,022	346	319	1																							346	319	1		
4	Loans and advances	2																														
5	Debt securities, including UoP	14,020	346	319	1																							346	319	1		
6	Equity instruments	0																														
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**	**1,395**	**13**	**0**		**0**																						**13**	**0**		**0**	
21	Loans and advances	1,395	13	0		0																						13	0		0	
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	**192,349**	**181,954**	**25,326**	**24,372**	**24,372**																						**181,954**	**25,326**	**24,372**	**24,372**	

25	of which loans collateralised by residential immovable property	178,604	178,604	25,326	24,372	24,372																						178,604	25,326	24,372	24,372	
26	of which building renovation loans																															
27	of which motor vehicle loans	242	242																									242				
28	**Local governments financing**	**25**																														
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**122,416**																														
33	**Financial and Non-financial undertakings**	**101,612**																														
34	**SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**	**101,474**																														
35	Loans and advances	79,267																														
36	of which loans collateralised by commercial immovable property	6,909																														
37	of which building renovation loans																															
38	Debt securities	17,884																														
39	Equity instruments	4,323																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	138																														
41	Loans and advances	138																														
42	Debt securities																															
43	Equity instruments																															
44	Derivatives	11,268																														
45	On demand interbank loans	5,587																														
46	Cash and cash-related assets	3																														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	3,946																														
48	**Total GAR assets**	**330,207**	**182,313**	**25,646**	**24,373**	**24,373**																						**182,313**	**25,646**	**24,373**	**24,373**	
49	Assets not covered for GAR calculation	16,801																														
50	Central governments and Supranational issuers	12,227																														
51	Central banks exposure	1,559																														
52	Trading book	3,015																														
53	**Total assets**	**347,008**	**182,313**	**25,646**	**24,373**	**24,373**																						**182,313**	**25,646**	**24,373**	**24,373**	

Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	7	0																													
55	Assets under management																															
56	Of which debt securities																															
57	Of which equity instruments																															

Template 1: Assets for the calculation of GAR - disclosure covering year 2023

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
NOK million		31/12/2023																														
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	209,028	180,870	23,509	23,430	23,430																						180,870	23,509	23,430	23,430	
2	**Financial undertakings**	**23,472**	**5,675**	**79**		**-**																						**5,675**	**79**		**-**	
3	Credit institutions	23,286	5,675	79		-																						5,675	79		-	
4	Loans and advances	5,643	2,702	24		-																						2,702	24		-	
5	Debt securities, including UoP	17,606	2,973	55		-																						2,973	55		-	
6	Equity instruments	36	-	-		-																							-		-	
7	Other financial corporations	186	-	-	-	-																							-	-	-	
8	of which investment firms	-	-	-	-	-																							-	-	-	
9	Loans and advances	-	-	-	-	-																							-	-	-	
10	Debt securities, including UoP	-	-	-	-	-																							-	-	-	
11	Equity instruments	-	-	-		-																							-		-	
12	of which management companies	186	-	-	-	-																							-	-	-	
13	Loans and advances	-	-	-	-	-																							-	-	-	
14	Debt securities, including UoP	-	-	-	-	-																							-	-	-	
15	Equity instruments	186	-	-		-																							-		-	
16	of which insurance undertakings	-	-	-	-	-																							-	-	-	
17	Loans and advances	-	-	-	-	-																							-	-	-	
18	Debt securities, including UoP	-	-	-	-	-																							-	-	-	
19	Equity instruments	-	-	-		-																							-		-	
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**																							**-**	**-**	**-**	
21	Loans and advances	-	-	-	-	-																							-	-	-	
22	Debt securities, including UoP	-	-	-	-	-																							-	-	-	
23	Equity instruments	-	-	-		-																							-		-	
24	**Households**	**184,182**	**180,393**	**23,430**	**23,430**	**23,430**																						**173,971**	**23,430**	**23,430**	**23,430**	

25	of which loans collateralised by residential immovable property	173,808	179,958	23,430	23,430	23,430																						173,536	23,430	23,430	23,430	
26	of which building renovation loans	-	-	-	-	-																										
27	of which motor vehicle loans	6,726	435	-	-	-																						435				
28	**Local governments financing**	**1,224**	**1,224**																									**1,224**				
29	Housing financing																															
30	Other local government financing	1,224	1,224																									1,224				
31	Collateral obtained by taking possession: residential and commercial immovable properties																															
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**91,263**																														
33	Financial and Non-financial undertakings	80,668																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	77,856																														
35	Loans and advances	69,085																														
36	of which loans collateralised by commercial immovable property	42,187																														
37	of which building renovation loans																															
38	Debt securities	5,177																														
39	Equity instruments	3,593																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,813																														
41	Loans and advances	,																														
42	Debt securities	2,488																														
43	Equity instruments	168																														
44	Derivatives	3,976																														
45	On demand interbank loans	3,746																														
46	Cash and cash-related assets	25																														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	2,848																														
48	**Total GAR assets**	**300,141**	**180,870**	**23,509**	**23,430**	**23,430**																						**180,870**	**23,509**	**23,430**	**23,430**	
49	Assets not covered for GAR calculation	24,441																														
50	Central governments and Supranational issuers	15,800																														
51	Central banks exposure	1,451																														
52	Trading book	7,189																														
53	**Total assets**	**324,582**	**180,870**	**23,509**	**-**	**23,430**																						**180,870**	**23,509**	**-**	**23,430**	
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																

54	Financial guarantees																															
55	Assets under management																															
56	Of which debt securities																															
57	Of which equity instruments																															

Template 2: GAR sector information

	KPI turnover	a	b	c	d	e	f	g	h	i	j	k	l
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		NOK million	Of which environmentally sustainable (CCM)	MNOK	Of which environmentally sustainable (CCM)	MNOK	Of which environmentally sustainable (CCA)	MNOK	Of which environmentally sustainable (CCA)	MNOK	Of which environmentally sustainable (WTR)	MNOK	Of which environmentally sustainable (WTR)
1	A.03.21	808	-										
2	B.09.10	159	0										
3	C.10.20	368	-										
4	C.10.20	1	-										
5	C.18.11	0	-										
6	F.43.21	2	-										
7	J.58.13	58	-										

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		NOK million	Of which environmentally sustainable (CE)	MNOK	Of which environmentally sustainable (CE)	MNOK	Of which environmentally sustainable (PPC)	MNOK	Of which environmentally sustainable (PPC)	MNOK	Of which environmentally sustainable (BIO)	MNOK	Of which environmentally sustainable (BIO)	MNOK	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	MNOK	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	A.03.21						-							808	-		
2	B.09.10						0							159	0		
3	C.10.20						-							368	-		
4	C.10.20						-							1	-		
5	C.18.11						-							0	-		
6	F.43.21						-							2	-		
7	J.58.13						-							58	-		

Template 3: GAR KPI stock (turnover) - disclosure covering year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)		31/12/2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	55%	8%	7%	7%																						55%	8%	7%	7%		55%
2	**Financial undertakings**	**0%**	**0%**	**0%**																							**0%**	**0%**	**0%**			**0%**
3	Credit institutions	0%	0%	0%																							0%	0%	0%			0%
4	Loans and advances																															0%
5	Debt securities, including UoP	0%	0%	0%																							0%	0%	0%			0%
6	Equity instruments																															0%
7	Other financial corporations																															0%
8	of which investment firms																															0%
9	Loans and advances																															0%
10	Debt securities, including UoP																															0%
11	Equity instruments																															0%
12	of which management companies																															0%
13	Loans and advances																															0%
14	Debt securities, including UoP																															0%
15	Equity instruments																															0%
16	of which insurance undertakings																															0%
17	Loans and advances																															0%
18	Debt securities, including UoP																															0%
19	Equity instruments																															0%
20	**Non-financial undertakings**	**0%**	**0%**																								**0%**	**0%**				**0%**
21	Loans and advances	0%	0%																								0%	0%				0%
22	Debt securities, including UoP																															0%
23	Equity instruments																															0%
24	**Households**	**55%**	**8%**	**7%**	**7%**																						**55%**	**8%**	**7%**	**7%**		**55%**

25	of which loans collateralised by residential immovable property	54%	8%	7%	7%																						54%	8%	7%	7%		54%
26	of which building renovation loans																															0%
27	of which motor vehicle loans	0%																									0%					0%
28	**Local governments financing**																															**0%**
29	Housing financing																															0%
30	Other local government financing																															0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															**0%**
32	Total GAR assets	55%	8%	7%	7%																						55%	8%	7%	7%		55%

Template 3: GAR KPI stock (CapEx) - disclosure covering year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)		31/12/2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	55%	8%	7%	7%																						55%	8%	7%	7%		55%
2	**Financial undertakings**	**0%**	**0%**	**0%**																							**0%**	**0%**	**0%**			**0%**
3	Credit institutions	0%	0%	0%																							0%	0%	0%			0%
4	Loans and advances																															0%
5	Debt securities, including UoP	0%	0%	0%																							0%	0%	0%			0%
6	Equity instruments																															0%
7	Other financial corporations																															0%
8	of which investment firms																															0%
9	Loans and advances																															0%
10	Debt securities, including UoP																															0%
11	Equity instruments																															0%
12	of which management companies																															0%
13	Loans and advances																															0%
14	Debt securities, including UoP																															0%
15	Equity instruments																															0%
16	of which insurance undertakings																															0%
17	Loans and advances																															0%
18	Debt securities, including UoP																															0%
19	Equity instruments																															0%
20	**Non-financial undertakings**	**0%**	**0%**																								**0%**	**0%**				**0%**
21	Loans and advances	0%	0%																								0%	0%				0%
22	Debt securities, including UoP																															0%
23	Equity instruments																															0%
24	**Households**	**55%**	**8%**	**7%**	**7%**																						**55%**	**8%**	**7%**	**7%**		**55%**

25	of which loans collateralised by residential immovable property	54%	8%	7%	7%																						54%	8%	7%	7%		54%
26	of which building renovation loans																															0%
27	of which motor vehicle loans	0%																									0%					0%
28	**Local governments financing**																															**0%**
29	Housing financing																															0%
30	Other local government financing																															0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															**0%**
32	**Total GAR assets**	**55%**	**8%**	**7%**	**7%**																						**55%**	**8%**	**7%**	**7%**		**55%**

Template 3: GAR KPI stock - disclosure covering year 2023

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)		**31/12/2023**																														
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**					**Proportion of total assets covered**
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)**				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)**				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)**				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)**				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)**				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)**				
				Of which Use of Proceeds	**Of which transitional**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which enabling**			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**	
	GAR - Covered assets in both numerator and denominator																															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**60%**	**8%**	**8%**	**8%**																						**60%**	**8%**	**8%**	**8%**		**9%**
2	**Financial undertakings**	**2%**	**0%**																								**2%**	**0%**				**0%**
3	Credit institutions	2%	0%																								2%	0%				0%
4	Loans and advances	1%	0%																								1%	0%				0%
5	Debt securities, including UoP	1%	0%																								1%	0%				0%
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	**60%**	**8%**	**8%**	**8%**																						**58%**	**8%**	**8%**	**8%**		**9%**

25	of which loans collateralised by residential immovable property	60%	8%	8%	8%																						58%	8%	8%	8%		9%
26	of which building renovation loans	0%																									0%					
27	of which motor vehicle loans	0%																									0%					
28	**Local governments financing**	**0%**																									**0%**					**0%**
29	Housing financing	0%																									0%					
30	Other local government financing	0%																									0%					0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**																									**0%**					
32	**Total GAR assets**	**60%**	**8%**	**8%**	**8%**																						**60%**	**8%**	**8%**	**8%**		**9%**

The template for GAR (Stock) is not duplicated or revised for the reporting period 2023.

Template 4: GAR KPI Flow (turnover) - disclosure covering year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	% (compared to flow of total eligible assets)	31/12/2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13%	2%	2%	2%																						13%	2%	2%	2%		100%
2	**Financial undertakings**	**0%**																									**0%**					**0%**
3	Credit institutions	0%																									0%					0%
4	Loans and advances																															0%
5	Debt securities, including UoP	0%																									0%					0%
6	Equity instruments																															0%
7	Other financial corporations																															0%
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	**13%**	**2%**	**2%**	**2%**																						**13%**	**2%**	**2%**	**2%**		**100%**

25	of which loans collateralised by residential immovable property	13%	2%	2%	2%																						13%	2%	2%	2%		100%
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	**13%**	**2%**	**2%**	**2%**																						**13%**	**2%**	**2%**	**2%**		**100%**

Template 4: GAR KPI Flow (CapEx) - disclosure covering year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to flow of total eligible assets)		31/12/2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13%	2%	2%	2%																						13%	2%	2%	2%		100%
2	**Financial undertakings**	**0%**																									**0%**					**0%**
3	Credit institutions	0%																									0%					0%
4	Loans and advances																															0%
5	Debt securities, including UoP	0%																									0%					0%
6	Equity instruments																															0%
7	Other financial corporations																															0%
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	**13%**	**2%**	**2%**	**2%**																						**13%**	**2%**	**2%**	**2%**		**100%**

25	of which loans collateralised by residential immovable property	13%	2%	2%	2%																						13%	2%	2%	2%		100%
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	**13%**	**2%**	**2%**	**2%**																						**13%**	**2%**	**2%**	**2%**		**100%**

Template 4: GAR KPI Flow - disclosure covering year 2023

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to flow of total eligible assets)		31/12/2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21%	22%																								21%	22%		21%		100%
2	**Financial undertakings**	**30%**	**0%**																								**30%**	**0%**				**0%**
3	Credit institutions	30%	0%																								30%	0%				0%
4	Loans and advances																															
5	Debt securities, including UoP	58%	0%																								58%	0%				0%
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	**21%**	**22%**																								**21%**	**22%**		**21%**		**100%**

25	of which loans collateralised by residential immovable property	21%	22%																								21%	22%		21%		100%
26	of which building renovation loans																															
27	of which motor vehicle loans	18%																									18%					
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	**21%**	**18%**																								**21%**	**22%**		**21%**		**100%**

The template for GAR (Flow) is not duplicated or revised for the reporting period 2023.

Template 5: KPI off-balance sheet exposures (turnover) - disclosure covering year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31/12/2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	1%												
2	Assets under management (AuM KPI)													

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		31/12/2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)													1%				
2	Assets under management (AuM KPI)																	

Template 5: KPI off-balance sheet exposures (CapEx) - disclosure covering year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31/12/2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	1%												
2	Assets under management (AuM KPI)													

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		31/12/2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)													1%				
2	Assets under management (AuM KPI)																	

Template 5: KPI off-balance sheet exposures - disclosure covering year 2023

		a	b	c	d	e	f	g	h	i	j	k	l	m
% (compared to total eligible off-balance sheet assets)		31/12/2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)													
2	Assets under management (AuM KPI)													

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		31/12/2023																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)																	
2	Assets under management (AuM KPI)																	

Annex VII & VIII - Investment firms

The Group's investment activities are primarily conducted through SpareBank 1 Markets AS. SpareBank 1 SMN owns 39,86% of the company's shares, and it is classified as an associate. SpareBank 1 Markets AS provides the Group's customers with services in equity and credit analysis, stock and bond trading, as well as mergers and acquisitions (M&A), capital raising and advisory services.

The company does not manage its own trading portfolio and is therefore classified as an **investment firm that trades on behalf if clients**.

Reporting in accordance with Appendix VIII will include the following KPIs:

1. Share of revenue from services and activities related to economic activities within the total revenue from investment services and activities.
2. Share of revenue from investment services and activities related to eligible economic activities within the revenue from investment services and activities covered by economic activities
3. Share of revenue from investment services and activities related to eligible economic activities within the total revenue from investment services and activities (GAR).

SpareBank 1 Markets AS has not published the taxonomy report as per the 2024 reporting year. The company's taxonomy information will be included in SpareBank 1 SMN's consolidated taxonomy report once it becomes available.

Annex XII - Nuclear power and gas-related activities

SpareBank 1 SMN has neither assets nor activities covered by rows 1 to 6 in template 1 of Annex XII DDA. According to C/2024/6691, paragraph 28, the Group does not report templates 2 to 5 in Annex XII for 2024.

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Results and KPI's at Group-level

The results of the Group's taxonomy reporting are presented in two tables to differentiate between green debt capital providers and other debt capital providers. This is further detailed under *Significant changes from previous years disclosures*

Results and KPI's for green bonds[1]:

			KPI per Business segment			
Green bonds	**Revenue (MNOK)**	**Proportion of total group revenue (A)**	**KPI turnover based (B)**	**KPI CapEx based (C)**	**KPI turnover based weighted (A*B)**	**KPI CapEx based weighted (A*C)**
A. Financial activities	**22,825**	**94.6 %**	**7.7 %**	**7.7 %**	**7.0 %**	**7.0 %**
Asset management	295	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Banking[2]	22,137	91.8 %	7.7 %	7.7 %	7.0 %	7.0 %
Investment firms	393	1.6 %	0.0 %	0.0 %	0.0 %	0.0 %

		Proportion of total group revenue (A)	**Turnover KPI (B)**	**CapEx KPI (C)**	**Turnover KPI weigh-ted (A*B)**	**CapEx KPI weighted (A*C)**
B. Non-financial activities	**1,294**	**5.4 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Total revenue of the group	24,119	100.0 %				

	Average KPI turnover based	**Average KPI CapEx based**
Average KPI of the group	**7.0 %**	**7.0 %**

1) ISIN: CH1184694789, MING99 PRO ESG, MING100 PRO ESG, MING109 PRO ESG, MING110 PRO ESG, MING126 PRO ESG, MING127 PRO ESG, XS2051032444, XS2303089697, XS2536730448

2) Includes companies consolidated based on the equity method

Results and KPIs for other bonds:

			KPI per Business segment			
Other bonds	**Revenue (MNOK)**	**Proportion of total group revenue (A)**	**KPI turnover based (B)**	**KPI CapEx based (C)**	**KPI turnover based weighted (A*B)**	**KPI CapEx based weighted (A*C)**
A. Financial activities	**22,825**	**94.6 %**	**0.1 %**	**0.0 %**	**0.0 %**	**0.0 %**
Asset management	295	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Banking[1]	22,137	91.8 %	0.1 %	0.1 %	0.1 %	0.1 %
Investment firms	393	1.6 %	0.0 %	0.0 %	0.0 %	0.0 %

			Turnover KPI (B)	**CapEx KPI (C)**	**Turnover KPI weighted (A*B)**	**CapEx KPI weighted (A*C)**
B. Non-financial activities	**1,294**	**5.4 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Total revenue of the group	24,119	100.0 %				

	Average KPI turnover based	**Average KPI CapEx based**
Average KPI of the group	**0.1 %**	**0.1 %**

1) Includes companies consolidated based on the equity method

Total Group-level results and KPIs

Total	Revenue (MNOK)	Proportion of total group revenue (A)	KPI per Business segment: KPI turnover based (B)	KPI CapEx based (C)	KPI turnover based weighted (A*B)	KPI CapEx based weighted (A*C)
A. Financial activities	**22,825**	**94.6 %**	**7.8 %**	**7.8 %**	**7.1 %**	**7.1 %**
Asset management	295	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Banking1)	22,137	91.8 %	7.8 %	7.8 %	7.1 %	7.1 %
Investment firms	393	1.6 %	0.0 %	0.0 %	0.0 %	0.0 %
		Turnover KPI (B)	**CapEx KPI (C)**	**Turnover KPI weighted (A*B)**	**CapEx KPI weighted (A*C)**	**Vektet CapEx KPI (A*C)**
B. Non-financial activities	**1,294**	**5.4 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Total revenue of the group	24,119	100.0 %				
					Average KPI turnover based	**Average KPI CapEx based**
Average KPI of the group					**7.1 %**	**7.1 %**

1) includes companies consolidated based on the equity method

Climate change

Approach to the topic

Limiting climate change has for many years been of material importance to the Group. Since 2020, sustainability has been one of five strategic ambitions in the Group's strategy. Climate change and climate adaptation represent both a risk and a business opportunity for the Group. In addition, the Group impacts the planet and the communities in the region of which it is a part through the procurement of goods and services, daily operations, and its customer offering: vehicle-, commercial-, and mortgages, savings, brokerage, accounting, and other services.

Assessment of climate-related IROs

The Board of Directors has adopted the Group's strategic objective of achieving net zero emissions by 2050 and committed in 2023 to the Science Based Targets initiative (SBTi) with the aim of developing science-based targets for its own operations and loan portfolio in the medium term (2030) and long term (2050). The preparation of climate accounts and reporting assistance for corporate customers through Regnskapshuset, increased focus in procurement processes, ESG assessments of corporate clients using the ESG-model, and circular economy as a solution strategy are examples of current effects on the Group's business models, value chain, and strategy. The expected effects of these commitments and initiatives will help manage the Group's climate-related IROs.

The Group's material IROs, where they are centred, and the time horizons they span are presented in the tables to the right.

IMPACTS		Value chain	Time horizons
Financed and invested emissions	Negative	Downstream	Medium-term Long-term
Emissions from purchased goods and services	Negative	Upstream	Medium-term Long-term
Energy consumption in lending	Negative	Downstream	Medium-term Long-term
Energy consumption in own operations	Negative	Own operations	Medium-term Long-term

RISKS	Value chain	Time horizons
Credit risk in the loan portfolio	Downstream	Medium-term Long-term
Reduced access to or increased prices of goods and services	Upstream	Medium-term Long-term
Loss of customers to ESG requirements	Downstream	Short-term Medium-term
Deficient ESG data, quality and insight	Upstream Downstream	Medium-term Long-term

OPPORTUNITIES	Value chain	Time horizons
Increased innovation and development of business models and customer offering	Downstream	Short-term Medium-term
The role of driver of the green transition	All	Short-term Medium-term

The process underlying the implementation of the Group's double materiality assessment is described in more detail under *General Information*. Detailed descriptions of the assessments made for *Climate-related IROs* can also be found here

Impacts on climate change

As a provider of capital and other services to customers in the region, the Group's positive and negative impact on climate change is primarily indirect. Climate-related impacts stem directly from the Group's business models and strategies. The Group contributes to the transition of the region it is part of, while simultaneously transitioning its own operations

The Group's material impacts are described below.

Financied and invested emissions

With total assets of approximately NOK 250 billion, the Group has a significant impact on climate change through its financing activities in the retail and corporate markets. In addition, the Group has invested emissions related to associated companies that provide services on behalf of the Group's customers. Financed and invested emissions account for just over 99 per cent of the Group's GHG emissions, representing its largest impact on climate change.

Energy consumption in lending

A significant portion of the bank's loan portfolio consists of loans for mortgages, commercial real estate and property management, construction, transportation, energy, and water supply. Different industries have varying energy needs, but all rely on non-renewable energy sources for production, distribution, and other operational processes.

Energy consumption in own operations

The Group has locations spread across the region, and at several sites, there is a need for energy efficiency improvements. Landlords are encouraged to upgrade and renovate premises to meet the Group's preferred standard. In addition, the Group's procurement of IT services also causes significant energy consumption through data processing and server cooling.

Emissions from purchased goods and services

The upstream value chain represents the majority of the Group's emissions from "Own operations". The procurement of goods and services is a significant source of emissions, with services such as IT operations, branding, and other strategic purchases being the largest drivers. In addition, the Group has travel activities, including flights, trains, and cars, which contribute to GHG-emissions.

Climate-related risks and opportunities

Expected financial effects of risks and opportunities are encumbered with uncertainty. It has for that reason been decided to omit this information in this year's sustainability report by recourse to the phased-in disclosure requirement in ESRS 1 Appendix C.

The Group is concerned to create sustainable profitability and growth for owners, employees, customers and the region the Group is part of. The Group's climate risk strategy shall underpin these objectives as follows:

- The long-term goal shall be reached by identifying, assessing and managing future climate risk related to the Group's activities, primarily through being an active driver for the green transition.
- The bank shall develop and maintain knowledge, tools and methods for identifying climate risk at customer level and quantifying risk at aggregated portfolio level.
- Policy and authorisations shall be designed so as to form an effective framework for the business, with the aim of keeping the Group's exposure to climate risk within the Board of Directors' adopted risk appetite.
- Actively work to reduce climate risk in the loan portfolio by providing advice, transition financing and in the final instance by turning away customers or suppliers who either fail to meet the minimum requirements as to sustainability or whose commitment to transition is inadequate.

The Group performs a detailed survey of climate risk using the TCFD template annually. With regard to the Group's lending activity, significant industries are reviewed jointly by the industry officer, the Credit Department and Risk Management. Potential threats and uncertainties are identified and risk is assessed over the short, medium and long term. In cases where significant financial risks are identified, the ESG model can be adapted to identify vulnerable customers. Finally, the choice of risk management strategies is considered, including development of new policy rules.

More information regarding the Group's reporting and management of climate-related risks is described in *Note 8: Financial risks and opportunities related to climate change and adaptation*. This section outlines the expected financial effects of significant physical risks and transition risks. The expected financial effects from risks such as *Reduced access to or increased prices for products* and *Loss of customers due to ESG requirements* have been omitted from this year's reporting by utilizing the phased-in disclosure requirement in ESRS 1 Appendix C.

In the implementation of the Group's double materiality assessment, scenario analyses were used to identify the following significant climate-related risks and opportunities.

Climate-related risk	Description	Interaction with strategy and business model
Credit risk in the loan portfolio	The risk of financial losses or reputational damage, which may be directly related to climate change (physical risk) or as a consequence of adjustments towards a low-carbon society (transition risk). The Group has defined climate risk as a driver for traditional risk categories rather than as a separate risk category. The Group considers climate risk to be a significant financial risk. The results from the Group's analyses show that climate risk is primarily a risk through financing.	The Group is focused on reducing both ESG risk, including climate risk, and the GHG-emissions from its lending portfolio, in line with the Group's strategic ambition of achieving net-zero by 2050. Climate risk is assessed on an individual client basis for corporate engagements greater than NOK 10 million. Transition plans towards net-zero for significant industries will be developed and maintained. The credit policy and guidelines will be formulated to ensure that ESG risk is incorporated as an evaluation criterion in the approval, renewal, and follow-up of customers. The Group's overview of industries where businesses are particularly vulnerable to systematic risk drivers such as climate risk, techno-logical risk, market risk, etc., is managed through annual industry and climate risk analyses, and a semi-annual industry indicator for industries where the bank has significant exposure. This insight is incorporated into strategic frameworks and growth plans, as well as recommendations for changes in policies and guidelines.
Reduced access to and an increase in product prices	The Group relies on robust supply chains within payment services, IT security, and infrastructure to avoid downtime and ensure the delivery of services. These supply chains, in turn, have subcontractors located in other countries or geographical areas that may be exposed to different types of climate risk. An increase in, for example, energy prices, infrastructure operations, or rising costs associated with purchasing IT equipment, etc., could affect the Group's costs over the long-term.	The Group sets requirements for suppliers through a dedicated standard declaration as an appendix to contracts. This includes, among other things, requirements and expectations regarding reuse and minimising environmental impact. This is also a topic in supplier dialogue. At the time of reporting, mapping and analysis of the supplier base with regard to climate-related risks has not been conducted.

Loss of customers to ESG requirements	With a view to managing risk in the Group's loan portfolios, the Group could impose sustainability-related requirements and expectations designed to avert situations where the Group has to write down or post a loss on an exposure. Such requirements extend beyond the Group's expectations of general sustainabilityrelated factors described in the Group's sustainability strategy and sustainability policy. By imposing more stringent ESG requirements the Group could risk losing customers to competitors who do not impose sustainability-related requirements and expectations. It is important to balance the Group's requirements and expectations with a good customer dialogue and competitive terms and conditions. This also applies to other business lines in the Group such as accounting services, estate agency services, leasing and appurtenant advisory services.	As a general rule, the Group aims to support the transition of new and existing corporate clients rather than excluding them. This means that the Group does not exclude customers solely due to company- or industry-specific climate-related challenges, but rather for excessive violations of industry standards. For example, companies with high GHG-emissions are considered to be engagements with a relative higher risk. Several controversial industries are excluded due to breaches of the Group's guidelines on managing ESG risk in the corporate lending portfolio. This includes, among other things, financing to companies engaged in coal mining, controversial weapons and forced- or child labour. Ongoing assessments are made of activities and industries that are excluded or should be excluded based on the Group's ESG requirements.
Deficient ESG data, quality and insight	Deficient ESG data, quality and insight could lead the Group to: • Grant finance to customers who could potentially subject the Group to undesired reputational and credit risk. • Make erroneous or poor risk assessments at customer or industry level. • Impede the transition upstream and downstream, leading in turn to the Group's failure to achieve established targets and ambitions. • Fail to deploy community dividend in an optimal manner to support the region of which the Group is a part. The consequences of the above points could have financial consequences in the medium to long term.	The risk could exacerbate other risks and may require changes to the Group's strategies and business models. A large portion of the solutions related to ESG data is centralised in the SpareBank 1 Alliance's development arm (SpareBank 1 Utvikling DA) at the request of the owner banks. The decision to centralise these operations was made because the owner banks face similar challenges in this area, and it is often more beneficial for the banks to address these issues in a unified manner. The ESG model for risk assessment of business engagements greater than NOK 10 million is an example of such economies of scale. A similar approach is applied across the alliance for many issues, though not all. For example, the Group's allocation of community dividend may help manage more regional challenges or demands.

Climate-related opportunities	Description	Interaction with strategy and business model
Increased innovation and development of business models and customer offering	In addition to posing a transition risk, the customer's transition presents a climate-related opportunity for the Group's business lines when it comes to products and advisory services. The Group notes a rising demand for green loans among larger companies, although green loans are also in demand by smaller businesses and residential mortgage borrowers. Innovation and development of business models serves both as an opportunity for increased sales and a motivation for the Group›s customers to make green investments, which might further reduce the Group›s climate risk. The need for sound advice from the Group›s business areas is crucial for enhancing customers› resilience to climate-related risks. Additionally, increased innovation and the development of business models and customer offerings will contribute to building the SpareBank 1 SMN brand, attracting and retaining skilled employees, and expanding the Group›s range of products and services.	Innovation and development of products and services related to climate change in the Group's business models and associated service models are ongoing and will continue in 2025 as part of the preparation of the Group's transition plan for climate and nature.
The role of driver of the green transition	The Group's strategic ambition is to be a driving force for the green transition through its own operations, advisory services, products, and services. Additionally, the Group's expertise and influence will be leveraged to support the region and the business community in their green transition. Community dividend shall be allocated in a way that contributes to the transformation of the region in which the Group operates. This will help attract new customers, equity and debt investors, and skilled employees to the Group.	The role of a driver of the green transition is one of three sustainability roles the Group holds. Sustainability is established as one of the five strategic pillars in the Group's strategy. The opportunity is closely linked to the Group's innovation efforts and the development of its business model and customer offering.

The Group utilises the Network for Greening the Financial System (NGFS) scenarios to analyse the consequences of climate changes for the Group's activities and value chain. The scenarios «Orderly Transition», «Disorderly Transition» and «Hot House World» have been used. Transition plans for different sectors are developed in order to contribute to an orderly transition, but they also prepare the Group to handle the other two scenarios. The qualitative analysis that has been carried out focuses on the two downside scenarios, and has been updated since 2021.

The upside scenario «Orderly Transition» assumes that technological development occurs rapidly, with continuous implementation of new technology. In this scenario, business models, operations, markets, and customer preferences change, representing an increase in transition risk. In addition, markets immediately and seamlessly adapt to changes in laws and regulations.

The downside scenarios, "Disorderly Transition" and "Hot House World," assume that technological development and implementation will take place, but at a slower pace.

Carbon pricing is higher in a disorderly transition, and climate policies is expected to intensify in the years following 2030. Both transition and physical risks are considered moderate and will impact the global macroeconomic landscape in a manner of ways. In a downside scenario reflecting current climate policies and regulations, carbon prices will remain low, and macroeconomic effects are expected to be significantly influenced by rising physical risks, which will affect global supply chains, ecosystems, and economies.

The analysis divides the loan portfolio into key sectors, with climate risk categorized into subGroups according to the TCFD taxonomy. For each risk Group, events are assessed based on their potential occurrence, the timeline for materialization, and the consequences for affected customers. The impact assessment is done using an ordinal scale, with the terms high, medium, and low risk. This is a top-down evaluation of the loan portfolio at the sector level, not at the customer level.

In addition to the assumptions mentioned above, the analysis is based on the following key assumptions:

1. A static portfolio over time. Nothing changes.
2. Transition risk is assessed against the “Deviating Net Zero” scenario of NGFS.
3. Physical risk is assessed against the “Current policies” scenario of NGFS.

Quantitative analyses have also been carried out on the loan portfolio based on these scenarios. For both physical and transition risks in the retail market and corporate market portfolios, several different analyses have been conducted. The analyses, along with the associated methodology, assumptions, and results, are described below.

- For industries classified with high transition risk and high physical risk in the short, medium, and long term, expected credit losses have been estimated in stages 1, 2, and 3 according to IFRS 9. Transition risk represents the largest potential for loss. These estimations consists of significant estimation uncertainty, and thus do not affect IFRS 9 provisions in the Group’s financial statements.
- It has been assessed how increased carbon prices in the NGFS scenarios could impact the financial statements of corporate clients, given the estimated GHG-emissions per client in line with PCAF. The results confirm that if the polluter is to pay for their emissions, industries with high GHG-emissions will incur significant costs.
- In 2023, 87 percent of all corporate engagements over NOK 10 million were scored using the SpareBank 1 Alliance’s ESG model. This has formed the foundation for further analysis of climate risk, in addition to social risk and governance risk. The ESG model currently does not provide any information about the time dimension of the risk. This analysis also shows that transition risk is a significant risk.
- ESG risk has begun to be integrated into the SpareBank 1 Alliance’s stress test model for credit risk, with climate scenarios and climate-related variables at the customer level included in the model. The model examines two different NGFS scenarios over a 30-year time horizon.
- For financed commercial real estate, physical risk has been assessed based on NVE’s risk maps, and transition risk has been assessed using actual energy ratings and estimated energy ratings provided by Eiendomsverdi. Only a small portion of the bank’s loan portfolio is considered exposed to physical risk and is therefore deemed to be low. Transition risk for individual customers and related home loans is also considered low. It is important to note that there is uncertainty regarding the support schemes related to the implementation of the EU Energy Efficiency Directive, despite the EU providing clear recommendations that support schemes must be in place for consumers in member states. If the support schemes are small, transition risk could increase. Regarding the bank’s commercial real estate portfolio, it is already observed that tenants are seeking newer and more modern buildings, and no significant increase in transition risk is expected with the implementation of the EU Energy Efficiency Directive.

The overall assessment is that an uncoordinated transition will be the most challenging within the analysis horizon up to 2050, and that transition risk is the most prominent climate risk. The Group is therefore actively working to set requirements and expectations for customers so that the green transition reduces vulnerability to an uncoordinated transition to a low-emissions society.

Development of the Group’s climate transition plan

As of the reporting date, a climate transition plan has not been developed in accordance with the requirements of ESRS E1.

Following the Board’s decision to establish science-based targets, the Group committed to the Science Based Targets Initiative (SBTi) in October 2023. Short-term (2030) and long-term (2050) targets will be finalized and submitted to SBTi for official validation by the end of October 2025, with a deadline for public disclosure by May 2026. The Group’s GHG-emissions and progress toward the set targets will be disclosed at least annually, with more frequent disclosures if seen relevant.

In 2024, the Group’s has focused on understanding the starting point, what’s required, and what remains to be done in order to establish science-based targets. Relevant frameworks and standards have been mapped, and specific criteria for financial institutions and the Group’s various exposures have been identified. Additionally, available methods for setting emission targets for the Group’s exposures have been explored, discussions have been held with comparable companies, and existing transition plans have been evaluated to ensure alignment with SBTi’s requirements and expectations.

The second half of 2024 has been dedicated to establishing the scope, emission pathways, emission reduction requirements, and testing available methodologies on parts of the loan portfolio. In this context, work has begun to define which parts of the loan portfolio fall under SBTi requirements, as well as analyzing, modeling, and calculating the effect of experimental, non-established emission pathways to determine if the chosen approach is feasible and meets SBTi’s standards.

Initially, the following sources of GHG-emissions are prioritised:

1. Agriculture and forestry
2. Mortgages (Wage earners o.l.)
3. Property management, including commercial real estate and more
4. Own operations (incl. upstream GHG-emissions)
5. Maritime sector and offshore

Agriculture and forestry are the Group's largest source of financed emissions, and emphasis has been placed on developing target pathways in line with political and national ambitions, including the climate plan for Agriculture (*Landbrukets klimaplan*).

In 2024, an automated model was developed that closely tracks activity and emission data at the farm level. Over time, data from the Agriculture's climate calculator and public forestry registers will also be incorporated. This data is used as input in establishing target pathways for the industry.

Furthermore, circular economy, as a prioritized area within the Group, has been considered an important driver in the Group's transition plan for a sustainable agriculture sector in the region.

Throughout the year, greater emphasis has been placed on collaboration within the SpareBank 1 Alliance and with Eiendomsverdi on developing methods and frameworks for transition plans for dwellings. Eiendomsverdi has developed a comprehensive data set, which includes energy performance through energy ratings and other public information, in addition to estimated energy labels, which will be used to establish emission pathways for the mortgage portfolio.

Commercial real estate and leasing will naturally follow up on the work with the mortgage portfolio and will largely be transferable. The transition plan for property management will be updated as part of this process.

The Group's ambition for emissions reduction from its own operations is part of the net-zero ambition. The emissions target will be set and validated as part of the work on science-based climate goals.

In 2024, a transition plan for shipping and offshore was developed based on goals from the IMO (International Maritime Organization), with an emissions pathway compatible with SBTi. As a participant in industry clusters and the Green Shipping Program, the Group is monitoring the sector's development of new technological solutions and pilot projects. The industry's development of methodologies and frameworks will be crucial to this work.

The work to establish emissions targets for significant sectors will continue in 2025, in line with SBTi criteria and methods. The Group's emissions reduction goals will be a central part of the transition plan, which will be completed by 2026.

Project «The Group's transition plan for climate and nature»

The transition plan is defined as a strategic, Group-wide project with a mandate approved by the board, where Group management is designated as the steering Group. The Group's pathways in alignment with SBTi are a significant component of this project.

Internal project managers, supported by a reference Group of subject matter experts, lead the project. The transition plan will include targets, KPIs, action plans, measures, and policies related to both climate and nature, in accordance with the disclosure requirements of ESRS E1 and E4.

The project's mandate is to develop the transition plan following the Transition Plan Taskforce (TPT) framework. The Group's significant IROs related to climate change and biodiversity and ecosystems, as well as other work related to the double materiality assessment, climate accounting, risk management, and SBTi, will serve as key sources for the project.

In 2024, the priority was to carry out an extensive mapping and analysis of the current situation from both internal and external perspectives. This process has been vital for ensuring that all relevant stakeholders understand where the Group stands and how external factors may affect the Group in the future. It has provided the project team with a solid foundation for further work. The project follows a structured analysis plan, providing clear guidance on which aspects to focus on and why.

The Group aims to finalize the transition plan by the beginning of 2026.

Targets and KPIs

The net zero 2050 target is set. At the time of reporting, no other goals have been established to address the Group's IRO related to climate change in accordance with the requirements of ESRS E1 and MDRs in ESRS 2.

The Group's development of science-based climate goals is central to the establishment of performance indicators related to the reduction of GHG-emissions. Progress is described under the section *Development of the Group's Transition Plan*. The KPI's will be part of the Group's transition plan.

KPI's associated with any other goals related to climate change will also be a part of the Group's transition plan, and this, along with policies and action plans, will continue in 2025.

Various scenarios will be considered to assess potential changes in future macroeconomic conditions. Decarbonization levers and their expected contribution to emission reductions, as well as net-zero compatible values for scope 1, 2, and 3 both in the short term (2030) and long term (2050), will also be described as part of the Group's performance indicators and science-based pathways.

Since the process of developing science-based climate goals and pathways will not be completed until October 2025, with a subsequent validation process from SBTi, it has been decided to finalize this process before publishing the Group's KPI's related to the net-zero target by 2050

Based on the Group's materiality assessment in 2022, alternative performance measures (APMs) were attached to sustainability. These have applied up to and including 2024, and will be updated in future periods to align with the requirements of ESRS E1 and the MDRs of ESRS 2.

A complete table with an overview of the Group's sustainability APM's for sustainability is shown in the *Key Figures* section at the beginning of the annual report.

Sustainability APM's	Target 2024	Results 2024
Corporate loan volumes with ESG-score	90%	95%
Retail loan volumes with ESG-score 1)	20%	0%
Share of loans that meet the requirement for green bonds	Under development 2)	20%
Reduction of GHG-emissions from loan portfolios	SBTi 3)	SBTi 3)
Share of homes in the loan portfolio with energy performance certificates (EPC)	70%	38%
Share of commercial properties in the loan portfolio (>1.000 m2) with energy performance certificates (EPC) 7)	90 % of new grants	N/A
Sales volume products and services with an environmental benefit 4)	3,000 NOKm 5)	2,584 NOKm
Share of large corporate customers with credit commitments who have carbon accounting reports 6)	25%	33%
Share of Group's significant procurements (> NOK 100,000) from suppliers with carbon accounting reports	80%	73%
Reduction of GHG-emissions from day-to-day operations	SBTi 3)	SBTi 3)

1) *The model for ESG-scoring of the Group's retail loan portfolio is at the reporting date not yet developed by the SpareBank 1 Alliance.*

2) *The target is not defined pending updated targets*

3) *Targets related to GHG-emissions is as of 2023 under development in conjunction with the Group's commitment to SBTi.*

4) *Products and services with an environmental benefit is defined as green products from the Group's product hierarchy. This deviates from the EU Taxonomy. EU Taxonomy disclosures can be found under Enviroment.*

5) *The target is shared with APM Sales Volume of products and services with societal benefits. This APM is described under Consumers and end-users.*

6) *«Large corporate customers» exceed two out of three following criterias: turnover > 400 NOKm, balance sheet total > 200 NOKm and number of employees > 250*

7) *The KPI is no longer valid.*

Actions plans and measures

The Group has for several years considered climate change as one of several material topics. In 2024, the following measures were implemented:

- The transition plan for agriculture has been updated. A transition plan for shipping and related industries has also been developed. These are intended to serve as tools for the Group's clients to reduce GHG-emissions and climate risk.
- The Group has established a roadmap for circular economy, a methodology for circularity, and several pilot projects that will, over time, help reduce both the Group's and its clients' GHG-emissions. This is further described in the chapter *Resource use and circular economy.*

The completion of the Group's double materiality assessment in 2024 marks the first time the Group has identified unique climate-related IROs. As of the reporting date, no concrete action plans have been drawn up to manage the Group's IROs related to climate change under the DRs of ESRS E1 and the MDRs of ESRS 2.

The Group's transition plan will serve as the primary action plan for addressing these IROs, with work on this continuing into 2025. The plan will outline, among other things, the decarbonization levers the Group intends to use to reduce its GHG-emissions from operations, along with additional emissions-reduction measures.

Policies

The Group's overarching governance document related to climate change is the Group's sustainability strategy and sustainability policy.

As of the reporting date, the Group does not have a comprehensive policy addressing its material IROs. As part of the development of the Group's transition plan, a climate change policy will be created, incorporating several of the Group's existing policies either directly or indirectly into these new policy.

These policies will help manage IROs related to, among other things, GHG-emissions, physical risks, and transition risks in own operations and value chains. The policies will be closely linked to those for biodiversity and ecosystems (which will also be developed as part of the Group's transition plan for climate and nature).

There will also be a need to update other policies to manage the Group's upstream impacts (energy consumption and indirect GHG-emissions from purchases and travel) and downstream impacts (credit risk and financed emissions).

The Board has decided on the Group's process for managing IROs, which will also apply to targets, KPIs, action plans, measures, and policies related to climate change.

Note 1: GHG-accounting principles

Reporting standards

The Group's reporting on GHG-emissions has been prepared in accordance with the reporting requirements for climate and energy-related emissions specified in ESRS E1, and the reporting standard for GHG-accounting, the Greenhouse Gas Protocol Corporate Standard (GHG Protocol), with supplementary Scope 2 and Scope 3 standards and technical guidelines.

Organisational boundaries

The organisational boundaries for GHG-accounting define which of the Group's companies and activities should be included or excluded from the reporting. In addition to the GHG-emissions from the Group's own operations, emissions based on the Group's ownership interests in associated companies are also included. Furthermore, emissions from equity investments and the Group's lending activities are included. The organisational boundary is largely identical to the Group's financial consolidation.

Companies over which the Group has operational control

Subsidiaries or companies over which the Group has operational control are consolidated in the same way as financial consolidation. This applies only to the Group's subsidiaries.

Associated companies

Associated companies are those in which the Group holds less than a 50% stake but has significant influence. Normally, significant influence is considered to exist when the ownership stake is 20% or more. These are included as invested emissions in the GHG inventory. Invested emissions are limited to the Group's ownership share and primarily relate to joint-owned companies within the SpareBank 1 alliance.

SpareBank 1 Utvikling DA is an exception. As the development arm of the SpareBank 1 alliance, the company develops and manages the digital shared solutions for the regional banks. The costs are distributed among the banks according to their identical ownership shares, and the emissions form a significant portion of the Group's GHG emissions from purchased goods and services. The company is accounted for as part of the Group's purchases from the company and is excluded from being accounted for as an investment.

In some cases, jointly owned associated companies are excluded from the Group's reporting. This applies to companies with little or no independent activity, or where the products provided by these companies are included in other emissions categories.

Other equity interests

Other companies in which the Group holds stakes that are neither subsidiaries nor associated companies are included in the GHG inventory based on sector-based estimations and materiality assessments. This applies to all companies listed in note 30 of the financial statements. These are companies in which the Group holds stakes for various reasons. Subsidiaries and significant associated companies included are listed below.

Company name	Ownership share	Consolidation	Level	Organizational boundary
SpareBank 1 SMN	100%	Full	Parent	Operational control
SpareBank 1 Finans Midt-Norge AS	57.3 %	Full	Subsid-iary	Operational control
SpareBank 1 Regnskapshuset SMN AS	93.3 %	Full		
EiendomsMegler 1 Midt-Norge AS	92.4 %	Full		
Mavi XV AS 1)	100%	Full		
SpareBank 1 Invest SMN AS 2)	100%	Full		
SpareBank 1 SMN Kvartalet AS	100%	Full		
SpareBank 1 Bygget Steinkjer AS	100%	Full		
St. Olavs Plass 1 SMN AS	100%	Full		
SpareBank 1 Boligkreditt AS	23.2 %	Equity method	Asso-ciated com-pany	Transferred loans are included in Scope 3, category 15 financed emissions
SpareBank 1 Næringskreditt AS	12.7 %	Equity method		
SpareBank 1 Markets AS	39.9 %	Equity method		Included based on ownership share in Scope 3, category 15
SpareBank 1 Gruppen AS	19.5 %	Equity method		
SpareBank 1 Kreditt AS	17.9 %	Equity method		
SpareBank 1 Forvaltning AS	21.5 %	Equity method		
BN Bank ASA	35.0 %	Equity method		
SpareBank 1 Utvikling DA 3)	18.0 %	Equity method		Included based on invoice in Scope 3, category 1

1) *Parent company without operations, but with subsidiaries that have operations. These are included in accordance with operational control.*

2) *Manages a portfolio on behalf of SpareBank 1 SMN. The portfolio's emissions are included as invested emissions in Scope 3, Category 15 - Investments in shares, units, or other equity interests*

3) *GHG-emissions included in purchased goods and services*

Companies excluded from the Group's GHG-accounting

The companies that are excluded are described in the table below.

Company name	Ownership share	Description
SpareBank 1 Betaling AS	21.9 %	Associated companies and investments are not included in Scope 3, category 15
SpareBank 1 Gjeldsinformasjon AS	18.9 %	
SpareBank 1 Bank og Regnskap AS	1.5 %	

Operational boundaries

The scope of the Group's GHG-emissions includes indirect upstream emissions from purchased goods and services, emissions from own operations, as well as invested and financed downstream emissions. The scope of reported GHGs follows the GHG Protocol and is converted to global warming potential (given as CO_2-equivalents) using the most recent conversion values provided by the IPCC.

In line with the GHG Protocol, GHG-emissions are categorized into three main categories, known as scopes. These are defined as:

- **Scope 1:** Direct emissions from sources owned or controlled by the Group, such as emissions released into the air through combustion or direct emissions. Relevant emission sources may include emissions from owned vehicles. Related emissions and supplementary information are described in *Note 4: GHG-emissions from own operations.*
- **Scope 2:** Indirect emissions from the production of purchased electricity, heating, and cooling that the Group uses in the operation of its facilities. Related emissions and supplementary information are described in *Note 3: Energy consumption.*
- **Scope 3:** Indirect emissions occurring in the Group's value chains, caused by the purchase and sale of goods and services. Upstream emissions include emissions from the production of purchased goods and services, such as IT and office equipment, as well as employees' business travel. Downstream emissions include financed emissions from the Group's lending activities and invested emissions in associated companies. Related emissions and supplementary information are described in *Note 5: GHG-emissions from the value chain.*

Base year and policy for recalculation

Since the Group's first GHG-accounting in 2019, there has been continuous improvementes to scope, calculation methodology, and data quality. In some cases, improvements or corrections of any errors or omissions may significantly affect the results and comparability with previous years. If changes in company structure, calculation methods, or errors in the Group's GHG-accounting represent more than 5 per cent of the company's upstream or downstream GHG-emissions, previous years will be restated to ensure comparability.

For 2024, no comparison data has been reported under the exception in ESRS 1, paragraph 136. In this context, the base year has been updated from 2019 to 2024.

Overarching calculation principles

To ensure that the GHG-accounting functions as an effective management tool and provides the Group's stakeholders with the best possible insight into the Group's climate work, it is crucial to ensure completeness. Several data sources and different calculation methods are used to provide a complete and comprehensive picture of the Group's GHG-emissions.

Primary and secondary data sources

The GHG-accounting has been prepared using two main types of data: primary and secondary data.

- Primary data includes activity and/or emissions data collected directly from the Group or the supply chain. In the GHG-accounting, primary data is considered quantified data from the Group's activities, such as fuel or electricity consumption, combined with specific emission factors.
- Secondary data refers to other estimated or calculated data. This may include, for example, estimated electricity consumption at locations where meter readings are not available for various reasons, or emissions calculations based on costs.

Of the total GHG-emissions, 10 per cent (location-based) are calculated using primary data collected from suppliers or other business relationships in the value chain.

Scope	Share of primary data
Scope 1	100%
Scope 2	76%
Scope 3 - upstream	0%
Scope 3 - downstream	10%

Calculation methodologies

The data sources are combined using several calculation methods:

- **Physical data – calculation of primary data sources with specific emission factors.** The climate impact of direct and indirect emissions is calculated by converting primary data into GHG-emissions through emission factors. This includes collecting meter readings, and multiplying kilowatt-hours (KWhs) with an emission factor to estimate the Group's GHG-emissions related to energy consumption. This method mainly applies to the calculation of indirect energy-related emissions in Scope 2, as well as the calculation of certain financed emissions in Scope 3. This is the most specific and reliable method for calculating GHG-emissions.
- **Spend-based method – calculation of secondary data sources using cost data.** In cases where primary data is not available, secondary data sources are used. The Group's indirect GHG-emissions related to purchased goods and services, as well as investments, are calculated using emission factors from an environmentally extended input-output analysis (EEIOA) provided by Asplan Viak AS.

  The model uses emission statistics from various countries, sectors, and industries, as well as trade between them, to estimate the carbon footprint per unit of currency spent on goods and services. It is especially useful for estimating operational GHG-emissions in Scope 3. The model provides a comprehensive overview of which items and activities have the greatest impact. This completeness comes at the expense of specificity, as it cannot distinguish emissions down to individual products or suppliers. Therefore, the model is suitable for identifying GHG-emission hot-spots, and allows for the identification of the most significant emission drivers that should be calculated using physical data.
- **Partnership for Carbon Accounting Financials (PCAF) – calculation of invested and financed emissions** The majority of the Group's GHG-emissions are in the downstream value chain. At the end of 2021, the Group became a signatory of the Partnership for Carbon Accounting Financials (PCAF), a global collaboration between financial institutions to harmonize the estimation, measurement, and reporting of GHG-emissions related to their lending and investments. The PCAF methodology and Finance Norway's guidelines for reporting financed emissions are used to estimate the Group's financed GHG-emissions and GHG-emissions from investments in shares or other equity instruments.
- **Invested emissions from associated companies** GHG-accounting from the Group's associated companies, which mainly consists of product companies within the SpareBank 1 Alliance, has been incorporated using the equity method.

See further descriptions of the individual data sources used for the calculation of the various emission categories in Notes 3-5.

Note 2: Significant changes compared to the previous year

The GHG-accounting from previous years has largely followed the same calculation methodology and basis as this year's reporting. However, this year's reporting involves significant expansions in both scope and content of GHG-emissions to align the climate accounting with the requirements of ESRS E1.

Although no comparison data are published, it is relevant to highlight significant changes from the previous year, as this year's GHG-accounting shares many similarities with prior years.

Due to the exception for omitting comparison data, the effect of the changes has not been calculated. Significant changes are summarized below.

Changes to consolidation approach

In previous years' reporting, the Group's GHG-accounting was consolidated using the equity method. In accordance with ESRS E1, this year it has been consolidated based on the principle of operational control, where the activities and related GHG-emissions from all subsidiaries are incorporated regardless of ownership stake.

Changes to organisational boundary

In the 2023 GHG-accounting, ownership stakes in associated companies were not included. This will be incorporated in Scope 3, category 15, in 2024 based on the Group's ownership stake in associated companies. In addition to incorporating the Scope 1 and 2 emissions from associated companies, Scope 3 emissions will also be included, as this is the most significant emissions category for the Group's associated companies.

In previous years' reporting, the Group's GHG-accounting was consolidated using the equity method. In accordance with ESRS E1, this year it has been consolidated based on the principle of operational control, where the activities and related GHG-emissions from all subsidiaries are incorporated regardless of ownership stake.

Note 3: Energy consumption

Collection of energy consumption for electricity, district heating, and fossil energy sources.

The Group's total energy consumption of 6,175.7 megawatt-hours (MWh) primarily stems from sources used for the operation and heating of premises, including electricity (88 per cent), district heating (11.6 per cent), and heating and cooling from seawater (0.2 per cent). A smaller portion of energy stems from fossil fuel sources used in vehicles (0.2 per cent).

The data for electricity and district heating consumption is based on meter readings from the Group's office premises. To estimate energy consumption where meter readings from common areas are not included, a factor of 5 per cent has been applied. In some cases, the meter readings cover entire buildings where the Group is one of several tenants. In these cases, the consumption is allocated based on the rental area. For locations with incomplete meter readings, the remaining consumption is estimated based on the average energy consumption per square meter from locations with available meter readings, multiplied by the square meters not covered by the meter readings.

12.9 MWh from fossil fuel sources has been collected from invoices.

Energy consumption from high-climate impacts sectors

The Group's companies are not classified as enterprises belonging to high-climate impact sectors, and therefore, it does not disaggregate fossil energy sources beyond the total consumption [1].

Distribution of renewable and non-renewable energy consumption (market-based)

For calculations using the market-based method, the Norwegian Water Resources and Energy Directorate's (NVE) declaration of electricity suppliers is used when the Group lacks guarantees of origin for purchased electricity [2]. The share of renewable sources includes electricity purchased with guarantees of origin (GoOs). The distribution of energy consumption according to the market-based method follows the requirements in ESRS E1 AR 32 letter j.

Energy consumption and mix	Market-based
Total energy consumption (MWh)	6,175.7
Share of fossil sources in total energy consumption	71%
Share of consumption from nuclear sources in total energy consumption	8%
Share of renewable sources in total energy consumption	21%
Of which non-renewable energy consumption	
Total fossil energy consumption (MWh)	4,404.0
Of which energy consumption from nuclear sources	
Total energy consumption from nuclear sources (MWh)	489.3
Of which renewable energy consumption	
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	1,282.4
The consumption of self-generated non-fuel renewable energy (MWh)	0
Total renewable energy consumption (MWh)	1,282.4

1 *Sectors with high climate impact are those listed under NACE codes A to H and L (as defined in the Commission Delegated Regulation (EU) 2022/1288).*

2 *https://www.nve.no/energy-supply/electricity-disclosure/*

Distribution of renewable and non-renewable energy consumption (location-based)

The Group owns and leases locations in Mid-Norway and hs applied the location-based method for several years in reporting and measuring energy consumption and GHG-emissions. The table below is included following the requirements in ESRS 1 AR 1-5, as this is the method the Group applies in monitoring energy consumption.

When allocating electricity consumption between renewable and non-renewable sources, as well as the share of electricity from nuclear power, NVEs reporting on production [3] sources is used as an allocation key in calculations according to the location-based method.

Energy consumption and mix	Location-based
Total energy consumption (MWh)	6,175.7
Share of fossil sources in total energy consumption	3%
Share of consumption from nuclear sources in total energy consumption	2%
Share of renewable sources in total energy consumption	95%
Of which non-renewable energy consumption	
Total fossil energy consumption (MWh)	193.9
Of which energy consumption from nuclear sources	
Total energy consumption from nuclear sources (MWh)	100.5
Of which renewable energy consumption	
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	5,881.3
The consumption of self-generated non-fuel renewable energy (MWh)	0.0
Total renewable energy consumption (MWh)	5,881.3

3 *Norwegian Water Resources and Energy Directorate (NVE): Climate Declaration for Physically Delivered Electricity. (only available in Norwegian)*

Note 4: GHG-emissions from own operations

Scope 1 – Direct emissions

A smaller amount of direct emissions is accounted for in Scope 1 and relates to the combustion of purchased fossil fuel for vehicles. The Group has no GHG-emissions from regulated emissions trading systems or direct emissions from the degradation or combustion of biomass in Scope 1. The tank-to-wheel factors used in calculating Scope 1 are sourced from the Department for Energy Security and Net Zero (formerly DEFRA) [4].

Scope 2 – Indirect emissions from purchased electricity

Indirect emissions from purchased energy for own operations stem from the production of electricity and district heating. Additionally, a small portion of locally produced heat and cooling from seawater is included in the Group's total energy consumption. These emissions are not accounted for. The collection of energy data used as the basis for calculating Scope 2 emissions is further described in *Note 3: Energy consumption*.

Location-based GHG-emissions are calculated using a carbon emissions factor for the Norwegian consumption mix from NVE [5].

When calculating market-based GHG-emissions, the purchase of origin certificates or renewable energy certificates is taken into account. In these cases, the emission factor is 0 gCO_2eq/kWh based on documentation received from the electricity suppliers via the property managers used by the Group. This applies to 1326.9 MWh of energy consumption in Scope 2, which corresponds to an increase of 795 tCO_2eq in market-based emissions if origin certificates had not been used. For all other market-based GHG-emissions reported in Scope 2, the NVE's energy declaration for power suppliers is used [6].

For district heating, the emission factors from Norsk Fjernvarme for district heating supplied from Norwegian district heating plants are used to calculate the GHG-emissions associated with purchasing district heating from various plants in the region [7].

The Group has no indirect GHG-emissions from the decomposition or combustion of biomass.

Scope 1 GHG emissions	**2024**
Gross Scope 1 GHG emissions (tCO_2eq)	3
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0

Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO_2eq)	832
Gross market-based Scope 2 GHG emissions (tCO_2eq)	2,503

4 *Department for Energy Security and Net Zero: GHG-reporting: conversion factors 2024)*
5 *Norwegian Water Resources and Energy Directorate (NVE): Climate Declaration for Physically Delivered Electricity (15 g CO_2eq/kWh).*
6 *Norwegian Water Resources and Energy Directorate (NVE): Electricity disclosure for power suppliers - residual mix (599g CO_2eq/kWh).*
7 *Norsk Fjernvarme: fjernkontrollen.no*

Note 5: GHG-emissions from the value chain

The value chain constitutes the majority of the Group's GHG-emissions, with a total of 2,504,936 tCO_2eq (99.97 per cent of the Group's total GHG-emissions). These emissions occur indirectly from the procurement of goods and services related to operations (upstream) as well as from invested and financed emissions (downstream).

Upstream and downstream emissions together totals the Group's total emissions in Scope 3. The Group has decided to include all upstream categories in Scope 3 where the Group has activity, regardless of materiality, which together account for 23,234 tCO_2eq (1 per cent of total GHG-emissions). The Group only has activity in category 13 (downstream leased assets) and category 15 (invested and financed emissions), which together account for the Group's total downstream emissions (location-based) of 2,481,702 tCO_2eq (99 per cent of total GHG-emissions).

Internal transactions between Group companies have been eliminated. The Group has no indirect GHG-emissions from the degradation or combustion of biomass in Scope 3.

The table on the right provides an overview of which Scope 3 categories are included in the GHG-accounting, along with justifications for any exclusions.

Category	Included in GHG-accounting
Upstream	
1. Purchased goods and services	Included.
2. Capital goods	
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	
4. Upstream transport and distribution	
5. Waste generated in operations	
6. Business travel	
7. Employee commuting	
8. Upstream leased assets	Operational emissions from leased premises are accounted for in Scope 2. Lease of premises is mainly recognized as right-of-use assets in accordance to IFRS 16. Short-term or variable lease agreements are expensed and are accounted for in this category
Downstream	
9. Downstream transport and distribution	Not included. The Group has no financial activities that fall within the categories.
10. Processing of sold products	
11. Use of sold products	
12. End-of-life treatment of sold products	
13. Downstream leased assets	Included.
14. Franchises	Not included. The Group has no financial activities that fall within the categories.
15. Invested/financed emissions	Included. Invested emissions are based on ownership shares in associated companies and other investments. Financed emissions are allocated to the sectors the Group›s exposed to according to the accounting note 8: Loans and advances to customers

Upstream emissions

The Group's upstream emissions have been calculated using financial data. A spend-based approach has been applied, where costs in the income statement are linked to emissions factors indicating $kgCO_2eq$/NOK for purchased goods and services. See *Note 1: GHG-accounting principles* for a detailed description of the methodology and reporting principles.

Scope 3 – Category 1: Purchased goods and services

Purchases of goods and services account for 73 per cent of the Group's upstream emissions. These emissions are based on cost-based estimates. An overview of the costs included is described in notes 20 and 21 of the financial statements. The largest sources of GHG-emissions are IT-related services, marketing and media, and other operational agreements.

Scope 3 – Category 2: Capital goods

Depreciation of capitalized inventory, software, and right-of-use assets for buildings and properties. This accounts for 6.2 per cent of the Group's upstream GHG-emissions.

Scope 3 – Category 3: Fuel- and energy-related emissions (not included in Scope 1 or 2)

Indirect emissions related to energy production, excluding direct emissions from the actual electricity generation, are separated out. This includes emissions related to losses during transmission and distribution in the power grid, as well as other lifecycle emissions associated with the production of energy sources. This accounts for 0.1 per cent of the Group's upstream GHG-emissions. For fuel, well-to-tank factors for fuel have been used [8]. For electricity, a total upstream emissions factor from IEA (5.3 gCO_2eq/kWh) is used, which includes transmission and distribution losses as well as other lifecycle emissions associated with Norwegian electricity [9].

For district heating, it has not been possible to obtain an emissions factor for lifecycle emissions associated with the production, procurement, or manufacturing of the inputs used for combustion. The emissions are considered negligible.

In total, the category accounts for 0.1 per cent of the Group's upstream emissions.

Scope 3 – Category 4: Upstream transport and distribution

Calculated using the spend-based method on costs related to freight, postage, and valuables transportation. This accounts for 1 per cent of the Group's upstream emissions.

Scope 3 – Category 5: Waste generated in operations

Calculated using the spend-based method on purchased waste management services. This accounts for 0.1 per cent of the Group's upstream emissions.

Scope 3 – Category 6: Business travels

Two methods have been used to calculate the GHG-emissions from business travel, which accounts for 10.6 per cent of the Group's upstream emissions.

When possible, the travel agencies' own GHG-calculations are used to estimate emissions from the Group's business travels. For other travel, the spend-based method is applied, linking it to the travel expenses, primarily through reportable and non-reportable travel costs and mileage allowances.

Scope 3 – Category 7: Employee commuting

The category is calculated based on nationwide survey statistics related to Norwegian employees' commuting patterns to work [10], The category is multiplied by emission factors for the various modes of transportation from DEFRA. Assumptions regarding home office arrangements have also been made. The category accounts for 5.6 per cent of the Group's upstream emissions.

Scope 3 – Category 8: Upstream leased assets

Emissions from upstream leased assets account for 3.5 per cent of the Group's total upstream emissions. These are calculated using the spend-based method and include rental costs. Operations of other leased assets are covered under Scope 1 and Scope 2.

Upstream scope 3 GHG emissions	**2024**
Gross upstream Scope 3 GHG emissions (tCO_2eq)	**23,234**
Purchased goods and services	16,934
Capital goods	1,436
Fuel and energy-related activities (not included in Scope 1 or Scope 2)	30
Upstream transport and distribution	230
Waste generated in operations	26
Business traveling	2,462
Employee commuting	1,311
Upstream leased assets	806

8 *Department for Energy Security and Net Zero: GHG-reporting: conversion factors 2024*

9 *International Energy Agency (IEA): IEA Life Cycle Upstream Emission Factors (Pilot Edition) (2022)*

10 *National Travel Survey 2023 - The Norwegian Public Roads Administration (Statens vegvesen) (Not availiable in English)*

Downstream emissions

The Group's downstream emissions include category 13: Leased assets (downstream) and category 15: Invested and financed emissions.

Scope 3 – Category 13: Downstream leased assets

The category consists of leasing/vehicle loans to the retail market. The same method as described in *Note 1: GHG-accounting principles* is used for calculating financed emissions. The basis for this calculation is that the leasing agreements are considered a financial instrument (financial leasing) due to the lessee's option to purchase the leased asset at the end of the lease period, and that the risk is primarily transferred to the lessee.

This accounts for 1.3 per cent of the Group's downstream emissions.

Scope 3 – Category 15: Invested and financed emissions

Invested emissions consist of GHG-emissions from the Group's ownership interests in associated companies and other equity holdings. In addition to Scope 1 and 2, Scope 3 is also included, as it is the most significant emissions category for the Group's associated companies.

GHG-emissions from invested companies are based on the reported Scope 1, 2, and 3 emissions of the associated companies. In *Note 1: GHG-accounting principles*, both a complete overview of the companies included in this category and a description of the differing calculation methodologies are provided. This category accounts for 56 per cent of the Group's downstream emissions.

There is significant uncertainty associated with the estimates. The accounted-for emissions are based solely on ownership share and do not consider the activities performed by associated companies on behalf of SpareBank 1 SMN's customers. Accounting for the downstream emissions of associated companies based on services provided for the Group's customers, rather than ownership share, could either increase or decrease the reported emissions. Accounting based on ownership share represents the best estimate at the time of reporting.

The Group's investments in shares, units, and other equity interests are described in Note 30 of the financial statements. GHG-emissions from these investments are calculated in accordance with the PCAF standard based on economic activity, with the method varying depending on data availability. When calculating emissions for Mavi XV's assets, the companies' revenue is used combined with industry-specific emissions intensities (PCAF data quality score 4). For SpareBank 1 SMN Invest's assets, market value is used as a proxy for revenue, supplemented with sector-specific emissions intensities (score 5). For the Group's other equity holdings, market value is used combined with an average emissions factor for the entire portfolio (score 5).

Financed emissions are, with the exception of invested emissions, the largest source of the Group's GHG-emissions, totaling 1,034 thousand tCO_2eq (location-based). This accounts for 41 per cent of the Group's downstream emissions.

The customers' GHG-emissions in Scope 1 and 2 are included in the Group's Scope 3 downstream emissions. Financed GHG-emissions are calculated by multiplying the customer's total GHG-emissions by the financed share of the customer's assets. If the Group finances 5 per cent of the customer's assets, 5 per cent of the customer's emissions are accounted for.

The methodology for estimating GHG-emissions from the lending portfolio follows the guidelines from Finans Norge's "Guidelines for Calculating Financed Emissions." The guidelines build upon the PCAF standard.

The foundation of the PCAF methodology is estimated emissions based on income- or loan-based emissions factors per industry. Exiobase Advanced Economies at the sector level is used as the factor library with adjustments for inflation and exchange rates. There has been a need to use a proxy factor for the renewable energy production industry. The Group's goal is to replace these basic estimates with either reported emissions from the customer themselves or activity-based estimates.

The data quality of estimated GHG-emissions, referred to in PCAF as "data-quality score," ranges from 1 (based on the customer's own reported emissions) to 5 (factor-based emissions on loan balance). A low score indicates high data quality. The GHG-emissions of most corporate customers are measured using the factor-based method. The estimated emissions presented below is of a general low quality and has a very high estimation uncertainty.

For 2024, the banks in the SpareBank 1 alliance have a common approach to calculating financed emissions. The calculations been centralized to lighten invidiual work load and ensure comparability across the owner banks. GHG-emissions related to loan balances as of 31.12.24 are calculated by SpareBank 1 Utvikling DA in accordance with PCAF's and Finans Norge's guidelines for calculating financed emissions. Furthermore, emission calculations for the Group's portfolio are updated with higher-quality data where available for the period, such as climate accounts from business customers and registered fuel consumption among shipping and fisheries customers.

The table on the next page shows the Group's estimated GHG-emissions, Scope 1 and 2, from the lending portfolio, including loans transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, where the Group has operational control.

Downstream Scope 3 GHG emissions	2024
Gross downstream Scope 3 GHG emissions (tCO_2eq)	
Downstream leased assets	**31,227**
Leasing	31,227
Financied emissions (location-based)	**1,034,021**
Financied emissions (market-based)	**2,177,068**
Agriculture and forestry	379,377
Fisheries and hunting	126,084
Sea farming industries	63,534
Manufacturing	114,654
Construction, power and water supply	29,605
Retail trade, hotels and restaurants	23,510
Maritime sector and offshore	95,083
Property management (location-based)	11,743
Property management (market-based)	465,278
Business services	7,399
Transport and other services provision	161,633
Public administration	95
Other sectors	987
Wage earners (location-based)	20,319
Wage earners (market-based)	709,831
Invested emissions	**1,416,453**
Investments in associated companies [1)]	1,402,412
Investments in shares, units, or other equity interests	14,051

1) Description can found in Note 1: GHG-accounting principles

A more detailed breakdown of financed emissions by Scope 1, 2, and 3, along with the associated weighted data quality per industry, is described in the table on the next page.

	Scope 1-2				Scope 3
Sector 1)	**Loans (MNOK)**	**Financed emissions Scope 1 and Scope 2 (tCO_2eq)**	**Share of total financed emissions**	**Weighted data quality**	**Financied emissions Scope 3 (tCO_2eq)**
Agriculture and forestry	14,026	379,377	36 %	3.0	523,767
Fisheries and hunting	6,075	126,084	12 %	2.9	102,317
Sea farming industries	4,169	63,534	6 %	2.2	113,075
Manufacturing	3,926	114,654	11 %	3.7	354,786
Construction, power and water supply	6,296	29,605	3 %	4.2	237,202
Retail trade, hotels and restaurants	4,148	23,510	2 %	4.1	128,124
Maritime sector and offshore	4,101	95,083	9 %	2.6	35,656
Property management (location-based)	24,817	11,743	1 %	3.8	5,477
Property management (market-based)	24,817	465,278		3.8	
Business services	5,904	7,399	1 %	4.2	23,071
Transport and other services provision	7,700	161,633	15 %	3.6	106,419
Public administration	60	95	0 %	4.9	200
Other sectors	1,454	987	0 %	3.3	2,284
Wage earners (location-based)	156,606	20,319	2 %	3.1	
Wage earners (market-based)	156,606	709,831		3.1	
Leasing 2)	7,248	31,227	3 %	3.0	
Total downstream Scope 3 GHG emissions (location-based)	**246,530**	**1,065,248**			
Total downstream Scope 3 GHG emissions (market-based)	**246,530**	**2,208,295**			

1) The presentation follows from the financial statements› note 8: Loans and advances to customers

2) Disclosed under scope 3 category 13. Calculated with PCAF and Finance Norway's guidelines for calculating financed emissions.

The table above still indicates that estimated GHG-emissions in the loan portfolio are concentrated in a few industries and represent a limited share of the Group's lending volume.

The estimates for GHG-emissions have changed significantly from the previous year. The main reason for this is technical changes in calculation methods and emission factors. The most significant changes are:

- A new calculation for the agriculture sector shows a technical reduction of approximately 40% in estimated GHG-emissions.
- New emission factors per industry result in a technical increase in emissions for these customers by 43%. These customers account for 44% of financed GHG-emissions.

The estimates are intended to guide future work and prioritization, but the Group remains cautious when it comes to taking strategic actions due to the high significant uncertainty.

When measuring changes in GHG-emissions over time, historical data will be revised to ensure that reported changes reflect actual changes in emissions as much as possible, rather than just technical adjustments in the measurement method.

The majority of the emissions from the Group's customers are estimated using either income-based factors or loan-based factors. Only a small number of the Group's customers currently report their own GHG-emissions, and for those who do, the data is not yet available in public registers, making data collection difficult. An overview of the assumptions used in the estimation of emissions for industries where primary data has been collected is provided below.

Fisheries

For the fisheries portfolio, fuel consumption data has been collected for the Group's largest customers over several years. This has been used to estimate GHG-emissions for the fisheries portfolio with high quality. The fisheries portfolio has the best data quality in the analysis.

Wage earners (Mortgages)

For the mortgage loan portfolio, estimated GHG-emissions are provided by Eiendomsverdi AS, and prepared by Simenergi AS. The GHG-emissions are estimated using a GHG-emission factor based on the physical production mix, with an emission of 15 gCO_2eq per kWh. In the table above, estimated GHG-emissions are based on the European residual mix, at 599 gCO_2eq per kWh.

Property management

The GHG-emissions from financed commercial real estate are calculated by gathering information about each individual building, such as property type, usable area, and energy rating, where available. The building information is then combined with PCAF emission factors for real estate, either per square meter (sqm) or per building. Both location-based and market-based GHG-emissions are also calculated in the same way as for mortgages.

Fossil vehicles

GHG-emissions from corporate clients are included in respective sectors with factor-based emissions. For retail customers, this category mainly concerns leasing and car loans. In the estimation for private customers, information has been gathered on all financed vehicles, both electric and fossil fuel cars. The emissions estimates use an average driving distance of 12,000 kilometers for all vehicles, based on the average from Statistics Norway (SSB).

Agriculture and forestry

Information on the number of animals, cultivated areas, and production is sourced from the production subsidy register and linked to the bank's agricultural customers. Based on the register activity, GHG-emissions are estimated at the individual level using emission factors for each activity. There is significant uncertainty associated with the numbers, and the difference between good and poor agronomy has not been assessed.

The Group encourages customers to use the Agriculture's climate calculator, as this will improve the estimated GHG-emissions per farm and provide insight into the Group's plans for reducing GHG-emissions going forward.

A large portion of the Group's customers engage in forestry as part of their business. A total of 2.5 million decares of productive forest have been registered in the Group's customer base. Adjusted for the financing degree and multiplied by the land-based carbon sequestration factor from forests (0.2959 tCO_2eq per decare), the financed portion of carbon sequestration in forests is estimated at 346,000 tCO_2eq. This is an estimate with high uncertainty and is not used to offset financed emissions.

In line with the updated guidelines from Finance Norway and PCAF, the Group has followed the recommendation to report additional information related to GHG-emissions, electricity consumption, and other characteristics of financed properties, both private homes and commercial real estate. This information is presented in the tables below.

	Loans (MNOK)	Financed emissions (location-based) (tCO_2eq)	Location-based GHG intensity (tCO_2eq per MNOK exposure)	Financed emissions (market-based) (tCO_2eq)	Market-based GHG intensity (tCO_2eq per MNOK exposure)
Dwellings	156,000	20,298	0	709,005	4.5
Commerical real estate	42,504	11,743	0	465,278	10.9

	Estimated total electricity consumption for all properties (MWh/year)	Average electricity consumption (KWh/m2/year)	Average electricity consumption per property (MWh/year)	Average GHG emissions (location-based) ($kgCO_2eq/m2$)
Dwellings	2,777,060	203	33,745	1.8
Commerical real estate	1,692,740	216	183,894	3.1

	Average year of construction	Average usable floor area (UFA)	Number of properities
Dwellings	1981	133	82,296
Commerical real estate	1980	407	9,205

Note 6: Total GHG-emissions

	Retrospective			Milestones and target years[1]			
Scope 1 GHG emissions	**Base year**	**2023**	**2,024**	**2025**	**2030**	**2050**	**Annual % target / Base year**
Gross Scope 1 GHG emissions (tCO_2eq)	3		3				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	-		-				
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO_2eq)	832		832				
Gross market-based Scope 2 GHG emissions (tCO_2eq)	2,503		2,503				
Scope 3 GHG emissions							
Gross upstream Scope 3 GHG emissions (tCO_2eq)							
Purchased goods and services	16,934		16,934				
Capital goods	1,436		1,436				
Fuel and energy-related activities (not included in Scope 1 or Scope 2)	30		30				
Upstream transport and distribution	230		230				
Waste generated in operations	26		26				
Business traveling	2,462		2,462				
Employee commuting	1,311		1,311				
Upstream leased assets	806		806				
Gross downstream Scope 3 GHG emissions (tCO_2eq)							
Downstream leased assets	31,227		31,227				
Investments (location-based)	2,450,475		2,450,475				
Investments (market-based)	3,593,521		3,593,521				
Total GHG emissions (tCO_2eq)							
Totale GHG emissions (location-based) (tCO_2eq)	2,505,771		2,505,771				
Totale GHG emissions (market-based) (tCO_2eq)	3,650,489		3,650,489				

1) Pathways are still being developed in connection with the Group's commitment to SBTi. Therefore, nothing is reported in these columns for the current reporting year.

Note 7: GHG-intensity

Emission intensity is calculated in two different ways: *GHG-intensity based on net revenue* and *financed GHG-intensity*. The reason for these two different GHG-intensities is that *GHG-intensity based on net revenue* is a requirement in ESRS E1, while *financed GHG-intensity* is a more relevant metric.

To calculate GHG-intensity based on net revenue, net revenue should be used as the denominator for calculating GHG-intensity. Net revenue is not directly defined in ESRS, and the definition used follows the NFRD: *the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover.*

In principle, the definitions of net revenue according to international accounting standards (IFRS) or national accounting legislation (NGAAP) shall be used. Credit institutions, however, should use the definition of net revenue established in the regulation on annual accounts for banks, credit institutions, and financing companies, Chapter 4. The Group's net revenue is the sum of elements 1, 3, 5, 6, and 7 of section 4-1 of this regulation.

Elements of net revenue (NOKm)	2024
(1) Interest income and other interest income	13,560
(3) Commisions receivable	1,611
(5) Dividends and other incoem from financial instruments	103
(6) Net profit or net loss on financial operations	1,254
(7) Other operating income	1,006
Net revenue	**17,534**

In 2024, the Group's net revenue according to the definition above was NOK 17,534 million. This figure was used to calculate the GHG-intensities per net revenue below.

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2eq/NOKm)	142.91
Total GHG emissions (market-based) per net revenue (tCO_2eq/NOKm)	208.19

To calculate the financed emissions intensity, the Group's financed emissions and exposure to different industries are used. This is shown in the table to the right, which is based on the financial statement's *Note 8: Loans and advances to customers*, and Scope 3 category 15 financied emissions.

Sector	Loans (NOKm)	Financied emissions (scope 1-2) (tCO_2eq)	GHG intensity
Agriculture and forestry	14,026	379,377	27,0
Fisheries and hunting	6,075	126,084	20,8
Sea farming industries	4,169	63,534	15,2
Manufacturing	3,926	114,654	29,2
Construction, power and water supply	6,296	29,605	4,7
Retail trade, hotels and restaurants	4,148	23,510	5,7
Maritime sector and offshore	4,101	95,083	23 ,2
Property management (location-based)	24,817	11,743	0,5
Property management (market-based)	24,817	465,278	18,7
Business services	5,904	7,399	1,3
Transport and other services provision	7,700	161,633	21,0
Public administration	60	95	1,6
Other sectors	1,454	987	0,7
Wage earners (location-based)	156,606	20,319	0,1
Wage earners (market-based)	156,606	709,831	4,5
Leasing	7,248	31,227	4,3

Note 8: Financial risks and opportunities from climate change and adaptation

Climate risk denotes the risk of financial loss or impaired reputation which can be related either directly to climate change (physical risk) or as a consequence of adjustments towards a low emissions society (transition risk).

Loss as a result of climate risk will materialise through the traditional risk categories such as credit risk, market risk and operational risk. Climate risk is thus a driver of risk, not a risk category in its own right. The Group considers climate risk to be a material financial risk, and until such time as climate risk is fully integrated into the traditional risk categories and the Group's corporate governance, climate risk will receive added focus in risk management.

The recommendations from the Task force on Climate related Financial Disclosure (TCFD) is utilised as framework to guide work, and reporting on, climate risk.

Management

Board of Directors' involvement in climate-related risks and opportunities

Climate risk responsibilities follow the Group's ordinary responsibility structure, in conformance with the Group's risk management policy. The Board of Directors of SpareBank 1 SMN has overarching responsibility for climate risk management through its approval of steering documents and follow-up of reporting from the administration. The risk and audit committee monitors the Group's work on climate risk and submits its recommendations to the Board of Directors. Climate risk is reported on to the Board of Directors at least quarterly through the quarterly reporting and as a routine item in the risk report, and annually through the annual report and the ICAAP.

The Board of Directors has approved, and will ahead revise, steering documents designed to manage climate risk, for example the Sustainability strategy, Sustainability policy, Climate risk strategy and Credit strategy. Integrating climate risk into all steering documents, and revision, is a continuous process.

The Board has also recognised climate risk as an opportunity and threat, and decided to draw up plans and emission paths towards net zero in 2050 and have them validated.

Management of climate-related risks and opportunities

The Group management has set a direction for the work on climate risk by designating sustainability as one of five priorities of the Group strategy which was adopted in 2019.

Day-to-day operations follow the ordinary lines-of-defence structure and responsibilities, where the Group CEO has highest responsibility. Roles and responsibilities in the climate risk effort, as part of the overall work on sustainability, are specified in the document Sustainability policy. Inasmuch as climate risk is included in all steering documents, responsibility for climate risk management is an integral part of the Group's business.

The Group's ESG committee will contribute to the development and implementation of a Groupwide standard for sustainability at SpareBank 1 SMN. Climate risk management is a part of this effort. All business lines in the Group have a representative on the committee who is designated by the director of the business line or the head of the subsidiary concerned. The committee's mandate was revised in October 2023 and shall inter alia:

- Monitor ESG trends and developments
- Encourage further development and intensification of the work on integrating sustainability across all parts of the Group in line with applicable strategic initiatives
- Contribute to developing active impact strategies and transition plans that assist the Group's customers, suppliers and business partners in achieving the necessary readjustment
- Contribute to making clear the Group's ESG data needs as a basis for overall corporate governance and preparation for meeting new regulatory requirements
- Contribute to developing competencies as regards relevant frameworks and regulatory requirements

Strategy

The Group's strategy for climate risk shall support the Group's long-term financial targets of sustainable profitability and growth by:

- Identifying, assessing and managing future climate risk related to the Group's activities, primarily through being an active driver for the green transition.
- Develop and maintain knowledge, tools and methods for identifying climate risk at customer level and quantifying risk at aggregated portfolio level.
- Policy and authorisations shall be designed so as to form an effective framework for the business, with the aim of keeping the Group's exposure to climate risk within the Board of Directors' adopted risk appetite.
- Actively work to reduce climate risk in the loan portfolio by providing advice, transition financing and in the final instance by turning away customers or suppliers who either fail to meet the minimum requirements as to sustainability or whose commitment to transition is inadequate.

Climate-related risks and opportunities in short, medium and long term

The Group updates annually a detailed survey of climate risk using the TCFD template. With regard to the Group's lending activity, significant industries are reviewed jointly by the industry officer, the Credit Department and Risk Management. Potential threats and uncertainties are identified and risk is assessed over the short, medium and long term. Where significant financial risks are identified, the ESG model can be adapted to identify vulnerable customers. Finally, the choice of risk management strategies is considered, including development of new policy rules.

The results of the analysis show that climate risk is primarily a risk through loans to customers. The Group's loan portfolio poses relatively low physical risk, with the exception of fishery and aquaculture where the risk is moderate due to the expected rise in sea temperatures. Transition risk will impact most businesses in the transition towards the low emissions society. The Group's exposed to agriculture and ship-related segments, which in the Group's analyses have high estimated GHG-emissions that attract public attention. These industries have a conscious awareness of the issue and are making an active effort to reduce GHG-emissions, for example through the climate plan for agriculture (Landbrukets Klimaplan) and the International Maritime Organisation (IMO).

In addition to posing a transition risk, the customer's transition presents a climate-related opportunity for the Group's business lines when it comes to products and advisory services. This is described in *Climate related-risks and opportunities* at the beginning of the chapter.

The Group does not have information on the expected cost savings from customers' climate actions, and estimates would not be representative or relevant.

Consequences for operations, strategy and financial planning

The results from the mapping of climate risk are used to assign priorities in the work ahead, to establish new policy rules as a framework for the lending business and to progress the work on transition plans towards net zero. The results are also used as input in the work on credit strategy. The implementation of measures emphasizes supporting the sustainability strategy and the Group's role as being a driver of green transition. In 2024, the transition plan for Agriculture was updated, while the transition plan for shipping-related industries was completed.

Climate-risk has for a period of time been integrated into corporate governance through KPI's. These KPIs are being revised in conjunction with the Group's transition plan and the introduction of the CSRD. The KPIs that address climate risk at the time of reporting are also being updated. The KPIs shown in *Key Figures* at the beginning of the annual report were still applicable in 2024.

The Group issues green bonds and have established a programme to ensure that the funds are utilised as intended. The green bond framework was revised in 2023. In addition, Boligkreditt has funded its operations using green bonds. The Group offers green mortgages, construction loans and agricultural loans.

Climate scenarios' potential impact on operations, strategy and financial planning

This is described in *Climate related-risks and opportunities* at the beginning of the chapter.

Risk management

Identifying climate risk

The Group has several processes for the identification of climate risk in activities. The bulk of work on climate risk focuses on the lending business since it is here that the risk is considered to be greatest. The previously mentioned mapping of climate risk using the TCFD template provides a thorough analysis of events that can impact the Group's customers, assessed at industry level.

Vulnerability to climate risk is likely to vary within an industry. All corporate clients with a volume above NOK 10 million, along with agriculture customers, are assessed using the SpareBank 1 Alliance's shared ESG model. The model assesses customers' transition risk (Eo), physical risk (Ef), social conditions (S) and corporate governance (G). The model was developed with the aim of providing good, updated risk assessments and to ensure good data capture. Preliminary results from the model strengthen the assessment that transition risk poses a bigger challenge to the Group's customers than physical risk.

Climate risk is an explicit assessment item for all loan applications submitted by corporate and agriculture customers. The adviser concerned must accordingly make a separate assessment of the customer's vulnerability to climate risk in addition to assigning an ESG score.

Managing climate risk

The Group's strategy on management of climate risk primarily involves driving a green transition for clients through providing advice and finance for transition. Transition plans for the respective industries impose clear requirements and expectations on the Group's customers, designed to assist management of the customer's climate risk.

Good guidelines help to guard against credit risk and set clear boundaries for the lending business. Where financing of commercial property is concerned, stricter loan-to-value requirements is applied to buildings that are old or energy-inefficient. This is because the Group anticipates a need to upgrade to a modern energy standard in order to attract tenants and to comply with government requirements, including the implementation of the EU Energy Efficiency Directive.

Integrating climate risk in the risk management framework

Integrating climate risk into corporate governance is an ongoing process, and entails the need to incorporate the effect of climate risk into all Group strategies, policies and procedures. In addition to its inclusion in the Sustainability Strategy, Sustainability Policy and Climate Strategy, climate risk is integrated into the traditional risk management framework as a risk driver. The three documents mentioned above have acted as guides to how other steering documents should integrate climate risk.

EU (EBA) guidelines impose comprehensive requirements on the Group's climate risk effort, e.g. the guidelines on loan origination and monitoring. Internal projects have been carried through to ensure compliance which in turn contributes to an increased focus and quality of the work done.

Climate risk is considered a risk driver in the bank's ICAAP.

Goals and method

Methods used to assess climate-related risks and opportunities, in line with strategy and risk management processes

The qualitative analyses of climate risk are conducted on significant activities within the Group, focusing on the largest industries in the Group's loan portfolios. Potential events are assessed separately, and it is evaluated whether actions need to be taken. Through the analyses, it has been identified that GHG-emissions pose a risk to the customers. This has motivated the Group's work on estimating the GHG-emissions from the loan portfolio. Detailed descriptions of the calculations and assumptions can be found in notes 1-6.

The results from applying the ESG model at the customer level provide individual sub-scores for physical risk, transition risk, social risk, and corporate governance. The development of portfolio scores is monitored internally, and customers with a red score are followed up regularly by the credit department. The results represent a relative score and are not quantified in relation to credit risk. The Group has therefore chosen not to publish the portfolio results.

Physical climate risk

The Group's analyses indicate that it is vulnerable to ocean warming through its customers in the fisheries and aquaculture industries. Properties that are unfavourably located in relation to rising sea levels, flooding, or landslides will be increasingly exposed as the climate becomes warmer and more extreme.

Financed properties through mortgages and commercial loans have been linked to NVE's risk maps. The data has been provided by Eiendomsverdi and subsequently connected to the Group's lending portfolio. The following thresholds have been established for when a property is flagged for potential physical risk.

- Sea level: 200-year storm surge, current scenario
- Flooding: 20-year flood, now-scenario or 200-year climate-adjusted scenario
- Quick clay landslide: Medium probability, current-scenario
- Mountain slide: Danger zone unstable or 100-year zone
- Snow slide: Precautionary area inspected

Sea level rise is the only chronic risk, while the others are considered acute risks. For dwellings, a more granular assessment has been conducted using a risk score provided by Eiendomsverdi. This assessment also includes flagged risks related to surface water, as provided by Eiendomsverdi. Most threshold values are set lower for dwellings. For example, a dwelling with "low risk" of quick clay landslides will still be flagged.

The table below shows total outstanding loans, including loans transferred to SpareBank 1 Boligkreditt, that are secured by real property. Interest and fee income represent gross income. These are account revenues throughout 2024, which by year-end are linked to pledged and risk-assessed properties. This means that the figures are, in reality, understated due to:

- New properties in 2024 generating only partial-year income.
- Refinancing or product changes often leading to new account numbers. Only accounts valid as of 31.12.2024 are included.

NOKm	Dwellings	Commercial real estate and coopera-tive housing	Total loans	Share	Income from interests and fees
Total loans	175,880	26,306	202,186		9,845
of which exposed to climate risk					
Flooding	2,462	1,854	4,316	2%	238
Slides	3,221	1,898	5,119	3%	263
Surface water	17,424	NA	17,424	9%	823
Quick clay	10,745	135	10,880	5%	528
Sea level	3,570	1,869	5,439	3%	274
Total exposed at risk	**37,423**	**5,756**	**43,178**	**21%**	**1,907**

NVE's risk maps only indicate identified risks in areas where mapping has been conducted, except for sea level rise and surface water, which have been modelled for all properties. The flag does not indicate whether mitigation measures have been implemented. The Group does not have an overview of which properties have undergone mitigation measures.

The table below presents exposure to physical risk by county, as well as Trondheim. Trondheim municipality is overrepresented in the category of quick clay landslides. This is due both to the fact that the Group has significant lending exposure in this municipality and that many areas with quick clay deposits have been identified.

	Flooding	Slides	Surface water	Quick clay	Sea level	Total exposed at risk	Total balance
Trøndelag	3,006	64	10,669	9,481	2,972	23,831	126,532
Møre og Romsdal	394	4,578	3,309	423	1,691	8,697	36,612
Oslo	7	-	1,202	385	114	1,664	11,121
Akershus	199	-	597	211	17	978	8,670
Vestland	116	314	681	104	277	1,346	6,227
Other counties	593	163	967	276	369	2,253	13,024
Total	**4,316**	**5,119**	**17,424**	**10,880**	**5,439**	**38,769**	**202,186**
Trondheim	1,439	-	6,005	6,326	958	13,121	53,227

The Group has no information on whether customers have implemented climate adaptation measures. Buildings constructed after 2010 and 2017 are required to comply with the building regulations TEK-10 and TEK-17, respectively, and are therefore likely to be more resilient to physical risks. However, the figures above do not take this into account.

Transition risks

Eiendomsverdi has provided EPCs for financed properties holding such a certificate, as well as estimated energy rating for the remaining properties. For all properties, Eiendomsverdi has supplied estimated energy consumption, which has been used to estimate GHG-emissions. The table below shows the balance of mortgages, loans to housing cooperatives, and loans for financing commercial buildings over 1,000 square meters, distributed by the building's energy rating. The figures include loans transferred to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt.

Energy rating	Dwellings (NOKm)	Share	Accumulated share	Commercial real estate and coop-erative housing (NOKm)	Share	Accumulated share
A	2,303	1%	1%	1,568	6%	6%
B	14,184	8%	9%	3,472	13%	19%
C	9,222	5%	15%	1,814	7%	26%
D	10,003	6%	20%	3,158	12%	38%
E	10,372	6%	26%	1,218	5%	43%
F	14,000	8%	34%	788	3%	46%
G	16,774	10%	44%	522	2%	48%
Expired EPC	5,430	3%	47%		0%	48%
Missing EPC - built after 2010	17,267	10%	57%	3,569	14%	61%
Missing EPC	76,324	43%	100%	10,197	39%	100%
Total	**175,880**	**100%**		**26,306**	**100%**	

EPC: Energy performance certificate

The table shows that many dwellings can benefit from energy efficiency upgrades. The bank offers favourably priced green construction loans or green loans for energy-efficiency measures to customers wishing to upgrade their home to a better energy rating.

In addition, the Group owns or leases nearly 50 properties. Of these, 10 properties are considered significant and have been risk-assessed based on physical risk and transition risk. Among these 10, two leased properties are flagged for a 200-year storm surge by 2090, which is beyond the lease horizon. Furthermore, the Group's headquarters at Søndre Gate 4, which is also leased, is flagged for surface water risk, but at the lowest risk level.

On several of the properties owned by the Group, measures have been implemented to improve energy efficiency, and a certification process in accordance with BREEAM In-Use is ongoing for several buildings.

Energy rating	Tenancy	No. Properties	Value (NOKm)	Total sqm	Share (sqm)
A	Rental	1		14,187	40%
C	Rental	2		3,960	11%
C	Freehold	1	42	1,742	5%
D	Freehold	2	92	6,641	19%
E	Freehold	1	82	3,981	11%
Unknown	Rental	2		2,013	6%
Unknown	Freehold	1	109	3,165	9%

The Group generates revenue from financing oil and gas-related activities. The industry is exposed to high transition risk. The table below shows the Group's gross income from financing, credits, and guarantees, measured against internal settlement interest rate, for oil and gas-related activities based on NACE codes from EFRAG's draft sector classification ESRS SEC 1.

NACE	Sector	Gross revenue from lending (NOKm)
C 19.20	Manufacture of refined petroleum products	-
G 46.71	Wholesale of solid, liquid and gaseous fuels and related products	1.6
G 47.30	Retail sale of automotive fuel in specialised stores	0.1
H 49.50	Transport via pipeline	-

Potential financial effects arising from climate risk

No potential financial consequences related to transition risk have been published for industries other than for oil and gas-related activities. The ranking of low, medium, and high scores from the ESG model is a relative assessment based on threshold values for the scores. This insight is used to monitor engagements exposed to relatively high physical or transition risks.

Although an engagement may have a high score in the ESG model, this does not necessarily indicate that the engagement is considered to have heightened credit risk. Climate risk is included in the assessment of credit risk in the credit case framework.

Management has not made any significant provisions for individual impairments or manual overrides from Stage 1 to Stage 2 under IFRS 9, directly related to climate risk.

The Group's assessment of standard assets

The Group's physical assets mainly consist of a few properties. These properties are centrally located and are recorded well below their actual market value. None of these are assessed to have the risk of becoming stranded assets in the future.

For a customer's asset to become a stranded asset for the Group, the customer must default on their obligations, and the bank must take possession of the collateral. The Group has not made any significant provisions under IFRS 9 that can be directly linked to the effects of climate risk. Therefore, no assets have been identified that are expected to become stranded assets for the Group, either in the short term or leading up to 2050.

Reporting of GHG-emissions scope 1, 2 and 3

The Group's reporting on GHG-emissions is described in Notes 1-7 in the chapter on *Climate change*.

Goal of the work on managing climate-related risks and opportunities

The Group's goal in managing climate-related risks and opportunities refers both to the opportunity of impacting the Group's surroundings and to how those surroundings impact the Group. More precisely this means:

- Net zero by 2050, both as regards emissions from day-to-day operations and emissions as a result of the Group's lending business.
- Long-term sustainable profitability and growth through management of climate risk.
- Successful transition of local corporate and retail customers towards a low emissions society.

SpareBank 1 SMN is a substantial actor in the region and seek to contribute to the transition through the bank, respective subsidiaries and the Group's contribution to the regional community.

Pollution

Approach to the topic

The Group's financing of agriculture, building and construction industry and manufacturing is a source of pollution to earth, water and air and constitutes a material impact for these segments. This will in the longer term be a part of the credit granting process and lending practice towards customers in these industries. Degradation of topsoil, acidification of the ocean, acid precipitation, and a warmer and wilder climate represent a risk to a number of customers, and thus pose a risk to the Group due to the Group's exposure. Targets, key performance indicators, action plans, measures and reporting of pollution are closely interlinked with climate change, biodiversity and ecosystems.

Assessment of pollution-related impacts and risks

As a bank and financial institution, the Group has limited direct influence on pollution-related impacts and risks: it is in the value chain, both upstream and downstream, that impacts and risks are centred.

Industries to which the Group is exposed potentially have major impacts on the climate, environment and people unless confronted with demands and expectations from authorities and other stakeholders. Such impacts could entail increased credit risk on a par with other sustainability risks. Where purchases of goods and services are concerned, the Group has already established processes and procedures for sustainable purchases. The same is true of SpareBank 1 Utvikling, the Alliance's joint procurements body. There is an ongoing need for updating of practices, processes and procedures in this area, and pollution-related impacts and risks will in the longer term be incorporated on a par with climate and the environment.

The Group's business models and strategy are not directly impacted by identified impacts and risks, but there is a need for insight into how customers address pollution, and the measures they have taken to minimise their own impact on air, water and earth. The Group will by means of its financing of, and advice given, to these industries contribute indirectly to mitigating the Group's impact.

The Group's material IROs, where they are centred and the time horizons they span, are presented in the tables to the right.

IMPACTS		Value chain	Time horizon
Financed pollution to air, water, and soil	Negative	Downstream	Medium-term Long-term
Pollution from procurement of goods and services	Negative	Upstream	Medium-term Long-term

RISKS	Value chain	Time horizons
Credit risk in the loan portfolio	Downstream	Medium-term Long-term
Deficient ESG data, quality, and insight	Upstream Downstream	Medium-term Long-term
Loss of customers to ESG requirements	Downstream	Short-term, Medium-term

The process of implementing the Group's double materiality assessment is described more fully under *General information*. Specific assessments related to *Pollution* are also provided.

Pollution-related impacts

Due to the Group's exposure to for example agriculture, the Group has a negative impact in terms of pollution. This impact stems directly from the Group's business models and strategy. The Group will contribute to minimising these impacts in close collaboration with agricultural customers in the region. Agriculture exemplifies an industry that is important for the region, and is an industry of importance for sustainable development. Other industries will also be relevant to focus attention on. A closer account of the Group's material impacts is provided below.

Financied pollution of air, water and soil

Given its exposure to industries such as agriculture, oil and gas, transport, aquaculture and fisheries, the Group is an indirect contributor of pollution of the air, water and soil. This may be through use of pesticides, potential run-off to watercourses, use of hazardous chemicals, oil spills and occurrence of air polluting gases such as NOx and SOx. The impact will be mainly concentrated to geographical locations where such activities are performed, but may in certain cases be more widespread. This impact should be viewed in the context of the Group's impacts on *Climate change* and *Biodiversity and ecosystems*.

Pollution from purchases of goods and services

The upstream value chain is a source of pollution through the Group's purchases of goods and services such as IT operations, office furniture, office supplies and other marketing material, mainly produced by manufacturing industry with a direct impact on pollution of air, water and soil. The Group's travel activity by road, air and rail also contributes to air pollution.

Pollution-related risks

None of the risks or opportunities have had material financial effects in 2024. There is no indication that risks and opportunities entail significant risk of material changes in balance sheet values of assets or liabilities in the financial account in the forthcoming reporting period.

The expected financial effects of the risks and opportunities are encumbered with uncertainty. It has for that reason been decided to omit such information in the present sustainability statement by recourse to the phased-in disclosure requirement in ESRS 1 Appendix C.

The Group's material risks and opportunities are described to the right.

Credit risk in the loan portfolio

Pollution is mainly a risk ensuing from the Group's financing activity, and is a contributor to climate and environmental risk as a driver of credit risk. While no specific analysis or assessment of the potential impact of pollution on credit quality or risk in the loan portfolio has been performed, pollution is an acknowledged driver of climate change, degradation of ecosystems and environmental loss.

Deficient ESG data, quality and insight

Poor ESG data, quality and insight could lead the Group to:

- Grant finance to customers who could potentially subject the Group to undesired reputational and credit risk.
- Make erroneous or poor risk assessments at customer or industry level.
- Impede the transition upstream and downstream, leading in turn to the Group's failure to achieve established targets and ambitions.
- Fail to deploy community dividend in an optimal manner to support the region of which the Group is a part.

The consequences of the above points could have financial consequences in the medium to long term.

Loss of customers to ESG requirements

With a view to managing risk in the Group's loan portfolios, the Group could impose sustainability-related requirements and expectations designed to avert situations where the Group has to write down or post a loss on an exposure.

Such requirements extend beyond the Group's expectations of general sustainability-related factors described in the Group's sustainability strategy and sustainability policy. By imposing more stringent ESG requirements the Group could risk losing customers to competitors who do not impose sustainability-related requirements and expectations.

It is important to balance the Group's requirements and expectations with a good customer dialogue and competitive terms and conditions. This also applies to other business lines in the Group such as accounting services, estate agency services, leasing and appurtenant advisory services.

Targets and KPIs

As of the reporting date no concrete targets with appurtenant KPIs have been drawn up to address pollution-related IROs in accordance with the disclosure requirements (DRs) of ESRS E2 and the minimum disclosure requirements (MDRs) of ESRS 2.

Pollution-related impacts contribute to climate change and directly impact biodiversity and ecosystems. The Group's targets as regards pollution will for that reason be part of the preparation of the Group's transition plan. This is a process which, as in the case of policies and action plans, will continue in 2025. Targets can inter alia be linked to the prevention and control of pollution to air, water and/or earth in the Group's value chains. The Group is not required to establish targets set out in national or international legislation.

Action plans and measures

As of the reporting date no concrete targets have been drawn up to address pollution-related IROs under the DRs of ESRS E2 and the MDRs of ESRS 2. These action plans will also be part of the Group's transition plan.

Policies

The Group's overall steering document on pollution is its sustainability policy.

As of the reporting date the Group has no overall policy dealing with pollution-related IROs. Such policy will be drawn up as part of the Group's transition plan in keeping with ESRS E2 and the MDRs of ESRS 2, and will be included in the policies applying to climate change and biodiversity and ecosystems in light of the impacts' interlinkages.

There is in addition a need for updates of other policies that are closely linked to pollution, for example procurement policy and credit policy. These policies aim to contribute to managing the Group's impacts upstream (purchases) and downstream (financing) as regards pollution of air, water and soil. The Group's process for managing IROs has been determined by the Board of Directors.

This process will also apply when establishing other targets, KPIs, action plans, measures and policies related to pollution. The process will contribute to a more robust and detailed approach. The introduction of CSRD is the backdrop to such an approach, and inasmuch as the directive will apply for the foreseeable future the Group will utilise DRs and MDRs to establish good plans and processes.

Note 1: Financial risks as a result of pollution

Pollution-related risks are centred in the value chain, both upstream and downstream, but relate in all essentials to the risk to which customers are exposed either because they pollute or are impacted by pollution. This could entail an increased credit risk for the Group. No pollution-related opportunities have been identified.

It has been decided to omit reporting on ESRS E2-6 Potential financial effects from pollution-related risks and opportunities by recourse to the exemption in ESRS 1 Appendix C

Biodiversity and ecosystems

Approach to the topic

The reciprocal interlinkages and impacts between climate and environment, including ecosystems, are illustrated in the IPCC's sixth assessment report released in February 2022 [1], and exemplified with multiple natural disasters in Norway and Europe in recent years.

Biodiversity and ecosystems were first identified as material in 2024, and the Group is still only beginning to understand how appurtenant IROs are to be managed. At the same time it is acknowledged that the environmental crisis and its consequences are in many ways equally as important as managing the climate crisis and its consequences.

Assessment of IROs related to biodiversity and ecosystems

The current impact of the Group's IROs on biodiversity and ecosystems is comparatively low. The Group does however acknowledge that present actions could accelerate or slow down the future consequences of biodiversity and ecosystems for the value chain and, indirectly, for the Group's risk, earnings and expenses.

Biodiversity and ecosystems have largely anticipated impacts on the value chain, and on the Group's financing of, and broad service provision, to personal and corporate customers. As pointed out above, the Group is still at an early stage of understanding how these future impacts will play out both in the lending business and in business lines such as accounting, estate agency and leasing.

As the region's largest bank and financial services Group, the Group is dependent on its understanding of customers' needs, and on aligning the business accordingly. The future anticipated effects with regard to biodiversity and ecosystems will play their part in changing and adapting the Group's business and service models in various departmental and business areas.

Material IROs, where they are centred and the time horizons they span are presented in the tables to the right.

IMPACTS		Value chain	Time horizons
Direct impact drivers of biodiversity loss	Negative	Upstream Downstream	Long-term
Impacts of the state of species	Negative	Upstream Downstream	Long-term

RISKS	Value chain	Time horizons
Credit risk in the loan portfolio	Downstream	Medium-term Long-term
Deficient ESG data, quality and insight	Upstream Downstream	Medium-term
Loss of customers to ESG requirements	Downstream	Short-term Medium-term

OPPORTUNITIES	Value chain	Time horizons
Increased innovation and development of business models and customer offering	Downstream	Short-term Medium-term
The role of driver of the green transition	All	Short-term Medium-term

1 https://www.ipcc.ch/assessment-report/ar6/

The process underlying the implementation of the Group's double materiality assessment is described more fully under *General information*. Specific assessments related to *Biodiversity and ecosystems* are also disclosed.

Impacts on biodiversity and ecosystems

Commercial property, salmon fisheries, agriculture and construction are examples of industries where species' status, land-use and land-area changes, and climate change constitute material impacts and challenges. The Group is an indirect contributor to the material impacts facing these industries, and must manage these impacts accordingly. In addition, the Group has an impact through purchases of goods and services. A fuller description of the Group's material impacts is provided below.

Impacts on the state of species

As a part of nature's diversity, all the world's species are also species which are increasingly becoming extinct. National and international interests are dependent on minimising the impact on species' status in order to maintain important ecosystems and ecosystem services. The Group indirectly contributes to impacting species' status through loans and other services that lay the basis for sea-based aquaculture or for housing or commercial property development. These are two examples of sources of area changes, and hence extinction of critical species.

Direct impact drivers of biodiversity loss

The largest impact factors for loss of biodiversity are among others climate change, pollution and area changes, effects which reinforce one another and have serious consequences for the environment, society and not least value creation. The Group's financed emissions, pollution to the air, water and soil, and financing of industries that lay claim to areas on land or at sea are indirect contributors to biodiversity loss.

Risks and opportunities linked to biodiversity and ecosystems

The Group's material risks and opportunities related to biodiversity are described below. None of the risks or opportunities have had material financial impacts in 2024. There is no indication that risks and opportunities entail a significant risk of material changes in balance sheet values of assets or liabilities in the financial account in the coming reporting period.

Expected financial effects of risks and opportunities are encumbered with uncertainty. It has for that reason been decided to omit this information in this year's sustainability report by recourse to the phased-in disclosure requirement in ESRS 1 Appendix C.

Credit risk in the loan portfolio

Like climate risk, environmental risk (risk of biodiversity loss and degradation of ecosystems) features in the Group's loan portfolios. The challenges in terms of biodiversity and ecosystems facing these industries may potentially impact the Group's credit risk. Exposure to risk-exposed industries which either impact the environment and nature's diversity, or are impacted negatively by increased degradation of biodiversity and ecosystems, could represent a heightened credit risk for Group in the longer term. There are wide industry differences, with industries for which land area is a critical resource facing greater risk of impacting, but also of being impacted by, nature-related risk.

This should not be taken to mean that the Group's customers face a particular nature-related risk, since no explicit analyses or assessments related to how biodiversity and ecosystems could impact the loan portfolio directly or indirectly have been undertaken.

Deficient ESG data, quality and insight

Poor ESG data, quality and insight could lead the Group to:

- Grant finance to customers who could potentially subject the Group to undesired reputational and credit risk.
- Make erroneous or poor risk assessments at customer or industry level.
- Impede the transition upstream and downstream, leading in turn to the Group's failure to achieve established targets and ambitions.
- Fail to deploy community dividend in an optimal manner to support the region of which the Group is a part.

The consequences of the above points could have financial consequences in the medium to long term.

Loss of customers to ESG requirements

With a view to managing risk in the Group's loan portfolios, the Group could impose sustainability-related requirements and expectations designed to avert situations where the Group has to write down or post a loss on an exposure.

Such requirements extend beyond the Group's expectations of general sustainability-related factors described in the Group's sustainability strategy and sustainability policy. By imposing more stringent ESG requirements the Group could risk losing customers to competitors who do not impose sustainability-related requirements and expectations.

It is important to balance the Group's requirements and expectations with a good customer dialogue and competitive terms and conditions. This also applies to other business lines in the Group such as accounting services, estate agency services, leasing and appurtenant advisory services.

Increased innovation and development of business models and customer offering

The Group sees business-related opportunities related to the customer's transition in terms of its provision of financing, products and advice. The Group already offers green products and services to personal and corporate customers alike. Those products are not adapted to biodiversity and ecosystems. The Group sees growing demand for green products from large and small firms and mortgage borrowers, related in particular to financing. Adaptation and development of the Group's business models and customer offering will both boost the Group's earnings and enhance customers' motivation to undertake green investments.

Green investments could help to reduce customers' vulnerability to climate and nature-related risks, but may also represent a financial risk for the customer if the investment cost is too high or the choice of technology is wrong. Good advice from all business lines in the Group is key to reinforcing customers' resilience to nature-related risk.

In addition, increased innovation and development of business models and customer offerings will help to build the Group's brand, attract and retain competent staff, and broaden the Group's diversity of competencies.

The role of driver of the green transition

The Group's strategic ambition is to be a driving force for the green transition through its own operations, advisory services, products, and services. Additionally, the Group's expertise and influence will be leveraged to support the region and the business community in their green transition. Community dividend shall be allocated in a way that contributes to the transformation of the region in which the Group operates.

This will help attract new customers, equity and debt investors, and skilled employees to the Group. The opportunity is closely linked to the Group's innovation efforts and the development of its business model and customer offering

The Group's nature strategy

A closer description of the Group's business models is given in Business model and value chain. A systematic analysis of how the Group's present business models attend to transition risk, physical and systematic risk related to biodiversity and ecosystems has yet to be undertaken. A more systematic review of the business models will be part of the preparation of the Group's transition plan.

The Group acknowledges that the business models must be adapted to meet customers' present and future needs. Needs related to biodiversity and ecosystems, including direct impact factors such as land appropriations and GHG-emissions are likely to grow in the years ahead when personal and corporate customers alike to a greater degree experience financial gain from green investments, and climate and nature adaptation.

Project: «The Group's transition plan for climate and nature»

The transition plan is defined as a strategic, Groupwide project with a mandate ratified by the Board of Directors in which the Group Management is defined as steering Group. The project is headed by internal project managers with a reference Group consisting of internal specialist resources. The Group's transition plan is to include targets, KPIs, action plans, measures and policies related to climate and nature alike in keeping with the requirements of ESRS E1 and E4.

A detailed description of the project can be found under *Climate change*.

The Group aims to finalise the Group's transition plan for climate and nature early in 2026.

Targets and KPIs

As of the reporting date no concrete targets with appurtenant KPIs have been drawn up to address biodiversity and ecosystems in accordance with the DRs of ESRS E4 and the MDRs of ESRS 2.

The Group's targets with appurtenant KPIs related to biodiversity and ecosystems will be part of the preparation of the Group's transition plan, and are a continuing project in 2025 on a par with policies and action plans. As a part of the transition plan an account will be given of whether and in the event how the Group has used ecological thresholds, and whether the target is compatible with the Kunming-Montreal Global Biodiversity Framework, the EU's 2030 strategy for biodiversity or other national measures.

An account will also be given of how targets relate to identified impacts, dependences, risks and opportunities in own operations and value chains, whether compensation is provided for loss of biodiversity in the targets, and to what layer of the hierarchy for remedial measures the targets relate.

Action plans and measures

As at the reporting date no concrete action plans have been drawn up to handle the Group's IROs related to biodiversity and ecosystems in accordance with the DRs of ESRS E4 and the MDRs of ESRS 2. These action plans will be a part of the preparation of the Group's transition plan, and is a continuing project in 2025.

Whether the Group will utilise compensation for loss of biodiversity in the Group's transition plans will be decided during the preparation of the transition plan.

Policies

The Group's principal steering document with regard to biodiversity and ecosystems is the Group's sustainability policy.

As at the reporting date the Group has no overall policy that addresses IROs related to biodiversity and ecosystems. Such a policy will be drawn up as a part of the Group's transition plan in keeping with ESRS E4 and the MDRs of ESRS 2.

As a step in the preparation of the Group's transition plan, an overall policy with respect to biodiversity and ecosystems will be prepared in which several of the current policies will feature as part of that policy or be indirectly linked to it.

The policy aims to contribute to managing the Group's IROs in relation to land area changes, including deforestation, species' status and ecosystem services in own operations and value chain. Other direct impact factors such as climate change and pollution will be linked to the policy on biodiversity and ecosystems.

There will also be a need for updates of other policies closely linked to themes such as procurements policy and credit policy which will be involved in managing, respectively, the Group's impacts upstream (for example sourcing and overconsumption of ecosystems) and downstream (for example physical nature-related risk and transition risk, along with dependence on ecosystems). Social consequences of impacts related to biodiversity and ecosystems will be integrated in relevant policies concerning the Group's upstream and downstream activities.

The Group's process for managing IROs has been decided by the Board of Directors. This process will also be applicable in the preparation of other targets, KPIs, action plans, measures and policies related to biodiversity and ecosystems.

Note 1: Financial risks and opportunities as a result of biodiversity and ecosystems

It has been decided to omit reporting on ESRS E2-6 Potential financial effects from pollution- risks and opportunities by recourse to the exemption provided for in ESRS 1 Appendix C.

Processes for identifying natural risk as a driver of credit risk in the loan portfolio, but also as an opportunity for innovation and development of customer offerings, will be an ongoing process in the period ahead.

Resource use and circular economy

Approach to the topic

The world's economic and social progress over the past 50 years has significantly increased resource use, making it a substantial contributor to climate change, pollution, loss of biodiversity and degradation of ecosystems through various extraction processes and waste generation. Circularity has received attention since the Group's materiality assessment in 2022, but in the Group's double materiality assessment in 2024 was identified as material with appurtenant IROs.

The Group considers circularity to be one of several solution strategies with respect to national and international climate and nature challenges. In addition to reducing the Group's impact on climate and nature, circularity can inspire a commitment and motivate employees in the transition. Commitment and motivation related to sustainability are a fundamental prerequisite for the success of the Group's strategic ambitions and targets.

Assessment of IROs related to resource use and circular economy

The Group has in the course of 2024 initiated several pilot projects to assess current effects of resource use and circular economy. These are a step in the development of the Group's roadmap for circular economy. The results and experiences gained from the pilot projects could impact how the Group advises its customers and develops its services with regard to resource use and circular economy. The Group's work on circular economy is described below.

Expected effects of the Group's IROs related to resource use and circular economy largely relate to how climate and environmental challenges develop and are managed both nationally and internationally, and how the risks related to these two areas play out in the Group's value chains.

An overview of the Group's material IROs, where they are centred and the time horizons they span is presented in the table to the right.

IMPACTS		Value chain	Time horizons
Waste	Negative	Upstream Downstream	Medium-term Long-term
Resource use	Negative	Upstream Downstream	Medium-term Long-term

RISKS	Value chain	Time horizons
Credit risk in the loan portfolio	Downstream	Medium-term, Long-term
Deficient ESG data, quality and insight	Upstream Downstream	Medium-term Long-term
Loss of customers to ESG requirements	Downstream	Short-term, Medium-term

OPPORTUNITIES	Value chain	Time horizons
Increased innovation and development of business models and customer offering	Downstream	Short-term Medium-term

The process related to the implementation of of the Group's double materiality assessment is described more fully under *General information*. Moreover, specific assessments related to *Resource use and circular economy*.

Impacts on resource use and circular economy

Circular economy intends to be a solutions strategy for several climate and environmental challenges to which excessive resource use leads, and to mitigate the impacts in the Group's value chains. Construction activity, for example, with appurtenant value chains generates large volumes of waste. Given the fact that Norway's circularity percentage stands at about 2 per cent, the Group as an economic operator has a responsibility for ensuring that its customers take a position on the issue. It also involves highlighting the issue when purchasing goods and services. A fuller description of the Group's material impacts is provided below.

Waste

Customers' waste generation and management are identified as a material impact, and several of the industries financed by the Group generate large volumes of waste each year, an indication of a low degree of circularity. For the Group it will be important to ensure that customers maintain sound procedures and processes for managing both non-hazardous and hazardous waste in order to prevent littering and spread of hazardous environmental toxins from landfills and fuels.

For the industries financed by the Group, waste is a direct consequence of resource use and absence of circularity and reuse. For the Group, waste is an indirect consequence of the product and service range which contributes indirectly to waste generation and management.

Resource use

Resource use is identified as a direct impact through the Group's purchases of goods and services that are needed to ensure stable, reliable and efficient operation of systems and processes. This does not exclude downstream resource use, but is in large measure covered by Waste mentioned above inasmuch as circularity also reduces industries' resource needs.

Fixtures and fittings, office supplies and IT equipment are major categories of physical products purchased by the Group, and the resources included in the manufacture of those products are becoming ever scarcer. This also applies to the Group's procurements of various marketing materials and advertising articles. By increasing the level of reuse and circularity in own operations and in the supplier chain, the Group will contribute to reducing upstream resource use.

Risks and opportunities related to resource use and circular economy

Material risks and opportunities related to resource use and circular economy are described below. None of the risks or opportunities have had material financial effects in 2024. There is no indication that risks and opportunities entail a significant risk of material changes in balance sheet values of assets or liabilities in the financial account in the coming reporting period.

The expected financial effects of the risks and opportunities are encumbered with uncertainty. It has for that reason been decided to omit this information in the year's reporting by recourse to the phased-in disclosure requirement in ESRS 1 Appendix C.

Credit risk in the loan portfolio

Excessive resource use and absence of circularity are a direct driver of climate risk and nature-related risk in the Group's loan portfolios. Exposure to industries which contribute to excessive resource use, have a low degree of reuse, are dependent on scarce resources or have poor waste management, may increase industries' perceived risk and lead to stigmatisation both of industries and customers. This could increase credit risk in the longer term. There are wide differences between industries, some industries being more resource intensive than others.

This does not mean that the Group's customers pose a particular climate risk or nature-related risk owing to poor circularity or considerable resource use. No analyses or evaluations assessments of how resource use and circular economy may impact the loan portfolio directly or indirectly have been conducted.

Deficient ESG data, quality and insight

Poor ESG data, quality and insight could lead the Group to:

- Grant finance to customers who could potentially subject the Group to undesired reputational and credit risk.
- Make erroneous or poor risk assessments at customer or industry level.
- Impede the transition upstream and downstream, leading in turn to the Group's failure to achieve established targets and ambitions.
- Fail to deploy community dividend in an optimal manner to support the region of which the Group is a part.

The consequences of the above points could have financial consequences in the medium to long term.

Loss of customers to ESG requirements

With a view to managing risk in the Group's loan portfolios, the Group could impose sustainability-related requirements and expectations designed to avert situations where the Group has to write down or post a loss on an exposure.

Such requirements extend beyond the Group's expectations of general sustainability-related factors described in the Group's sustainability strategy and sustainability policy. By imposing more stringent ESG requirements the Group could risk losing customers to competitors who do not impose sustainability-related requirements and expectations.

It is important to balance the Group's requirements and expectations with a good customer dialogue and competitive terms and conditions. This also applies to other business lines in the Group such as accounting services, estate agency services, leasing and appurtenant advisory services.

Increased innovation and development of business models and customer offering

Integration of resource use and circular economy into the Group's product and service range could help to reduce customers' climate and nature-related risk. Potential examples are the development of circular business models or changes in product composition and cost of work performed. Adjustment and development of business model and customer offering could work in favour of increased sales, but could also motivate customers to increase their robustness to climate and environmental changes.

Green investments could help to reduce customers' vulnerability to climate and nature-related risk, but may also represent a financial risk to the customer if the investment cost is excessive or choice of technology wrong. Good advice from all business lines in the Group is needed in order to increase customers' resilience to nature-related risk.

In addition, increased innovation and development of business models and customer offerings will help to build the Group's brand, attract and retain competent staff, and broaden the Group's diversity of competencies.

The Group's roadmap for circular economy

In 2023 an internal project Group was established drawing technical resources from several business lines and mandated to develop a framework for circular transition of the Group. In 2024 the project has focused on promoting circular transition of own operations through a number of circular pilot projects.

A number of drivers, among them regulatory requirements, national and international measures, strategic targets, new business opportunities and results from the double materiality assessment have led to circular economy becoming material for the Group. The transition to a circular economy will require anchoring, commitment, competence building, and dialogue with the region of which the Group is a part.

As a solutions strategy, circular economy will help to reduce the need for resources through better use of existing resources, and reduce GHG-emissions associated with production processes and waste management. It is crucial to understand and implement circular principles and mindsets both internally and externally if the Group's net-zero objective is to be attained by 2050.

Practical experience has been crucial with a view to applying circular economy as a solutions strategy. Through a number of minor pilot projects the Group has gained valuable insight into the value chains' complexity, and has identified pitfalls such as greenwashing and built-in behavioural patterns as a hindrance to genuine transition. The pilot projects have in the first instance dealt with learning and raising awareness. Here is a selection

- Circular coffee deal – a pilot project to reduce use of disposable cups.
- Workshops for selected parts of the organisation – to build employee competence and recruit circular thinkers
- Circular procurement supervisor to promote sustainable procurement practices
- Circular dashboard for measurement and visualisation of circular economy effects

The object of the pilot projects has been to promote commitment and learning as a step on the way to integrating more circularity into own operations, before turning the focus more towards the Group's customers and partners. The effects of the learning process thus far have shown that transition work is demanding, but provides valuable insight

Targets and KPIs

The targets for resource use and circular economy will, in addition to featuring dedicated targets and KPIs, be closely linked to targets and KPIs in other areas. This follows from the fact that resource use is a direct impact factor in those areas, and circularity is viewed as a solutions strategy with a view to reducing these impact factors. The Group's strategic target of net zero by 2050 will also be a relevant target for resource use and circular economy.

As of the reporting date no concrete action targets or KPIs have been drawn up to manage the Group's IROs related to resource use or circular economy in accordance with the DRs of ESRS E5 and the MDRs of ESRS 2.

A decision has yet to be made on whether IROs are covered by targets related to climate change, or whether they will be included as part of climate change and/or biodiversity and ecosystems. This will also be an aspect of the preparation of the Group's transition plan.

KPIs related to resource use and circular economy will also be part of the preparation of the Group's transition plan, and may also be linked to targets in the field of climate change and biodiversity and ecosystems. This work will continue in 2025.

Actions plans and measures

Resource use and circular economy have not been a material topic previously, and the Group continues its efforts to understand how identified IROs related to resource use and circular economy should be handled as part of the preparation of the Group's transition plan. As of the reporting date no concrete action plans, apart from the Group's roadmap for circular economy, have been drawn up to manage the Group's IROs related to resource use and circular economy under the DRs of ESRS E5 and the MDRs of ESRS 2.

The overarching action plan for this area will be the Group's transition plan, and a number of the measures could be integrated in specific transition plans linked to climate change and biodiversity and ecosystems.

Policies

The Group's overarching steering document related to resource use and circular economy is the Group's sustainability policy.

As at the reporting date the Group has no overall policy dealing with our IROs related to resource use and circular economy. Such policy will be drawn up as a part of the Group's transition plan in keeping with ESRS E5 and the MDRs of ESRS 2. The policy will a part of the policies for climate change and biodiversity and ecosystems resulting from the direct impacts of resource use and waste on these two topics.

There will also be a need for updates of other policies, for example procurement policy and credit policy, which will, respectively, contribute to the management of impacts upstream (purchases) and downstream (financing) with regard to, respectively, waste and resource use.

The Group's process for managing IROs has been determined by the Board of Directors. This process will also apply when establishing other targets, KPIs, action plans, measures and policies related to resource use and circular economy.

Note 1: Resource use

This note is intended to provide insight into the Group's own operations and upstream value chain. The Group's resource use is indirect through the input factors used in purchased goods and services. No information is available on the share of biological materials contained in purchased products. The same applies to weight and degree of circularity.

The Group's resource use is broken down on material purchases of physical products. GHG-emissions caused by the Group's purchases are described under *Climate change*. Total purchases measured by weight comprise both expensed and activated purchases.

Category	Purchased goods (kg)	Purchased goods (per cent)
IT equipment	**12,787.8**	**19.4 %**
PC/Laptop	453.7	3.5 %
Monitor	1,561.2	12.2 %
Keyboard	145.1	1.1 %
Mouse	97.3	0.8 %
Headset	47.1	0.4 %
Phone	101.2	0.8 %
Printers	3,233.7	25.3 %
Other[1)]	7,148.6	55.9 %
Furniture and fixtures[2)]	37,590.9	57.0 %
Office supplies[3)]	15,626.2	23.7 %
Total purchased goods	**66,004.9**	**100%**

1) *Other IT equipment includes, among other things, wall mounts for monitors, docking stations, various cables, network equipment, chargers, and other meeting room equipment. The category also includes expensed and capitalized purchases from subsidiaries that are not fractioned.*

2) *Desks and chairs for workstations and meeting rooms, seating Groups, as well as cables, cable baskets, desk mounts, and soundproofing elements. Additionally, the category includes purchased quiet rooms (Podbooths) in the Group's office premises.*

3) *Pens, staples, batteries, copy paper, envelopes, sticky notes and pads, as well as other paper products. Marketing materials in the form of promotional items and clothing are also included as part of the office supplies category.*

Estimated weight-per-NOK factors are used to calculate weight per purchase category. These factors are prepared based on extracts of voucher information and information from suppliers. In cases where the exact weight of a given product is not available, the average weight for a given category is used or generic weight for a given product based on length, height, width and material.

The factors are calculated using voucher information and supplier data from the parent company, since the Group's largest suppliers and contracts in the above purchase categories are applied across the Group. Estimated weight-per-krone factors are for that reason applied to subsidiaries' purchases. In addition, the share of expenses and the quantity of purchased products is highest in the parent company. When estimating the weight of purchases at subsidiaries, average factors per category are used on materiality grounds.

Any purchases made by Group functions which they reinvoice to the subsidiaries are eliminated to avoid double counting. Elimination is only applicable to furniture and fixtures.

Note 2: Financial risks and opportunities as a result of resource use and circular economy

It has been decided to omit reporting on ESRS E5-6 Expected financial effects of risks and opportunities related to resource use and circular economy by recourse to the exemption provided for in ESRS 1 Appendix C.

Processes will be established for identifying how resource use and circular economy impact climate and nature-related risk, and the consequences for credit risk, in the Group's portfolios. In addition, circular economy will be further examined as an opportunity for innovation and development of the customer offering.

Team-building

Social

The Group's employees

Approach to the topic

The HR strategy clarifies the direction, goals and framework for the Group's efforts in the field of 'people and organisation'. The HR strategy has defined clear goals and action plans in four different areas: organisation, people, management and culture. The Group's management of IROs could prompt changes to the HR strategy.

Implementation of the double materiality assessment in 2024 confirmed that several material IROs related to employees are already reflected in targets, action plans and policies. However, work remains to be done to adapt the targets and action plans to the minimum disclosure requirements of ESRS.

The HR strategy and appurtenant action plans have a basis in the Group's strategies and business goals, relevant drivers and regulatory requirements. Some measures are described below.

- In 2024 the "Academy" was launched. This is the Group's foremost development arena, designed to promote staff members' professional development, and is described in Note 3: Competence enhancement and training.
- In 2024 an organisation project was initiated in the Group to improve organisation and cooperation. The project "One SMN 2.0" will contribute to a more tightly integrated group. In order to ensure a sound process and solution development, work has proceeded in close conjunction with managers, experts and employee representatives. The organisation change resulting from the project was put into effect on 1 January 2025.
- In 2024 the Group entered an agreement with Falck on a new occupational health service. The agreement will make mental health care more readily available at lower cost. Falck also offer an integrated approach to health, environment and safety. This will help to further improve the work environment and employee wellbeing.

Assessment of IROs related to employees

The Group's IROs, where they are centred and the time horizons they span, are presented in table on the right.

IMPACTS		Value Chain	Time Horizons
Working Conditions	Positive Negative	Own operations	Short-term Medium-term
Inequality and discrimination	Negative	Own operations	Short-term Medium-term
Professional development	Positive	Own operations	All
Diversity and inclusion	Positive	Own operations	Short-term Medium-term

RISKS	Value Chain	Time Horizons
Lack of sustainability competence	Own operations	Medium-term Long-term
Inability to attract competent people	Own operations	Short-term Medium-term
Increased sickness absence	Own operations	All

OPPORTUNITIES	Value Chain	Time Horizons
Major operator	All	All
Focus on mental health	Own operations	All
Focus on diversity and inclusion	Own operations	Short-term Medium-term

The impacts stem from the Group's strategy and business models. Inequality and discrimination, along with diversity and inclusion, can be associated to employee groups where working conditions and professional development are impacts that affect all employees in a large group regardless of sector.

The impacts on the Group's employees, both positive and negative, are factors that shape and adapt the Group's strategies and business models. All employees (both employees and non-employees) who could potentially be impacted are included in the Group's double materiality assessment. This encompasses all types of employees mentioned in the table below. Risk of forced labour or child labour has not been identified in any of the Group's departments or business lines.

Type of employee	Description
Permanent Full-time Part-time	Permanent employees have an employment contract with the group that is indefinite. Most employees are employed full-time, with part-time employees often having agreements related to temporary part-time work, such as for schooling or a plan for transitioning to full-time.
Non-employee	Non-employees work for the group but are formally employed by another company, often a staffing agency. Non-employees are defined as hired substitutes.
Temporary worker	Hired substitutes from staffing agencies.
Temporary employee	Employees on a temporary basis through time-limited or project-based contracts.
Apprentices	Apprentices are employed in a training program that lasts for 2 years. After completing the apprenticeship, they take a professional examination.
Trainee	EiendomsMegler 1 Midt-Norge has had a trainee program since 2012, where students at Handelshøyskolen BI have the opportunity to be a trainee alongside their real estate studies to gain relevant work experience. Upon completing and passing their studies, they may be offered employment as a licensed real estate agent. They are considered temporary employees until full employment is offered.
Consultants	Hired consultants for long-term projects or other needs on a fixed percentage of full-time over a specified period.
Other temporary	Other temporary employees who have a fixed-term employment contract with the group.

The double materiality assessment has not provided further insight into whether some employees are more exposed to impacts and risks than others. The process is described more fully under *General information*.

Impacts on employees

The Group is concerned to minimise potential negative impacts and maximise the positive impact to enable employees to perform as well as possible. The double materiality assessment identifies an opportunity to impact employees positively by offering good and secure employment, professional development, and a diverse and inclusive work environment. This also entails the potential negative impact has on a lack of balance between work and leisure. Importance is also attached to reducing gender differences and preventing harassment and discrimination. A fuller description of material impacts id given below.

Working conditions

The Group has for more than 200 years grown and developed to become a regional employer that contributes to a dependable framework for the employee. The backdrop to why the Group is considered to have a positive impact on the employees is:

- The Group's size, well-diversified income base and financial strength contributes to job security.
- The employees have access to a broad offering in terms of entertainment, physical health, professional development and social arenas in the region due to the Group's position in the community
- Vertical and horizontal career opportunities in a group operating in several sectors.
- Pride in working in a group which contributes substantial funds to various projects in Mid Norway.

The Group also has a potential negative impact on employees since it operates in an industry where working hours and the balance between work and leisure are a familiar challenge. Flexibility is practised in relation to holidays, time off in lieu and working from home in order to remediate this challenge.

Inequality and discrimination

Gender inequality and discrimination based on religion, ethnicity, sexual orientation, ability to function or other factors are a potential negative impact on the Group's employees which is viewed with utmost seriousness. This may for example cause employees to quit their job or to suffer mental disorders. Discrimination may arise in recruitment processes, in wage negotiations or in other work-related situations.

In a company with many different employees, discrimination is a potential negative impact whose occurrence the Group constantly seeks to reduce. The employees report a low incidence of discrimination. Notification (whistleblowing) of this impact depends on a good business culture and a work environment that promotes openness and honesty.

Professional development

Professional development is increasingly a hygiene factor when choosing an employer. Competence is key to the Group's ability to meet the future needs, requirements and expectations of customers, public authorities and owners. The employee's professional development must be adapted to the role and field of the individual employee.

Diversity and inclusion

As Mid Norway's largest financial services provider, the Group has an impact on the employees through a diverse and inclusive work environment. This could have positive impacts on the ability to attract and retain competent staff, reduce sickness absence and improve employees' mental health.

Impacts resulting from the Group's transition plan for climate and environment

The Group's transition plan, which is still undergoing development, is drawn up with a view to strengthening the Group without impacting the organisation structure. The Group's transition plan aims to contribute to a more diverse group with broader competence in departments and business lines which at present lack sufficient competence in climate and the environment. This need will be met through role-specific competency enhancement in sustainability for employees whose roles will be increasingly impacted by sustainability-related tasks.

Risks and opportunities related to employees

Material risks and opportunities related to the Group's employees are described below. None of the risks or opportunities have had material financial effects in 2024. There is no indication that risks and opportunities entail significant risk of material changes in balance sheet values of assets or liabilities in the financial account in the reporting period.

The risks' and opportunities' expected financial effects are encumbered with uncertainty. It is therefore decided to omit this information is the year's reporting by recourse to the phased-in disclosure requirements of ESRS 1 Appendix C.

Lack of sustainability competence

Lack competence could cause and accelerate other risks facing the Group:

- Erroneous, non-existent or poor credit assessments
- Unintended greenwashing in advice or marketing
- Repeated breaches of rules related to sustainability
- Failure to safeguard privacy and personal data
- Inability to develop and sell green products and services
- Failure to integrate ESG risk into the Group's risk management

Inability to attract competent people

Businesses' work on sustainability is increasingly important for choice of employer, particularly among the younger generations and workers. At the top of the list from the YPAI (Young Professional Attraction Index) are to be found social impacts such as work environment, pay and incentives, balance between work and leisure, and career and development opportunities.

Inability to attract new employees could impair the Group's innovation, ability to view problems from differing perspectives and deliver the best products to the customers. At the same time as the Group has opportunities to develop existing employees, new experience and viewpoints will be important for profitable growth and development. In the longer term, employees with other competencies will likely be needed than those the Group has today.

Increased sickness absence

Should more employees without warning go on long-term sick leave, critical functions may in the absence of adequate procedures experience inefficiency or at worst shutdown. This may the business (industry and customer officers) or administrative functions (HR, accounts or risk management).

In functions where tasks are more readily transferrable, increased sickness absence create a negative spiral in which an increased workload and more overtime further increases absences. This could have negative consequences for the employees' work situation and entail increased costs for the Group.

Major operator

The Group, with its respective business entities, and as a part of the SpareBank 1 Alliance, has the opportunity to attend to and develop employees' pay and employment conditions in a number of areas by virtue of its ample insight into a variety of industries. In addition, the Group's vertical and horizontal career opportunities across its businesses is a likely motivation factor ensuring that the Group has relevant competencies in various positions.

Focus on mental health

Good physical and mental health is key to employees' ability to perform well, which is why it is important to set the stage for a good psychosocial and ergonomic work environment. This focus is a prerequisite for wellbeing among the employees and for maintaining high work quality.

Focus on diversity and inclusion

Issues confronting the Group's advisers vary widely, and there is rarely a single solution to them. Nuanced angles and viewpoints from several people with differing backgrounds helps to make the right decisions, and to deliver the best customer experiences.

Research, meta-analyses and practice have all shown that diversity and equity across all entities in the Group, from individual to Group management, have a positive impact on innovation, professional and personal development at the workplace, and profitability and growth.

Employee dialogue

The Group is concerned to maintain an open and respectful culture in which the employee feels heard and appreciated. This involves fostering a work environment marked by psychological security, development and wellbeing. The employee dialogue is at centre stage here, and has to ensure that the employee's perspectives, opinions and concerns are taken seriously.

In 2024 the Group has continued to strengthen and systematise the employee dialogue as an integral part of the Group's due diligence assessments. An effective and ongoing dialogue with the employees and their representatives is key to identifying and managing material, actual and potential IROs. And to ensuring that employees' perspectives are taken into account in the Group's decision-taking. The People and Organisation Department has responsibility for the employee dialogue, and for ensuring that the insight gained is turned to account in the management of IROs.

Clear channels and structures for employee dialogue have been established to promote a good work environment. This involves regular meetings with employee and union representatives at various levels of the organisation. Alongside the formal structures, informal dialogue is encouraged between the management and employees, and their representatives.

The Group is encompassed by a central body of agreements between the social parties, and enterprise agreements have been entered into with the employees' trade unions. These agreements regulate several dimensions related to worker and human rights. They include for example points to ensure good working conditions and fair remuneration. The agreements also regulate important meeting points between employee representatives and the enterprise.

Various types of employee dialogue take place at several levels, and with differing frequency. Several of these levels are mentioned below. The management's perception is that the dialogue is effective and good.

Meetings and workings groups

Regular meetings between the management and employee representatives are an important platform for dialogue. The Group CEO holds regular meetings with the chief employee representative on various themes concerning the Group's employees. Further, quarterly meetings are held in a liaison committee, which is an important forum where the management and employee representatives can discuss key issues. At these meetings topical matters are discussed such as working conditions, HES, and strategic decision that impact the employees.

Working groups comprising both managers and employees have been established to work with specific themes such as diversity, inclusion and HES.

The Group's employees are involved through work environment surveys and engagement surveys, and in the development of health, safety and welfare measures. Further, annual safety inspections are performed at which employees can propose improvements to working conditions. All involvement aims to ensure that employees' needs related to working conditions are heard and assessed, and that they play their part in decisions that directly impact their working day.

Questionnaire surveys and feedback

The Group carries out regular measurements using the tool Winningtemp to gain a broader understanding of the employees' work situation, wellbeing and commitment. The response rate to these surveys is about 80 per cent. The survey results are analysed to identify areas for improvement, and in such case further measures are considered.

The tools enable the employees to provide anonymous feedback both to their immediate superior and HR. There are also indicators for bullying and harassment, and opportunities for notification (whistleblowing). Notification go directly to HR for further follow-up. Employees are also encouraged to provide feedback through other channels such as direct communication with management, intranet and internal communication channels.

Exposed employees

The Group consciously seeks to ensure that groups of exposed employees are not discriminated against, and that they are able to communicate their opinions and perspectives on a par with other employees. Exposed employees are defined as employees who may potentially be particularly vulnerable to the Group's negative impacts. For example, women (as regards pay differences and equality), persons with functional impairments, foreign co-workers or hired-in substitutes.

This involves for example equal treatment of pay and employment conditions in recruitment and hiring of staff. The Group has no dedicated processes with regard to exposed employees, but they do have equal access to existing channels for expressing their opinion and perspectives as all other employees. In 2024 hired-in workers have not, on practical and technical grounds, had the opportunity to respond to Winningtemp's pulse surveys. This will be remedied in 2025.

Concerns and whistleblowing channels

The Group acknowledges the importance of clear and trusted whistleblowing channels that enable employees to express their concerns and needs. Direct communication channels and whistleblowing channels have been established giving employees more options to express concerns.

Notifications are defined as censurable circumstances. By this is meant circumstances contrary to rule of law, the business's written ethical guidelines or ethical norms. For example harassment, discrimination, poor personal data security, poor work environment or poor employee safety involving danger to life and health.

Direct communication

Employees can express their concerns and needs directly to their immediate superior or to HR. The Group encourages direct dialogue to ensure that viewpoints are communicated rapidly, and that challenges are managed effectively. Importance is attached to creating a work environment characterised by psychological security where employees are able to express their opinions without fear of reprisal.

Whistleblowing channels

The Group has also established whistleblowing channels enabling employees to notify censurable circumstances anonymously. In addition to internal whistleblowing channels, employees can use an external whistleblowing portal, operated by KPMG. All notifications, regardless of channel, are taken seriously and treated confidentially, and the Group has clear procedures for following up, investigating and processing these cases. Four notifications via the external whistleblowing channel were registered in 2024.

Employees are apprised of the Group's whistleblowing channels in the induction programme, through ethics training and information provided via the Group's intranet. The Group does not employ dedicated enquiries to assess whether employees have a knowledge of the whistleblowing channels or whether an employee trusts these structures and processes. The employee dialogue aims to contribute to ensuring that the whistleblowing channels serve their purpose, and meet the employees' needs.

The object of the Group's whistleblowing procedure is to ensure that worker's right to give notification of censurable circumstances is attended to. Further, it defines what is meant by censurable circumstances, and underscores employees' right, and in certain cases obligation, to give notification. The procedure describes to whom notification can be given, and how notification is to be handled.

The HR manager and the Group's legal services director are responsible for follow-up of whistleblowers' reports. Upon receipt of such a report, the two shall jointly consider the correct follow-up of the case in hand. The first step in the process is to obtain documentation and conduct interviews to the extent needed to elucidate the matter. If the report is directed at an individual's actions or omissions, and the matter has been finalised, the whistleblower shall be informed immediately. The person who made the report will be informed of the result provided that it was not submitted anonymously, and that such feedback is not contrary to relevant legislation. The whistleblowing procedure also describes how documentation is to be safekept and requirements as to deletion of documentation in keeping with the legislation.

Supporting employees' human rights

In its work on supporting fundamental human rights, the Group has carried out an internal survey of conditions related to decent working conditions. Attention focused on the following areas:

- Health, environment and safety
- Personal data protection for employees
- Opportunity to notify censurable circumstances (described under *Concerns and whistleblowing channels*)
- Salary conditions
- Hiring-in and use of substitutes
- ILO's core conventions with a focus on two main categories:
    - Prohibition of discrimination
    - Freedom of association and right to collective bargaining

No serious breaches of labour rights or human rights have arisen or been notified by the Group's employees in the course of the reporting period. More information on how the Group manages human rights in the value chain and of consumers are described in *Workers in the value chain* and *Consumers and end-users* respectively.

Health, safety and environment

Safety inspections were conducted at all office locations in 2024. The inspections survey the office locations' suitability, indoor climate (noise, temperature, lighting, ventilation), fire protection, ergonomics, workload and general work environment. Feedback was given on improved regulation of temperature and ventilation. Steps were taken along with dialogue with owners of premises at locations in question to remediate the shortcomings.

The organisation tool Winningtemp is also used to measure perceived workload which might indicate risk of illness and health problems. Issues brought to light are followed up on with the manager of the department or location concerned, and in addition with the employees in cases where appropriate.

Personal data protection for employees

Before introduction of IT solutions that entail a high risk to employees' rights and freedoms, a data protection impact assessment (DPIA) is carried out in keeping with the EU General Data Protection Regulation. Ensuring that personal data is only processed by systems that are risk-assessed and approved is an ongoing task.

Work processes exist where certain personal data continues to be processed outside this type of system. In such cases the Group has clear-cut policies for classification and protection of the documents by means of passwords and encryption. Semi-annual reminders are sent to managers and employees to ensure compliance with the policies.

Salary conditions

The Group's analyses of salary levels, in which the finance industry and comparable banks are assessed, shows that the Group's employees' salaries are on a par with employees of other banks and financial institutions.

Further, analyses have been conducted of salary equity between the sexes. These analyses have not revealed skewness directly related to gender. Despite this, the salary differential (excl Group Management) is 89.3 per cent at the end of the year. Analyses have also been conducted to compare salary level for employees at the same position level. In cases where differences are identified which cannot be explained in terms of performance, competence or conduct, this is taken into account when allocating salary resources in 2025.

Hiring-in and use of substitutes

The Group avails itself of substitutes to ensure correct staffing in the event of a temporary increase in work volume or taking of holidays. The need for substitutes may also arise in cases where permanent staff are laid off or on sick leave. Use of substitutes is subject to the new rules on hiring labour from staffing agencies. An agreement has been entered into with employee representatives on a time-limited opportunity to hire substitutes notwithstanding the constraints ensuing from the Working Environment Act's requirement with regard to employment contracts.

The Group's use of hired-in substitutes, including its treatment of salary and employment conditions, is discussed annually with employee representatives. Analyses and checks have been carried out to ensure equal treatment. The Hay system, which among other things is used for job comparison, is applied in this process. Checks have revealed no deviations.

Discrimination

The International Labour Organization's (ILOs) core conventions on discrimination in working life focus on equal treatment and on prohibiting any form of discrimination on the basis of race, colour of skin, gender, religion, political opinion, and national or social origin.

There is a risk of discrimination in employment processes, training, conditions of employment, promotion and termination of employment. A forum has been established to ensure that purposeful efforts are made to mitigate this risk by promoting diversity, equity and inclusion (DEI). The forum consists of members from Group management, the HR manager and various Group employees. Its object is to establish objectives and measures, and its members are responsible for monitoring developments in the Group and the respective departments and business lines.

Worker rights

The Group is concerned to ensure good working conditions and rights for its employees. Eighty-seven per cent of the Group's employees are covered by collective bargaining agreements, contributing to improved pay and employment conditions. Employees are members of SpareBank 1's contributory scheme which covers retirement pension, disability pension and children's pension. All employees are also covered by group life and accident, travel and treatment insurance. Through the collective bargaining agreements the employees have a contractual early retirement pension arrangement which can be taken out upon reaching age 62. All employees have an employee representative.

	Collective bargaining coverage		Social dialogue
Coverage rate	**Employees – EEA (for countries with >50 empl. representing >10% total empl.)**	**Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)**	**Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)**
0 - 19 %			
20 - 39 %			
40 - 59 %			
60 - 79 %			
80 - 100 %	Norway		Norway

A majority of the employees are members of the Finance Sector Union of Norway and LO Finans, but also of other trade unions where the Group is not bound by a collective bargaining agreement. All employees are covered by social support schemes through the Norwegian Labour and Welfare Administration (NAV), which provides financial support in connection with life events such as illness, unemployment, childbirth and retirement. Employees receive pay in the event of illness and leave of absence.

With a view to ensuring good working conditions, the arrangement and design of the workplace is crucial to the office being accessible to all employees.

All employees undergo annual employee development interviews and salary interviews where themes such as career, tasks, remuneration and competence are discussed. This is an important step in assuring a balanced and clear clarification of expectations between manager and employee. Importance is also attached to promoting a sound feedback culture that extends beyond the planned interviews, enabling the employee at any time to broach various themes with their manager.

The Group is also concerned to attend to employees on leave of absence, and acknowledges the importance of setting the stage for employees' encounters with the respective life phases. All employees on parental leave of absence receive full pay during the period of leave. To ensure that employees on leave do not fall behind in terms of pay developments, employees whose leave of absence lasts more than five months receive a pay increase of 1.7 per cent upon returning to work from leave of absence. This follows from the central body of agreements and contributes to the employee's sense of continuity and justness in their remuneration.

Major importance is moreover attached to keeping in touch with employees on leave so that they feel included and up to date on events in the Group. This includes regular updates, meetings and opportunities to participate in relevant competence-enhancing initiatives. In the course of 2024, 7.3 per cent of the Group's employees availed themselves of parental leave of absence: 7.9 per cent women and 6.6 per cent men.

Flexible working arrangements and measure to facilitate and ease the return to work ensure that the transition back to work is as smooth as possible. The object is to create a supportive and inclusive work environment in which all employees, regardless of life situation can thrive and contribute.

The Group works continuously to organise the workplace in such a way that all employees can contribute in an equal manner, regardless of functional impairments or physical challenges. In keeping with the EU General Data Protection Regulation, data on whether the Group's employees have functional impairments or other challenges is neither collected nor recorded.

Remuneration

The Group's remuneration policy covers all managers and staff. Each company in the Group is required to document and maintain its remuneration arrangements in keeping with the Group's remuneration policy. The Board of Directors has approved the remuneration policy upon recommendation from the Group's Remuneration Committee.

There is a need for competence and labour related to customer-oriented, management-oriented and operations-oriented activity, and competition for competent staff is intense across all parts of the business. The Group is reliant on its ability to offer competitive remuneration arrangements in order to recruit and retain staff with competencies that contribute to realising the Group's strategic goals and aspirations. The remuneration policy sets guides in this respect, and is a central strategic instrument.

The remuneration policy shall act performance enhancing, and helps to promote and incentivise good management and control of the Group's risk, reduce the likelihood of undesired risk taking, and contribute to avoidance of conflicts of interest. In addition it aims to provide a basis for remuneration in the respective business lines that ensures professionality and holistic management of remuneration as an instrument.

In addition to stimulating attainment of the Group's strategic goals and ambitions, the remuneration arrangements are shaped with a view to fulfilling other key risk management objectives.

- Reduce the likelihood of undesired risk taking
- Stimulate effective application of capital
- Stimulate reduced risk of internal control failures
- Ensure sound and effective management of sustainability risk

The Group's overarching objectives for the current strategy period are the basis for the remuneration policy.

In order to ensure fair remuneration and competitive arrangements, positions in the Group are evaluated in a systematic and objective manner using the HAY method. This evaluation of positions is the basis for Group's remuneration system which has a structure with defined position levels and salary potentials. The main components of the position evaluations are the position's responsibility, complexity and competence requirements.

The remuneration system enables the Group to:

- Develop a robust pay system for all position levels.
- Identify opportunities for career development for staff with key competencies.
- Compare remuneration practices within the finance industry, both in the SpareBank 1 Alliance and in the external labour market.

Remuneration shall be based on the equal pay principle, and independently of gender, race, ethnic origin, sexual orientation, age or other discriminatory factors. This entails that Group's staff members are to be remunerated equally for the same work or work of equal value, regardless of the above-mentioned factors. The Group has a continuous focus on diversity and inclusion, and equity with regard to appointments, career development and remuneration.

In recent years work has proceeded in a structured manner together with employee representatives to even out the pay disparities between women and men. This is more fully described in *Note 5: Remuneration disparities*.

The Group has established a minimum level of pay corresponding to level 34 in the pay scale for firms affiliated to Finance Norway.

The Group is obligated to observe the Working Environment Act's provisions governing equal treatment of permanent staff and hired-in workers. The Group regularly dialogues with staffing agencies that are used, and passes requisite information on to them to ensure equal treatment.

Targets and KPIs

The Group's targets related to employees must in addition to supporting strategic goals and ambitions also support other objectives in areas such as climate and environment and corporate governance. The Group has for many years employed KPIs to measure performance on diversity, equity and competence enhancement. As mentioned previously, implementation of the Group's double materiality assessment confirms in large measure that the Group's focus on the employees has been appropriate. However, a step backwards is needed in order to understand the Group's material IROs, how the employees are actually or potentially impacted, and what risks and opportunities ensue from the Group's impacts. Targets and KPIs will by this means be able to manage the Group's IROs as effectively as possible.

KPIs linked to the employees' relate to several areas within Environment, and these areas bring a growing need for competence in the years ahead. The same applies to the ongoing management of fraud, money laundering and terrorist financing in the Group's value chains.

As of the reporting date no concrete targets or KPIs have been drawn up under the disclosure requirements of ESRS S1 or MDRs of ESRS 2. This will be a project continuing in 2025, in which targets and KPIs will be established through systematic planning processes. Employee dialogue will play a key role in this work.

Action plans and measures

The area *People and organisation* has various action plans and measures dedicated to managing and attending to the employees. These action plans and measures will be carried further, but will be adjusted to ensure effective management of the Group's IROs. As of the reporting date no action plans for managing the Group's IROs related to the employees have been described under the disclosure requirements of ESRS S1 and MDRs of ESRS 2. This is because current action plans require updating and adjustment.

When contracts with business connections expire or are terminated, an assessment will be made of whether and how this may have a negative impact on the Group's employees. Resources allocated to the management of material impacts will follow ordinary management structures in the Group where *People and organisation* will have the chief responsibility for material impacts bearing on the Group's employees.

The Group's adjustment and adaptation of action plans and measures will in large measure be a structuring project with an appropriate distribution of roles and responsibilities, and will be ongoing in 2025 as a part of the preparation of targets and KPIs.

Policies

The Group has a number of policies dealing with IROs related to employees. Each policy follows recognised national and international standards where relevant. All policies are available to the Group's employees in internal systems and intranet. To the extent they are relevant for external stakeholders, they are made available on the Group's website. The HR manager is responsible for all policies in this area.

None of the policies are fully in line with the MDRs of ESRS 2. Only minor adjustments are required, however, and all policies will in the coming period be reviewed, revised and considered by the Board of Directors with a view to meeting these requirements.

Discrimination policy

As an employer the Group is careful to avoid discrimination and discriminatory treatment in all aspects of the employees' employment relationship. The Group's policy on discrimination is based on the ILO convention, and covers several bases for discrimination. The discrimination policy is incomplete viewed against the requirements of ESRS S1, and it will in the course of 2025 undergo revision to ensure compliance.

The Group's employees are made aware of the Group's zero tolerance of discrimination upon appointment and receive various competence updates in the course of the year.

Remuneration policy

The Group's remuneration policy, which encompasses employees and managers alike, aims to contribute to ensuring fair and competitive remuneration for all employees. Various types of remuneration are managed with a view to stimulating attainment of the Group's goals and ambitions, while the Group at the same time attracts and retains competent staff.

This policy contains guides and for the remuneration of all employees in the Group, both fixed remuneration and variable remuneration in connection with new appointments, salary interviews and dismissals.

The policy is in addition a guide to the role and responsibility of the Group's Remuneration Committee, and for the remuneration to leading personnel, material risk takers, employees with control functions and the Board of Directors.

The Board of Directors approves the Group's remuneration policy, and it shall at all times be formulated in line with applicable legislation.

Policy on protecting fundamental human rights and decent working conditions

The Group's policy for safeguarding fundamental human rights and decent working conditions describes how human rights, including labour rights, are safeguarded in the Group's own workforce.

The policy follows the OECD's guidelines for multinational enterprises.

The identification and mapping of negative impact on fundamental human rights and decent working conditions shall have a risk-based approach. This requires measures to be adapted to the detected risk of negative impact in the Group's own business. In order to identify where the risk is greatest, an annual risk assessment shall be performed, in the event if events arise that require change(s). The measures taken shall be adapted to those work-related areas that are judged to pose greatest risk.

Communication shall be established with affected stakeholders and right holders on how negative consequences are managed, where natural to do so. This will as a rule depend on how close contact there is between the Group and the company, the location or the activity where the negative impact arises. Stakeholders and right holders have broad compass, but will often be employees (internal and external), trade union associations and/or representatives from local communities.

In case where the Group is revealed to have caused or contributed to actual damage, the damage must be managed by way of restitution and compensation. How restitution is to be effected must be decided in concrete terms and in dialogue and collaboration with affected parties, established appeal schemes and national standards.

Policies on health, environment and safety

Registering of undesired events and deviations is done directly by the employees or immediate superior in the Group's quality system. The ensuing prioritisation and management of the matter varies based on the matter's nature, dimensions and degree of seriousness.

The Group's HES policy ensures that the work environment is safe and health enhancing. The Group has procedures for identifying and managing risks, and measures to prevent accidents and damage to health. All employees and hired-in workers are subject to the Group's policies related to HES and appurtenant procedures, systems and processes.

Note 1: Own employees

This note presents the composition of the Group's workforce in the form of gender, types of contracts, type of employment and tasks. It also gives an idea of the degree to which the Group is reliant on temporary employees and non-employees in the workforce.

The data is compiled using information from the Group's HR system, and includes both permanent, temporary and non-employees. A work year is defined as a full-time position of 37.5 hours per week. Work years for part-time employees and on-call substitutes are calculated based on actual hours worked in relation to a full-time position. The figures are as per year-end. It is specified under each table whether the figures are in terms of a number or work year.

Non-employees are a part of the Group's workforce to the extent that they are hired in through a staffing agency to perform tasks for persons who for various reasons are absent, but only periodically. Non-employees are therefore separated out in several of the tables to distinguish between employees who are employed in the Group, and who work for the Group.

Gender distribution employees 1, 2, 3, 4)	No.	Percentage
Women	1,056	56%
Men	820	44%
Total employees	**1,876**	**100%**

1) Measured in head-count

2) Only employees with an employment contract with the group

3) Temporary employees are included. Of these, 39 are apprentices and trainees who are in a training program within the group

4) This figure is also reported as the average total employees in the financial statements' note 20 – personnel expenses

Gender distribution non-employees 1)	No.	Percentage
Women	32	46%
Men	38	54%
Total non-employees	**70**	**100%**

1) Measured in head-count

Contract types distributed by gender1)	Permanent		Temporary 2)		Non-employees3)		Total employees	
Women	1,004	57%	25	40%	15	45%	1,044	56%
Men	767	43%	38	60%	18	55%	823	44%
Sum	**1,771**	**100%**	**64**	**100%**	**32**	**100%**	**1,868**	**100%**

1) Measured in FTE

2) Consultants hired through consulting agencies or self-employed contractors are not included in the figures

3) Numbers are time-lagged, and representerer data per november, collected at the end of the year

Employment type distributed by gender1)	Full-time 2)		Part-time 3)		Non-employees4)		Total employees	
Women	989	56%	41	72%	15	45 %	1,044	56%
Men	789	44%	16	28%	18	55%	823	44%
Sum	**1,778**	**100%**	**57**	**100%**	**32**	**100 %**	**1,868**	**100%**

1) Measured in FTE

2) Full-time employees are employees who is employed in a 100 percent position

3) Part-time employees are employees who is employed in a reduced position

4) Non-employees do not have defined employment percentages and are hired for varying periods based on needs

Distribution based on business areas 1, 2)	No.	Percentage
Retail market (bank) 3)	527	28%
Corporate market (bank) 3)	219	12%
Accounting	600	32%
Estate agency	257	14%
SpareBank 1 Finans Midt-Norge	56	3%
Other business areas 4)	208	11%
Total employees	**1,867**	**100%**

1) Measured in FTE

2) Includes non-employees

3) Business areas also include support and administrative functions

4) Group shared functions, SpareBank 1 Kvartalet SMN and independent control functions

Turnover 1, 2 ,3)	No.	Percentage
Total number of employees 01.01	**1,727**	
Women	980	57%
Men	747	43%
New hires	**251**	
Women	142	57%
Men	109	43%
Departures	**163**	
Women	92	56%
Men	71	44%
Total number of employees 31.12	**1,806**	
Women	1,026	57%
Men	780	43%
Turnover		**9.23%**

1) Measured in head-count

2) Small discrepancies are due to internal mobility within the group

3) Only applicable to employees with employment contract in the group

In the course of the reporting period, 163 employees have left the Group, equating to a turnover rate of 9.23 per cent across the Group. Turnover is calculated based on the number of employees who have left the Group in the course of the reporting period (including retirees and dismissals) divided by the average number of employees in the course of the reporting period.

Note 2: Position level and age distribution

The Group's diversity in terms of age and gender among employees, including the Group's top management, other leaders, and general staff, is presented in the table below. The figures are presented in terms of number of employees, regardless of employment percentage.

Age interval	Gender	Top management 1)		Other managers 2)		Other employees 3, 4)		Total employees	
< 30 years	Women	0	0%	2	1%	195	11%	197	10%
	Men	0	0%	5	3%	227	13%	232	12%
30 - 50 years	Women	26	32%	59	37%	464	27%	549	28%
	Men	27	33%	56	35%	312	18%	395	20%
> 50 years	Women	7	9%	19	12%	316	19%	342	18%
	Men	21	26%	17	11%	194	11%	232	12%
Sum	**Women**	**33**	**41%**	**80**	**51%**	**975**	**57%**	**1,088**	**56%**
	Men	**48**	**59%**	**78**	**49%**	**733**	**43%**	**859**	**44%**

1) Executive management and management in the Group's subsidiaries SpareBank 1 Regnskapshuset SMN AS, EiendomsMegler 1 Midt-Norge AS and SpareBank 1 Finans Midt-Norge AS. Managers in subsidiaries without specific management groups, are included in the category "Other managers"

2) Middle managers, department heads, and other employees with leadership responsibilities who are not part of Management. Also including specialists and professionals with critical roles who do not have direct strategic decision-making authority

3) Employees who are not included in other categories

4) Includes non-employees

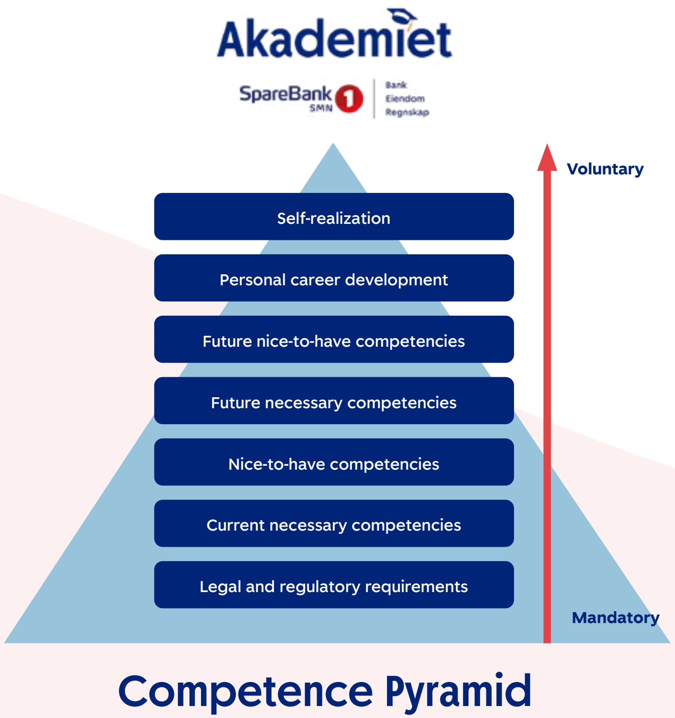
Note 3: Competence and training

In order to meet the industry's growing complexity and rapid changes, the Group invests in continuous competence development. Today's workers expect an employer who offers continuous professional development. The Group therefore needs to develop and adapt competence-building programmes in order to attract and retain competent staff.

The Group has identified the potential benefit of assembling all competence-building and development measures under one structure. By drawing up multiple competence-building measures across the Group and ensuring that none are mutually contradictory, the Group will ensure that competence enhancement contributes to achieving the Group's strategic objectives and ambitions.

In the first quarter of 2024 an internal academy, named "the Academy" was established. This will bring together competence resources in the Group and ensure higher quality in all competence enhancement. The academy draws partners form various business lines in the Group to assure a good knowledge of competency requirements in the respective business lines, and a holistic and a cross-disciplinary approach and structure to competence building.

The academy's mission is to be the Group's development arena. The Academy's competence pyramid may be illustrated as follows:



The academy aims to develop the Group's staff, strengthen the Group's flexibility and capacity for change, and create improved synergies across the Group. In 2024 the focus has been on establishing underlying competence programmes, and professionalising programmes for new employees in order to assure a good start for them and help them experience a sense of mastery at an early stage.

Financial advisers in the retail and corporate areas have completed training in disciplines, products, advisory functions and ethics to ensure high quality, trust and security in dealing with customers. Authorised advisers have met statutory requirements as to 15 hours of continuing education on themes including good business practice, instruments and measures for customers in financial straits, sustainability, ethics, anti-money laundering, anti-terrorist financing, as well as professional and product updating. Moreover, employees underwent training programmes in data and information security along with mandatory courses in personal data protection.

Further, the Group has worked to raise awareness of its ethical guidelines through e-learning, ethical reflection and casework, and held a mandatory three-stage basic course in artificial intelligence and data to prepare the organisation to take into use digital tools that are implemented.

The competence offering will also help to identify the individual employee's future career potentials. This will in the longer term ensure a role in which tasks and responsibilities are aligned with the employee's competency.

The Group is concerned that employees should see the value of competence-building beyond what is needed to perform their tasks. Employees are urged to provide feedback on themes about which they wish to learn more, and on how the academy can contribute to their competence development through a competence survey. Feedback received in the course of 2024 has contributed to an improved overview, structure and predictability of the Group's learning portal. This work will continue in 2025.

The Group's competence-enhancing offerings vary in form and nature, and a mix of physical courses, workshops, webinars, e-learning and video courses is planned. Themes include:

- A course in presentation technique
- A two-day course in Excel, on three different skill levels
- Practical corporate governance for the Corporate Banking Division held in conjunction with internal resources at SpareBank 1 Regnskapshuset SMN
- A leadership development offering: *"Sånn er du ledelse"*
- Courses in sustainability and technology catering to employees in the financial sector through a government-initiated programme in which SpareBank 1 SMN has been a

partner along with the Norwegian University of Science and Technology (NTNU) and the BI Norwegian School of Management.

The largest competence offering to employees is provided through the digital video course Videocation. Here employees can access more than 340 courses in for example AI, Microsoft Office, communication, management, negotiating techniques, liquidity management and accounts. In 2024 all employees were offered courses in for example ethics, anti-money laundering and anti-terrorist financing, data- and cyber-security and AI. The courses are adapted to role and responsibility descriptions and certification requirements.

In 2025 it is planned to further strengthen programmes for new appointees. The Group's learning portal will also be developed into a more visible and structured facility for the employee. It will in addition be integrated towards external course providers and certification bodies. Competence in the AI field will also be reinforced. This applies both to general competence in Group-wide AI tools, but also to more specific competence enhancement related to implementation of business-specific AI tools. Work will also be done to bring into relief voluntary competence offerings promoting employees' self-realisation and career development.

Hours devoted to competence enhancement distributed on the Group's entities and business lines are presented in the table below. The table is confined to completed programmes, and competence enhancement offered through Videocation is not included. Formal competence enhancement under the auspices of the Group and/or the SpareBank 1 Alliance is covered in the table in its entirety.

The category "Groupwide" includes competence enhancement for all employees, including Group management. The other categories refer to competence enhancement sessions whose relevance is confined to tasks in the specific business line concerned.

Business areas	Gender	Hours of skill development1)
Groupwide (Group functions)	Women	3,451
	Men	2,673
Estate agency	Women	1,376
	Men	1,692
Accounting	Women	15,046
	Men	7,125
Retail market	Women	12,508
	Men	11,701
Corporate market	Women	1,205
	Men	1,106
Total number of hours	**Women**	**33,585**
	Men	**24,297**
	Sum	**57,882**

1) Estimated time spent per course is defined for each individual course and serves as the basis for calculating skill development hours, regardless of the actual time spent by the employee on the given course

Total hours spent are in reality higher, but parts of the hours spent on competence enhancement are affected by inadequate data or substantial estimation uncertainty. Limitations and assumptions follow below.

- Hours devoted to competence enhancement in SpareBank 1 Finans Midt-Norge, except for hours accounted for in "Groupwide", is not included.
- Many of the Group's employees attend informal monthly competence gatherings in for example Microsoft Teams under the auspices of various departments and business lines internally and in the SpareBank 1 Alliance. Attendance is not recorded.
- Physical courses where large parts of one or more companies (gatherings) are included in the figures. Physical courses attended by a small group of employees (individual departments) are not included owing to non-registration.
- Different positions require differing competencies. Use is made of systems delivered by third parties to courses attended by employees for the purpose of certification as a state authorised public accountants or certified financial advisers. Only parts of the hours spent are taken account of owing to substantial estimation uncertainty.

Average competence-enhancement hours per gender are set out in the table below. The object is to ascertain whether gender impacts the distribution of professional development. Since, however, differing genders have differing roles with differing requirements on, and need for, competence enhancement, this figure viewed in isolation is not representative. This is down to data limitations.

Work on obtaining average hours spent on competence enhancement for various Hay positions will be ongoing in 2025.

Gender	Skill development hours	Employees 1)	Average number of skill development per employee
Women	33,585	1,088	30.9
Men	24,297	859	28.3
Sum	**57,882**	**1,947**	**29.7**

1) Includes all types of employees

Note 4: Health, safety and environment

The Group is concerned with good HES management. In 2024 the Group entered an agreement with Falck Norway as an approved occupational health service that is available to employees in normal and critical situations alike. This service provides for example assistance in work environment matters of an ergonomic and psychosocial nature, systematic HES work, and specialised health follow-up. All employees in the Group are covered by the scheme.

Muscular and skeletal pain is a widespread work-related condition in the Group's industry. The industry reflects an average value, with one half of cases connected to work-related events. Muscular and skeletal ailments often have complex causes in which physical and psychosocial factors play a part. Monotonous or awkward working positions may be a contributory factor. At year end insufficient data is available on whether this is the case in the Group.

As in the case of other undesired events and deviations, HES-related matters are recorded in the Group's quality system for consideration and follow-up. Sensitive personal information and data are not recorded in the system. In cases where anonymisation is required, both internal and external whistleblowing channels are used.

The table below shows sickness absence in the Group, the number of work-related injuries and illness, both in number and per million hours worked.

Sick leave and work-related injuries and ill health	**No. hours**
Women	7.5 %
Men	3.0 %
Total sick leave 1)	**5.2 %**
Number of recordable work-related injuries and ill health	Not available
Rate of recordable work-related injuries and ill health **2)**	Not available
Number of days lost to work-related injuries and ill health	Not available
Days lost to work-related injuries and ill health - rate	Not available

1) Sick-leave includes both regular sick leave and work-related injuries and ill health

2) Number of recordable work-related injuries and ill health per million work hours

No fatalities resulting from work-related injury or illness have been recorded in the course of the reporting period.

Note 5: Remuneration disparities

Pay disparities between the genders are defined as the difference between the average pay of women and men. For 2024 the difference in average pay between women and men is 11 per cent, meaning that women on average earn 89 per cent of what men earn.

Pay disparities are impacted by several objective factors including position level, experience, education and seniority. Measures have been put in place to reduce pay differentials between the genders through equitable pay structures, regular pay analyses and in the recruitment process.

	2024
Women's share of men's salary (incl. Group Management)	86.8 %
Women's share of men's salary	89.3 %
Total annual remuneration ratio	8.04

It is important to note the following definitions and assumptions:

- Remuneration rate: reflects the level of pay to the highest paid person in the Group divided by median pay (highest paid employee excluded) to all employees in the Group.
- Median pay: includes all employees apart from the highest paid person in the Group. This provides a more representative picture of the pay level in the organisation than does average pay, since it is not impacted by large differences in pay. This variable also includes managers and employees who are not part of the Group management.
- Estate agents at EiendomsMegler 1 Midt-Norge are not included in the calculation since their remuneration is largely commission-based.

Analyses of pay data provide insight into the Group's pay structures, and help to identify areas for improvement in the remuneration policy.

Note 6: Work-related complaints

The table below shows the number of work-related events and/or complaints, the number of serious breaches of employees' human rights, related fines, sanctions or orders imposed. Events related to discrimination, including harassment, are reported separately.

The number of cases may contain deviations where cases are not notified via the Group's whistleblower channel, or where the immediate superior, employee representative or Department for People and Organisation have been informed of such matters by other means.

	2024
Incidents of discrimination, including harassment (count)	3
Other complaints and issues **1)**	10
Severe violations of human rights	0
Fines, penalties and compensation (in NOK) **2)**	0

1) *Conditions that are in violation of legal regulations, the group's code of conduct or ethical standards.*

2) *As a result of the group not having received fines or paid compensation, there is no reference to the financial statements*

Three cases of discrimination, including harassment, were reported in 2024. One of these cases concerned perceived gender discrimination in connection with an appointments process. Raising the awareness of both managers and HR staff of the risks of intentional or unintentional discrimination in appointments processes is a continuous task. Preventive training and tuition has been provided to all recruiting advisors in the Group in order to reduce the likelihood of this type of discrimination.

Workers in the value chain

Approach to the topic

The Group has a responsibility, but also a clear purpose in creating value chains that are both responsibly minded and robust. The aim is to help to mitigate the risk of disruptions and outages in critical infrastructure on which the Group is reliant in order to maintain efficient and reliable operations.

Across the Group there are just over 2,500 suppliers ranging from small regional operators to major multinational companies. The Group therefore has indirect business connections across many industries and countries. In addition the Group has many personal and corporate customers who in aggregate embrace the bulk of industries in Norway.

The Group's value chain is confined to the first-order market. In other words the Group directly deals with its own customers and suppliers, but not customers' customers or suppliers' suppliers. The Group's approach to the value chain is described more fully in the reporting principles for sustainability under *General information*.

The Group has no supplier or corporate customer whose head office is in a country with a high risk of breaches of labour and human rights. However, there are some industries in which social challenges related to workers can occur systematically or unintentionally.

The Group's suppliers and corporate customers each have value chains which through multiple layers potentially extend to industries, products, countries etc. entailing a risk of breaches of labour and human rights. The above delimitation does not absolve the Group of responsibility for the value chain's value chains, but makes it possible to prioritise those operators on which the Group has greatest impact power. The Group is for that reason reliant on suppliers and corporate customers having appropriate policies and procedures for managing their own value chains. A responsible first-order value chain is instrumental in ensuring that the Group's activity does not cause indirect breaches of labour and human rights.

The Group is subject to the provisions of the Transparency Act, and will in the longer term be encompassed by the CSDDD which sets requirements for management of labour and human rights in the Group's value chains.

Assessment of impact and risk related to workers in the value chain

The Group's IROs, where they are centred and the time horizons they span, are presented in the table below.

IMPACTS		Value Chain	Time Horizons
Working conditions	Negative	Upstream Downstream	Medium-term Long-term

RISKS	Value Chain	Time Horizons
Breaches of labour and human rights in the value chain	Upstream Downstream	Medium-term Long-term

Value chains are a natural aspect of all businesses, and the impact on the working conditions of workers in the value chain stems directly from the Group's business models and strategy.

Requirements have for some time been imposed on the Group's suppliers upon entry into contracts, and the Group's policy on credit risk, along with the ESG model, contribute to assessing the Group's loan portfolios. These value chains are where impacts and risks are considered to be largest. Future adaptations in the above practices will depend both on the outcome of the Group's due diligence assessments and on potential requirements and expectations from the Group's external stakeholders.

Workers in the value chain include both employees and non-employees. All workers in the value chain who have a potential to be materially impacted by the Group's activities are included in the double materiality assessment.

The Group's impacts or risks are not assigned to just one specific industry or one type of worker, but rather are centred around industries with known challenges related to worker and human rights. As a part of the Group's double materiality assessment, an overarching assessment has been conducted of certain industries with larger potential for exposure to negative impacts than others. This is also based on experience in connection with the Group's reporting on the Transparency Act. The double materiality assessment has not provided insight into whether some workers in the value chain are more exposed to impacts and risks than others. The process receives further mention under *General information*. Identification of impacts upstream is based on the Group's due diligence assessments.

Procurement categories such IT, food, cleaning services and office furniture are identified as categories with medium to high risk of negative impact on human rights. Thes suppliers are largely localised in the Nordic region with value chains extending across large parts of the world.

Identification of impacts downstream is to a larger degree considered with a basis in information from sources in the public domain.

Impact on workers in the value chain

The Group is dependent on well-functioning value chains and, just as the Group is dependent on its employees, so the companies in the value chains are dependent on their employees. The Group's impact is indirect, and the Group has no positive impact. The impact is identified as potentially negative since the Group purchases goods and services from, and finances, advises and offers services to various companies in various sectors. In that way the Group contributes indirectly to companies' operations. A fuller description of the Group's material impact follows.

Working conditions

Several industries in the value chains have, or have had, work-related challenges. These challenges relate to excessive use of overtime, poor pay conditions, and no opportunity to join a labour union. As a purchaser, capital provider and adviser the Group has a potential negative impact on workers' conditions of work in the value chain.

Risk related to workers in the value chain

Risk related to workers in the value chain is described below. It has in 2024 had no material financial effects. There is no indication that risks and opportunities entail significant risk of material changes in balance sheet values of assets or liabilities in the financial account in the reporting period.

The risk's expected financial effects are encumbered with uncertainty. It is therefore decided to omit this information is the year's reporting by recourse to the phased-in disclosure requirement of ESRS 1 Appendix C.

Breaches of labour and human rights in the value chain

The Group and the SpareBank 1 Alliance's procurements involve a broad network of industries and companies which in the first order are located essentially in the Nordic region. Risk as regards some procurement categories and industries is considered medium or high based on surveys conducted in connection with the Group's due diligence assessments in the upstream value chain.

Just as risk of breaches of labour and human rights exists upstream, it also exists in industries which the Group finances, advises and provides other services to.

The risk is greatest in the value chains of the Group's suppliers and customers. However, this does not reduce the Group's risk which is largely in reputation, customers or employees, along with purely financial consequences in the form of claims for damages and redress or sanctions.

Dialogue with the Group's value chains

The Group's dialogue with the value chain varies both in form and nature depending on the business line concerned. The type of dialogue reported by the respective business lines and the whistleblower channels to which workers in the value chain, suppliers and customers have access, are presented below.

In the corporate market, dialogue with workers in the value chain is indirect since customers' management or other similar representatives are generally the contact points.

Purchases

The Group is a substantial purchaser of goods and services, both locally and nationally. Together with the SpareBank 1 Alliance, the Group has a responsibility and opportunity to minimise the potential negative impact and risk of breaching human rights in the value chain. Dialogue with suppliers takes place in two ways:

- At local level in the Group's purchasing department
- At central level in SpareBank 1 Utvikling's purchasing department

A good dialogue with all suppliers is striven for. In recent years the focus has been on suppliers at greater risk of breaching human rights. At both local and central level a proprietary tool linked to sustainability is used, together with the OECD's guidelines, for risk identification purposes. As from 2025 the director of Economic Crime and Business Support has overall responsibility for the Group's involvement of and dialogue with the suppliers, including workers in the value chain.

Purchases in SpareBank 1 SMN

In 2024 the Group has continued its work of imposing stricter requirements on the Group's local suppliers. The Group supplier portfolio has been reviewed with a view to identifying high-risk suppliers. All high-risk suppliers are followed up, and direct dialogue is engaged in where required. The following industries are identified as high-risk suppliers:

- Food
- Cleaning
- Marketing materials and clothing
- IT

The Group strives for accountability and operates under duly anchored policies on sustainable procurements, proprietary qualification criteria, along with a requirement to sign ethical policies. These are all in line with ILO conventions, and guides on environment, social conditions and ethical business practices. In its dialogue with existing suppliers the Group makes direct contact to inform them of relevant qualification requirements. For example, suppliers of cleaning services are often small local firms, and experience shows direct contact by telephone to be both effective and confidence-inspiring.

A procedure has been developed for the purpose of standardising preparation, implementation and follow-up of purchases of cleaning services, including attending to the obligation to ensure compliance in contractual relationships. The procedure was developed after the Group was made aware that a contract of employment was apparently missing on the premises of a minor supplier. Enquiries showed there was no breach of human rights, but rather poor control of documentation.

Where new procurements are concerned, a close dialogue is maintained throughout the procurement process. In cases where the Group does not set qualification requirements, the supplier is urged to make improvements in order to meet future requirements. Once a contract is entered into, dialogue meetings are held to which workers as well as managers are invited. No assessment has been made of the effectiveness of such dialogue.

Purchases in SpareBank 1 Alliance

Most of the Group's major suppliers are suppliers at alliance level, and contracts are thus entered into at central level. Allianseinnkjøp (The Alliance's Purchasing Department) is the SpareBank 1 Alliance's competence centre for sustainable procurements, and is legally subordinate to SpareBank 1 Utvikling. Suppliers have been systematically followed up on sustainability for several years, and in connection with the introduction of the Transparency Act.

Purchasing managers at the regional banks are part of a joint purchasing committee. The regional banks act both as orderers and approvers of the central-level purchases. Allianseinnkjøp documents the processes and keeps the purchasing committee informed of status and progress.

Allianseinnkjøp's dialogue with the value chain in 2024 has differed from previous years. The year's focus has been on structuring, revision and preparation of new and improved methods and structures. The object has been greater efficiency, compliance and forthcoming regulatory measures and legislation, along with compliance with the regional banks' requirements.

Stakeholder involvement

Stakeholder involvement and dialogue are part of the Alliance's supplier strategy. Stakeholders are persons or groups who are in a position to impact, or to be impacted by, the Group's or the Alliance's purchasing activity. For suppliers in risk industries the focus has previously been on questionnaire surveys in the form of in-depth surveys, and the dialogue has been characterised by documentation with a view to meeting government requirements.

In the first half of 2024 Allianseinnkjøp has, at the Purchasing Committee's behest, played a more active role in stakeholder involvement. In March 2024 Allianseinnkjøp initiated a dialogue with two principal suppliers of PCs, computer screens and mobile phones. The object was to learn from suppliers who are considered to have good processes and procedures for stakeholder dialogue. In cases where the suppliers may have a negative impact, proactive dialogue processes have been initiated. This means in practice that suppliers focus on operators with which they are closely involved.

Close, good involvement of stakeholders has proven necessary in order to make appropriate priorities. In 2024 due diligence assessments were strengthened through improved involvement of stakeholders. In collaboration with the purchasing committee, it was decided that the action plan for human rights work should have greater focus on direct dialogue with stakeholders. Alliansekjøp will at the same time follow up suppliers' compliance with the Transparency Act through well established procedures, which contributes further to identifying and reducing the risk of breaches of human rights.

At the start of 2024 it was decided to enter into an Alliance-wide collaboration with Hellios, a cloud solution for collecting and managing supplier data. The solution will streamline supplier management and risk management by giving access to important information about the Group's suppliers. As part of this, the Group will become a member of Hellios FSQS (Financial Supplier Qualification System) Nordics, a grouping of Nordic financial services companies that collaborate on the collection of supplier information.

Suppliers register with Hellios via an online questionnaire. This is a timesaver for suppliers, and helps to streamline compliance and risk management. The system also serves to meet regulatory requirements such as DORA, CSRD, CSDDD and the Transparency Act. At Hellios suppliers are assessed on sustainability performance, and the assessments are useful for comparing and selecting suppliers for further dialogue.

An objective is to enable the Group to measure and assess the effectiveness of closer dialogue with suppliers and workers in the value chain once the tool has gone into operation.

Following up on human rights in Gaza

In October 2024 the Government tightened its advice to Norwegian companies not to engage in trade and business activity that contributes to maintaining Israel's illegal presence on occupied Palestinian territory.

Alliansekjøp screened the supplier base against public lists from Norges Bank and the Un High Commissioner for Human Rights. The screening produced no hits on supplier names. At the same time the possibility that there are operators or sub-suppliers to whom the government's dissuasion applies cannot be ruled out. The likelihood and extent of this is assumed to be small.

Whistleblowing channels

Stakeholders are able to direct questions to Konserninnkjøp ('Group purchases') and Allianseinnkjøp ('Alliance purchases') both in writing and verbally. General information can be requested or information related to a specific supplier, product or service. For enquiries in writing the reply deadline is three weeks. The Group's sustainability officer is responsible for replying to any enquiry. The whistleblowing channels' effectiveness has not been subject to external assessment.

In the case of censurable findings related to workers in the value chain, the Group's purchasing department must be notified. This is done through the Group's different points of contact by phone, chat or smn.no.

In the case of censurable findings related Allianseinnkjøp's suppliers, the Purchasing Committee shall be notified. This is done through ad hoc meetings, internal reports or quarterly meetings.

Corporate market

In Corporate Banking the dialogue takes place in all essentials indirectly with workers in the value chain through the advisers' contact with customers' managements or external operators such as accountants and insurance companies. Customers mentioned in this chapter are companies to which the Group either provides services or/and to which it is exposed.

Assessment of social conditions is an integral part of the credit assessment of the Group's customers. It is done using the ESG model conceived by the SpareBank 1 Alliance, and is mandatory for all exposures above NOK 10 million. The assessment is conducted by the customer officer, and the industry officer can be brought in if needed.

In this assessment, objective factors such as human rights and working conditions are evaluated, and are part of the final classification of the customer's social risk on scale from one to ten. Classification takes account of the present and future situation.

This assessment is updated every second year, and must be updated annually if the customer is classified as a high ESG risk (in which environmental and governance-related assessments are included). As of the reporting date 95 per cent of the bank's corporate portfolio has been assessed.

Industries and activities which breach human rights or worker rights, or make use of child labour or forced labour, are excluded. The Group is obliged to observe ILO Conventions 100 and 111 as regards fair remuneration and discrimination.

Neither SpareBank 1 Finans Midt-Norge nor SpareBank 1 Regnskapshuset SMN have specific procedures for assessment of customers to whom they provide services and/or finance when it comes to working conditions of the customer's workers.

In cases where the Group's business or accounting adviser is made aware of serious breaches that are contrary to the Group's sustainability strategy or sustainability policy, the Group has the option of cancelling the contract or agreement. This could for example be a breach of pay conditions or irresponsible use of foreign labour.

Where there are grounds for assuming that the Group's products or services have directly or indirectly contributed to a breach of worker or human rights of workers in the value chain, it will be possible to use the Group's whistleblowing channels to present a claim for redress. No such claims have been registered in the course of the reporting period.

The overarching responsibility for ensuring that the Bank's Corporate Banking Division, SpareBank 1 Finans Midt-Norge and SpareBank 1 Regnskapshuset SMN follow up current procedures and processes for customer management rests with, respectively, the Director of Corporate Banking, the Managing Director of SpareBank 1 Finans Midt-Norge and the Quality Department at SpareBank 1 Regnskapshuset SMN.

Whistleblowing channels

No dedicated whistleblowing channels have been established for workers in the value chain.

Workers in the value chain have the option of contacting the Group through various contact points if there is a need to present concerns related to working conditions. This can be done by e-mail, chat or telephone, but also by means of the Bank's complaint channels or through the Norwegian Financial Services Complaints Board. It is not possible at present to deliver anonymous notifications to the Group.

All notifications or complaints received will be handled in keeping with normal confidentiality and in keeping with applicable rules.

The whistleblowing channels' effectiveness has not been assessed, and information on whether workers in the value chain trust the whistleblowing channels is not available.

Targets and KPIs

Impact and risk related to workers in the value chain have been identified for the first time in an area of the Group's double materiality assessment. Despite this, the Group has for a long period addressed risk in the upstream and downstream value chain. However, there is a need to establish targets and KPIs linked to this area.

As of the reporting date no concrete targets or KPIs have been drawn up to deal with the Group's impact and risk under the disclosure requirements of ESRS S2 and MDRs of ESRS 2. This will be dome in forthcoming planning processes in which direct and indirect dialogue with workers in the value chain will be at centre stage. This work will continue in 2025.

The Group's targets related to workers in the value chain will contribute to operationalisation of the Group's sustainability strategy and its role of partner for inclusive community development, and indirectly support the Group's strategic goals and ambitions.

Actions plans and measures

The Group is obligated through a series of international standards to implement ongoing due diligence assessments to prevent and address actual and possible breaches of labour and human rights.

The Group has already established due diligence assessment for the upstream value chain. The Group's impact and risk are addressed in the credit granting process using the SpareBank 1 Alliance's ESG model.

Concrete action plans and measures have been established in several areas, but the task remains of adapting them to address the Group's impact and risk. As a step in this process, importance will be attached to a more uniform approach across the Group.

For that reason no concrete action plans have been drawn up address the Group's impact and risk in accordance with the disclosure requirements of ESRS S2 and the MDRs of ESRS 2 as of the reporting date. This will be ongoing in 2025.

Policies

The Group's overarching steering document related to workers in the value chain is the Group's sustainability strategy and sustainability policy.

The Group has a number of policies dealing with the Group's impact and risk. Each policy follows recognised national and international standards to the extent this is relevant. All policies are available to the Group's employees in internal systems. To the extent they are relevant for external stakeholders, they are also made available on the Group's website.

However, small adjustments are required and policies will in the coming period be reviewed, revised and considered by the Board of Directors in order to meet these requirements.

Requirements on suppliers as regards sustainability and ethical business practices

The policies cover the Group's suppliers and business connections. The object is to have in place an upstream value chain that has a conscious awareness of sustainability risk in their own business and supplier chain. This requires a knowledge of and compliance with the UN's Guiding Principles on Business and Human Rights which include the ILO's eight core conventions. These policies are expected to be communicated and complied with across the supplier's own value chains.

Suppliers are made aware of requirements, expectations and conditions through dialogue in the tender process and in contract appendices. The appendices describe the Group's requirements and expectations set for suppliers and business connections as regards climate and environment, social conditions and corporate governance. Suppliers and business connections must be able to document compliance upon request. This gives the Group the right to impose a sanction on or cancel the contract in the event of material breach of contract.

Policy on protection of fundamental human rights and decent working conditions

The Group's policy on protection of fundamental human rights and decent working conditions describes how human rights, including labour rights, are safeguarded in the Group's own workforce. The policy builds on the OECD's guidelines for multinational enterprises.

The identification and mapping of negative impacts on fundamental human rights and decent working conditions has a risk-based approach. This requires measures to be adapted to the detected risk of negative impact in the Group's own business. In order to identify where the risk is greatest, an annual risk assessment is performed, in the event if events arise that require change(s). The measures taken are adapted to those work-related areas that are judged to pose greatest risk.

Communication shall be established with affected stakeholders and right holders on how negative consequences are managed, where natural to do so. This will as a rule depend on how close contact there is between the Group and the company, and the location or the activity where the negative impact arises. Stakeholders and right holders have a broad compass, but will often be employees (internal and external), trade union associations and/or representatives from local communities.

In case where the Group is revealed to have caused or contributed to actual damage, the damage must be managed by way of restitution and compensation. Reference is made to step six in the OECD guidelines. How restitution is to be effected must be decided in concrete terms and in dialogue and collaboration with the affected party, established complaint schemes and national standards.

The guidelines shall in the longer term act as a guide to how negative impacts are identified and mapped when it comes to the Group's customers.

Policy for managing ESG risk in the Corporate market

This policy guides the management of social risk in the loan portfolio. Social conditions are an integral aspect of credit assessment, with the ESG model prepared by the SpareBank 1 Alliance as a key tool. Both present and future assessment of the customer's situation are included. Activities and industries that are excluded from funding based on the Bank's principles for ethics, sustainability, governance and social conditions in the enterprises are subject to ongoing assessment.

Companies which do not respect fundamental human rights, which make use of child labour or breach expectations as to equity and diversity are excluded.

Consumers and end-users

Approach to the topic

The Group's long-term profitability and competitive power is dependent on existing and new customers. The Group will contribute to the success of retail and corporate customers in Mid Norway, entailing that the Group, with its diversified product range, will deliver to customers value beyond what a traditional bank is capable of.

The double materiality assessment of 2024 identifies a number of areas which the Group views as important for the customer.

With it local presence in the region, the Group has the competence and experience needed by customers when it comes to banking, accounting and estate agency services. At the same time the Group has an important role to play in safeguarding customers' personal data and financial security. In an increasingly digitalised world where the quality of information varies, customers are making greater use of information published by the Group in a range of media.

The Group's material IROs, where they are centred and the time horizons they span are presented in the table to the right.

Entity-specific reporting

This chapter deals with entity-specific reporting. The backdrop is that the Group's material impacts related to fraud cannot be linked to specific topics in the AR-16 list. Fraud has since the Group's first materiality analysis in 2020 been a material topic along with other management of money laundering, terrorist financing and corruption.

Due to the absence of relevant references in CSRD, both fraud and personal data protection, with appurtenant impact and risk, are reported on in the present chapter by recourse to the disclosure requirements of ESRS 1 Appendix AR 1-5.

IMPACTS		Value chain	Time horizons
Breaches of personal data protection	Negative	Downstream	All
Fraud	Negative	Downstream	All
Lack of social inclusion	Negative	Downstream	All
Access to quality information	Positive	Downstream	All

RISKS	Value chain	Time horizons
Greenwashing	Downstream	Medium-term Long-term
Poor protection of personal data, including personal and customer information	Downstream	All
Poor processes for combating fraud	Downstream	All

OPPORTUNITIES	Value chain	Time horizons
Local presence and identity	Downstream	All

Assessment of IROs related to consumers and end-users

The Group is dependent on its customers, and both positive and negative impacts stem directly from the Group's business models and strategy.

The Group has for a long time devoted resources to managing identified impacts as a result of requirements and expectations from external and internal stakeholders.

- Personal data protection is incorporated in the Group's procedures and processes addressing personal data
- Fraud prevention has in line with developments in this area received greater attention
- Prevention of greenwashing has for several years been in focus in external marketing and communication

Future adaptations will depend on regulatory requirements, expectations from external stakeholders and adjustments to the Group's double materiality assessment.

Consumers and end-users are defined as existing or potential customers which the Group impacts either through services or marketing. All IROs address the retail market, but certain IROs also bear on the Group's corporate customers.

- Customers may be impacted negatively as a result of fraud, loss of personal data or through the Group's marketing, communication and sales strategies.
- Customers may be impacted positively through access to quality information. All customers with potential to be impacted by the Group are also included in the double materiality assessment.

Several of the Group's IROs can be linked to certain customer segments. The Group has for several years acquired a knowledge of which customers have a larger inherent risk of exposure to attempted fraud than others, for example the elderly. A lack of social inclusion is likely to impact exposed groups such as first-time home buyers, immigrants, the low-paid, or people covered by social support schemes through the NAV[1].

Other impacts have the potential to impact all existing and potential retail customers. This applies to breaches of personal data protection and access to quality information.

In the course of 2024 a number of measures have been put in place to remedy the Group's inherent negative impact on fraud. This is described more fully under the chapter on anti-fraud. In 2024 eleven losses or leaks of personal data related to customers were recorded. Further details are given under the chapter Personal data protection.

The double materiality assessment has not provided further insight into whether some consumers or end-users are more exposed to impacts and risk than others. The process is described in greater detail under *General information.*

Impacts on consumers and end-users

The Group is concerned to assist the customer in the best possible manner by minimising the Group's negative impacts and maximising its positive impacts.

Breaches of personal data protection

In order to assist customers in everything from everyday tasks to substantial investments, the Group, in its capacity as data controller, is dependent on managing large volumes of personal and customer data, both in cases where the Group itself is the data controller but also in cases where data controller functions are outsourced. Personal and customer data that has gone astray could potentially be misused by criminals or other dishonest elements to achieve gain at the expense of the Group's customers.

Fraud

As a major bank and financial actor, the Group has an inherent negative impact on the customer with regard to fraud. This impact stems from the Group's business in which retail and corporate customers alike can be used as intermediaries in criminal acts by for example being manipulated or influenced by criminal actors to perform transactions in good faith. Tools utilised include fake websites and invoices, manipulated or bogus e-mails to or from CEOs and directors, or emotions.

Over a number of years many measures have been taken to tackle this steadily growing social problem. The Group conducts controls, processes and investigations to halt suspicious transactions. In addition, customers' resilience is strengthened through culture building, good advice, and digital and physical information sharing.

The importance of the Group's efforts to prevent customer fraud customers has been clearly confirmed through the double materiality assessment.

Lack of social inclusion

The Group's fulfilment of the capital requirements framework requires a moderate risk profile and low probability of default among customers that are offered loans. With more than 300,000 retail customers in the region, the Group's customers have differing life situations and differing needs. Some customers lack access to finance due to lack of equity, inability to pay or debt problems. This may for example apply to foreign workers, first-time buyers, single persons, the low-paid or recipients of social support through the NAV. The Group's requirement of financial soundness may mean that some customers are unable to become established in the same way as others.

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1 Norwegian Labour and Welfare Administration

Access to quality information

With its broad catchment area, the Group considers it to be a part of its role in society to share good information about themes of importance to its customers. Through the Group's web pages, advisers and other communication channels, information is shared on topics such as exposing attempted fraud, advice on foreign travel, advice on saving, pensions, debt problems, accounts, house purchase and sale, along with advice to business owners.

Risks and opportunities related to consumers and end-users

The Group's material risks and opportunities are described below. The risk termed 'Poor processes for combating fraud' has had a material financial effect in 2024. In the course of 2024 customer fraud has inflicted operational losses of NOK 22.5 million on the Group. No other risks or opportunities have had material financial effects over the course of the reporting period.

There is no indication that risks and opportunities entail significant risk of material changes in balance sheet values of assets or liabilities in the financial account in the coming reporting period.

The risks' and opportunities' expected financial effects are encumbered with uncertainty. It is therefore decided to omit this information is the year's reporting by recourse to the phased-in disclosure requirements of ESRS 1 Appendix C.

Greenwashing

The Group produces various types of marketing communication, and information is shared on LinkedIn, Instagram, Facebook and webpages among others. Greenwashing is a risk faced in the Group's dialogue with retail and corporate customers alike. This risk is growing in step with the populace's general competence and with awareness of sustainability as a theme among internal and external stakeholders.

Erroneous and/or unverifiable market communication is a potential risk in a society increasingly concerned with accountability. Financial consequences are likely in the form of distrust on the part of customers, employees and among owners. This could result in more complex financial consequences in the longer term.

Should employees, either in the capacity of advisers or marketers, discuss with or publish sustainability information to customers lacking the necessary competence, it may give the customer an erroneous basis for decisions. This could at worst lead to greenwashing, and breach of the Financial Contracts Act and marketing legislation. Breaches could inflict on the Group direct and indirect financial consequences in the form of fines and reputational loss.

Poor protection of personal data, including personal and customer information

The Group is dependent on the trust of its customers and the supervisory authorities, and is therefore concerned to ensure that personal data and information are managed in accordance with the legislation in force at any and all times. Poor protection of personal and customer information could, irrespective of degree of severity, prompt customer complaints, fines and loss of customers.

Poor processes for combating fraud

The financial gains achieved by criminals through fraud are often used in money laundering, terrorist financing and other types of organised crime. Customer losses resulting from fraud are borne by the Group in the form of operational losses, if it is a matter of attempted fraud which could or should have been halted by the Group.

Economic crime in the form of corruption, bribery, money laundering or terrorist financing is a risk arising from criminal actors' targeted and direct attempts to exploit the Group's infrastructure and systems to perpetrate criminal acts.

The Group mitigates this risk by way of dedicated controls, processes and procedures in the area. The risk faced by omitting to combat money laundering and terrorist financing is described in the chapter Corporate governance.

Local presence and identity

The Group has for more than 200 years been a regional actor with a local presence. This presence serves to build and reinforce the Group's relation to existing and future customers. With 26 finance centres across the region, local presence will contribute to building the SpareBank 1 SMN brand and expand market shares in areas where the Group's competitors are unable to deliver the same product and service range, both physically and digitally.

Customer dialogue

Customers have various contact points in the Group, and the various contact points have varying modes of customer management, depending on the purpose and need to be met. This chapter addresses how the Group dialogues with customers and end-users, essentially retail customers. Information on the dialogue with corporate customers, and with workers in the value chain, is provided in Workers in the value chain.

Retail market

In 2024 Retail Banking has continued efforts to lift the value of the customer meeting and to strengthen its position in the field of advisory services. Standard templates have been developed for customer meetings and thorough training provided to all employees in the personal banking sphere with a focus on quality, good advice and documentation of the advisory process. All customer dialogue is to be based on the industry standard 'Good practices' drawn up by the finance industry's authorisation scheme (FinAut).

Industry Standard **GOOD PRACTICE** for Advisory Services and Other Customer Interactions

1 PURPOSE
The purpose of these rules is to ensure that the customer's interests and needs are safeguarded in the best possible way.

2 PROFESSIONALISM
Customer interactions shall be honest and professional. The framework should be clear to the customer. When the customer's choices are not based on advisory services, this shall be clearly communicated to the customer.

3 PRIVACY
Customer information shall be handled in a manner that ensures privacy and protects the customer's rights.

4 BASIS AND NEEDS ANALYSIS
Customer interactions shall be based on a solid foundation. When providing advisory services, a comprehensive needs analysis shall be conducted.

5 INFORMATION
The information provided to the customer shall be accurate, complete, and not misleading.

6 CONFLICT OF INTEREST
The customer's interests shall take precedence over the interests of the company and its employees. Conflicts of interest shall be identified and mitigated. If this is not possible, the customer shall be clearly informed of the conflict of interest before any agreement is made.

7 RECOMMENDATION AND AGREEMENT
The company shall make every effort to ensure that the customer understands the content of the agreement and its important implications. The customer shall be given sufficient time to consider before the agreement is made. In the case of advisory services, the recommendation shall be based on the needs analysis.

8 ADVISING AGAINST
Solutions that are not compatible with the customer's needs and interests shall be discouraged.

9 FOLLOW-UP
Any follow-up from the company or the customer shall be agreed upon.

10 DOCUMENTATION
The customer agreement and its basis shall be documented and stored.

In the personal market the Group's primary contact point is the individual customer on a direct basis, except where the customer is represented by an attorney-in-fact or guardian. Contact with the customer takes place at the initiative of the bank or the customer.

Dialogue is both physical and digital, and the balance between the two is adapted to the needs of the individual customer. This makes it possible to offer services adapted specifically to vulnerable customers. Customers who are not digital, or who have other specific needs, are serviced at the Group's physical locations. They have access to the same products and services as customers who are serviced primarily through digital channels.

All relevant customer dialogue must as a general rule be entered in the CRM system to ensure that the customer receives the assistance and follow-up needed. This serves to optimise customer follow-up in Personal Banking's areas of responsibility. Storage of relevant customer dialogue and meeting minutes ensures the bank's ability to subsequently document and follow up on appointments or other approaches. In 2024 a pilot was conducted in which reports of telephone calls to the customer service centre were written using AI.

The overarching responsibility for ensuring that Personal Banking observes applicable procedures related to management of customer dialogue rests with the Executive Director of Personal Banking.

In written and digital communication the language must be comprehensible and text and illustrations legible.

Languages for communication are Norwegian and English. Requirements as to universal design are complied with through the development of digital solutions.

All customer information and dialogue are treated confidentially and in line with the General Data Protection Regulation (GDPR). Internal controls are carried out to ensure that all access to customer data only takes place in accordance with the requisite lawful basis for processing.

A customer category defined as 'sheltered customers' have a special need for confidentiality and protection. These customers have been granted an address block following a threat assessment by Kripos[2]. Insight into this customer category is only available to selected employees trained in dealing with this category.

To ensure that services delivered are in keeping with the customer's wishes, customer surveys delivered by external market survey actors and suppliers of market analyses are generally utilised. In addition, a close dialogue is maintained in each individual market area with local associations and organisations, local authorities and elderly councils. This provides valuable insight in terms of identifying customer needs, and how the services can be developed to meet these needs in the short and long term.

Whistleblowing channels

Customers wishing to communicate needs to the Group, whether with regard to products or other enquiries, are encouraged in the first instance to contact their adviser or the customer service centre for banking, insurance or pensions enquiries. If the customer is not satisfied, he or she can file a complaint with the Group's complaints service. The complaint will be received by a dedicated complaints officer, and be answered within 21 days.

A customer whose complaint is not resolved by the bank can contact the Financial Services Complaints Board. Information on the possibility of reporting a customer complaint and the link to an electronic notification form are available on the Group's home page. For non-digital customers, the advisers at physical department offices or the customer service centre will assist in filing the complaint.

It is not possible to deliver anonymous customer complaints to the Group at present. All customer complaints received will be processed in keeping with normal confidentiality and

2 *National Criminal Investigation Service*

in keeping with applicable rules. Complaints officers ensure that complaints are attended to, and that necessary steps are taken to ensure that the same mistakes are not repeated. If required, the local bank manager and relevant departments will be put onto the matter.

No assessments have been made of whistleblowing channels' effectiveness, and information on whether customers trust the whistleblowing channels is not available.

Should an error be made that has inflicted a financial loss on the customer, the customer will receive due compensation. Retail Banking's Executive Director is responsible for this assessment, and can delegate responsibility to the local bank manager.

EiendomsMegler 1 Midt-Norge

EiendomsMegler 1 Midt-Norge strives throughout to be a professional operator in dialogue with the customer. To that end the company's focus is on quality, good advice and appropriate templates with reference to laws and norms for estate agency services. All customer dialogue must be based 'Good practices' in keeping with the Estate Agency Act and appurtenant regulations.

The company's contact with customers is mainly in person, but customers can also be represented by an attorney-in-fact or guardian. Contact with customers can be initiated by either the customer or the estate agent.

The customer dialogue is mainly in the form of physical meetings, by telephone and SMS/e-mail, while digital tools set the stage for a good flow of necessary documents. Use of physical documents is enabled in cases where the customer has special needs, for example customers who are unable to use Bank ID.

All relevant customer dialogue must as a general rule be entered in the company's customer management system to ensure that the customer receives the assistance and follow-up needed. This optimises customer follow-up throughout the sale process. Storage of relevant customer dialogue and meeting minutes enables the estate agent to subsequently document and follow up appointments etc. that are relevant to the customer relationship during the sale process.

The overarching responsibility for ensuring that Personal Banking observes applicable procedures related to management of customer dialogue rests with the estate agent in charge at EiendomsMegler 1 Midt-Norge.

All customer dialogue must take place in a manner suited to the individual customer. In written and digital communication the language must be understandable and text and illustrations legible. The language of communication is Norwegian, but flexibility is permitted. All customer information and dialogue between estate agent and customer are treated confidentially and in keeping with the General Data Protection Regulation (GDPR). Internal controls are carried out to ensure that access to customer data only takes place in accordance with the requisite basis in law.

One customer category has a special need for confidentiality and protection. These customers have been granted an address block following a threat assessment by Kripos. Insight into this customer category is only available to selected employees trained in dealing with this category.

To ensure that services provided are in keeping with the customer's wishes, customer surveys are utilised during the sale process and after completion of the sale process. Active use is made of such services to ensure a good customer experience. In addition, close dialogue and agreements are maintained in each individual market area with local associations and organisations and local authorities. This provides valuable insight in terms of identifying customer needs, and services to be developed to meet these needs in the short and medium term.

Whistleblowing channels

Any customer who is not satisfied with services delivered is encouraged in the first instance to contact the responsible estate agent, or department manager, where estate agency services are concerned. If the customer is not satisfied after dialogue with the responsible estate agent, he or she may file a complaint with the company's appropriate department. The complaint will be processed by that department and be answered as rapidly as possible. A customer whose complaint is not resolved can contact the Complaints Board for Real Estate Agents' Services. For non-digital customers, the above department will direct the customer to the Complaint Board's contact point.

It is not possible to deliver anonymous customer complaints to the Group at present. All customer complaints received will be processed in keeping with normal confidentiality and in keeping with applicable rules. The appropriate department will ensure that complaints are attended to, and that necessary steps are taken to ensure that the same mistakes are not repeated. If required, the department manager and responsible estate agent will be put onto the matter.

No assessments have been made of whistleblowing channels' effectiveness, and information on whether customers trust the whistleblowing channels is not available.

Should an error be made that has inflicted a financial loss on the customer, the customer will receive due compensation. The company's estate agent in charge is responsible for this assessment.

Market dialogue

The Group conducts dialogue and information activities to existing and potential customers through announcements in digital media, social media, e-mail, SMS and internet bank. The Group's webpages are at centre stage in the dialogue since the bulk of activities point to webpages providing further information on the Group's products and services and appurtenant purchasing solutions. An appointment with an adviser can be booked or contact made with the Group through various chat facilities if the customer is in need of information.

The Executive Director of Communication and Brand has overall responsibility for market dialogue. The Group attaches great importance to presenting products and services in an understandable and balanced manner enabling customers to make conscious, informed choices. In addition, the webpages contain much information providing tips and advice in a range of financial situations, both for firms and private individuals. Many of these themes are also conveyed to customers through paid marketing.

Digital channels are also an important arena for customer care and perform the role of financial adviser and sparring partner for people and businesses in the region. For example, in 2024, there was continual updating of information on fraud customer security along with e-mails, SMSes and banners in the internet bank to retail and corporate customers alike. 2024 also saw the launch of a podcast named 'Svindeljegeren' providing listeners with greater knowledge of various types of fraud.

Many customers have experienced tighter finances in recent years owing to higher interest expenses and rising prices. In 2024 the bank prepared a dedicated information page with advice on steps customers could take to get a grip on their finances. These pages also make it easy to contact an adviser should extra help be needed to put personal finances in order.

Marketing must observe good marketing practices and must throughout be compliant with applicable law, regulations, guides and industry standards of relevance to the area. In the event of any breach, the Group will be approached by supervisory authorities with an order to rectify the situation.

The dialogue will be particularly attentive to vulnerable groups and will never seek to offer products to such groups that may increase their vulnerability, for example credit cards or consumer loans to customers with high, unsecured debt or the like. Marketing to children and young people must show due care, and such activities must in all cases be approved by the immediate superior. Marketing must equally not conflict with gender equity, ethnicity or sexual orientation.

Products and services must be marketed in such a way as to make the customer aware both of benefits/opportunities and disadvantages/limitations. The Group must exercise great care in relation to ethics and the moral responsibility of the Group in its marketing of goods and services. Content, and the way in which it is conveyed, is key to enabling the customer to understand the message and to the ability to get a grasp of information from the Group.

Parts of the Group's marketing are based on data it possesses on the customer either via the customer relationship or via the customer's behaviour on its webpages and in the digital bank. All such marketing is evaluated in terms of its lawful basis and approvals, so as to ensure that personal and in-depth data is processed in accordance with applicable legislation. The object of data-driven customer communication is to provide the customer with sound tips and advice in the customer relationship, whether it concerns use of services, relevant product changes or purchase of new products.

All marketing must be considered in light of the Group's procedure for responsible marketing. This procedure ensures that the Group's marketing initiatives are conducted in a responsible manner and in accordance with central legislation such as the Marketing Act and Financial Contracts Act. Where personal data is concerned, this is considered specifically in light of the procedure for processing personal data in the marketing context.

Whistleblowing channels

Customers and non-customers can notify complaints or breaches on the Group's webpages. The entry point is at the bottom of all pages. In addition, customers find information on personal data protection, in-depth information and use of cookies. The whistleblowing channels are otherwise the same as those established by the business lines.

Anti-fraud

Fraud is an ever growing societal problem, and an increase in fraud committed against the Bank's customers has been registered in most categories in 2024. This matches the media picture, and experience gained by the Group's advisers.

- The first half of 2024 has seen a high incidence of fraud committed against older customers (voice phishing) with a substantial reduction in case numbers in the second half-year.
- In the course of 2024 an increase was also registered in bank card fraud, much of it in the form of smishing based on bogus SMSes and e-mails, at the same time as bank card fraud with a basis in purchases and sales on the digital second-hand market has risen substantially, in keeping with tighter finances and high living expenses, along with an increased focus on reuse and sustainability in the form of second-hand sales on digital marketplaces.
- Use of 'money mules' in fraud cases is organised crime whereby young adults are recruited to economic crime.
- An increase is also noted in the number of cases of invoice fraud committed against businesses and corporate customers compared with previous years.

In the course of 2024 about 3,938 chargeback cases were received and processed. About 280 cases of account fraud were received and processed. Operational losses from fraud came to NOK 22.5 million in 2024, in line with the Group's target for 2024. In all variables there has been an increase compared to 2023.

Overall figures for recorded fraud cases, chargebacks, police reports and other reports show a continuing increase in in the scale of fraud compared with the previous year. This coincides with Finanstilsynet's fraud statistics for the first half of 2024, showing a general increase in losses due to fraud in the financial industry.

281 fraud cases were reported as suspicious transactions to Økokrim's[3] financial intelligence unit in 2024.

Preventive measures

In 2024 a comprehensive survey was conducted of the Group's work to identify and prevent fraud. The outcome was the establishment of a dedicated fraud unit which has enhanced process efficiency, built competence and will increase the Group's ability to avert fraud. In 2025 steering documents will be prepared, along with further development in the field of digitalisation, process efficiency, competence enhancement and exploitation of system solutions.

At the start of the second half of 2024 a new anti-fraud system for account-to-account fraud was acquired which has halted fraud transactions totalling NOK 5.5 million since its inception in October 2024. The actual amount saved will be higher since halted fraud transactions are normally the first of a potential series of transactions.

Several of the Group's financial advisers hold weekly physical presentations in the market areas for customers and non-customers on fraud prevention entitled 'How to avoid getting scammed'. In 2024 a total of 81 dedicated fraud presentations lasting one hour were held for 4,019 registered persons. The presentations are as a rule aimed at the most vulnerable customer groups to increase their resilience to fraud.

The Group wishes to share the knowledge it possesses with existing and potential customers. In the course of the year, SpareBank 1 SMN launched its own podcast named 'Svindeljegeren' in five episodes designed to inform about, warn against and prevent customer fraud. The podcast aims to increase the community's resilience. In 2024 the Group has seen 15 media reports/items concerning fraud in which the Group's expert has commented on the topic and offered preventive advice against fraud.

In 2024 a risk assessment was drawn up for the fraud area, in addition to a policy on the Group's responsibilities in the anti-fraud sphere. This will be considered by the Board of Directors in 2025.

Personal data protection

The rapid development of AI, and an increasingly digitalised everyday life, pose a growing risk of personal data going astray in the case of businesses and private individuals alike. The Group is subject to the Personal Data Protection Act and the GDPR, and through the Group's services large volumes of personal data are managed, processed and owned, which imposes strict requirements on the application and observance of key principles of personal data protection such as confidentiality, integrity and accessibility.

Compliance with the personal data protection legislation is therefore critical to the trust enjoyed by the Group and its reputation. All employees have access to the Group's privacy policy and in-depth information, and all employees are duty bound to familiarise themselves with their responsibilities as to their handling of personal data in their working day.

The overarching object of the personal data protection effort is, through a systematic and risk-based approach, to:

- protect customers', employees' and others' personal data
- support business operations by at all times keeping control of the processing of personal data
- safeguard the Group's reputation through correct handling of personal data
- comply with the Norwegian Personal Data Protection Act and the GDPR

The Group has appointed a designated data protection officer who assists the group CEO in meeting requirements as to the treatment of personal data. The data protection officer has data protection coordinators in the Group as contact points. The data protection coordinators act as a link between the operative data controllers and employees in the respective areas of responsibility.

In addition, the Group has dedicated product owners for all IT systems, and a designated data protection manager with operative responsibility for ensuring that systems and appurtenant information architecture support applicable data protection requirements. In addition, the data protection manager quality assures solutions and proposes improvements.

The Group's data protection officer prepares quarterly and annual reports directly to the Board of Directors. These reports present an overview of deviations and approaches concerning registered persons' rights, areas on which the data protection officer has focused, observations made and experience gained, along with risk areas to be included in the further work on personal data protection.

The Group has in 2024 has focused on training measures designed to strengthen awareness of requirements as to the processing of personal data in the organisation, and on strengthening the role of data protection coordinator. In addition, substantial resources have been devoted to ensuring responsible integration and use of AI in the employees' working day and processes, for example in the use of AI in pilot projects in Retail Banking and Corporate Banking. Furthermore, new products and processes from SpareBank 1 Utvikling, the Group's most important data processor, have been evaluated.

Plans for 2025 entail continuing the work of on strengthening the interaction with SpareBank 1 Utvikling, training measures and strengthening the first line, and to continue internal awareness raising in the form of competence-enhancing measures and updates related for example to IT systems.

As a major processor of personal data, employees shall maintain a constant awareness of breaches of data privacy, and have a low threshold for reporting breaches of personal

3 Økokrim: National Authority for Investigation and Prosecution of Economic and Environmental Crime data security to the Data Inspectorate. The Group received five complaints from customers related to personal data security in 2024, and reported eleven deviations classified as leaks or loss of personal data to the Data Inspectorate. The Group received no penalty charges or injunctions from the Data Inspectorate in 2024.

The Group's obligations are anchored in the Policy on personal data protection.

Targets and KPIs

The Group's IROs are a result of external expectations and strict regulatory requirements on the Group over a long period. Hence personal data protection, fraud and greenwashing are areas on which the Group already has targets and KPIs in place.

These remain relevant, but there is a need to adjust them to ensure that they address the Group's IROs in the best possible manner. The role of information provider and the Group's local presence are areas which have not previously had dedicated targets and KPIs. It remains to be seen whether they are to underlie other targets or have their own targets.

As of the reporting date no targets or KPIs have been drawn up to address the Group's IROs under the disclosure requirements of ESRS S4 or MDRs of ESRS 2. This will be done in forthcoming planning processes in which direct and indirect dialogue with customers will be at centre stage. This work will continue in 2025.

Based on the Group's materiality assessment of 2022, alternative performance measures (APMs) were attached to sustainability. These have applied up and including 2024, and are subject to update in the period ahead. A complete table with an overview of the Group's APMs on sustainability, and detailed descriptions of the APMs, is shown in the chapter *Key figures* at the beginning of this annual report.

Sustainability APM's	**Target 2024**	**Results 2024**
Losses due to fraud **1)**	< 22.5 MNOK	22.5 NOKm
Sales volume of products and services with a social benefit **2)**	3,000 MNOK **3)**	47 NOKm
No. documented complaints of breaches of data privacy or loss of customers data	0	11

__1)__ Compensation the bank has provided as a result of fraud against the bank's customers, recorded as operational losses.

__2)__ Products with social and societal benefits

__3)__ The target also includes APM Sales Volume for products and services with environmental benefits. This is described under Climate Change.

Action plans and measures

Several of the Group's IROs are already utilised in processes, procedures and tasks as regards personal data protection, fraud and marketing material. In 2024 a number of measures were implemented which contribute to the handling of impacts and risks associated with personal data protection and fraud. These measures are described in the chapters above. Despite the fact that the Group has for some time devoted resource to address personal data protection and fraud, the Group's IROs have not been integrated into action plans in accordance with the disclosure requirements of ESRS S4 and the MDRs of ESRS 2. This will be done in 2025.

Impacts such as a lack of social inclusion and access to quality information, along with risks such as greenwashing, which previously have not had dedicated action plans and measures, will have processes to this end established in 2025.

Policies

The Group's overarching steering documents related to consumers and end-users are the Group's sustainability strategy and sustainability policy.

The Group has further policies dealing with the Group's IROs. All policies follow recognised national and international standards where relevant. The policies are available to the employees in internal systems and, where relevant to external stakeholders, are also available on the Group's webpages.

None of the policies are fully in line with the MDRs of ESRS 2. Most of them require minor adjustments, and policies will in the coming period be reviewed, revised and considered by the Board of Directors with a view to meeting these requirements.

Anti-fraud policy

The anti-fraud policy was drawn up in 2024 and will be considered by the Board of Directors in the course of 2025.

Policy on personal data protection

This policy aims to identify overarching requirements and obligations on the processing of personal data, and to describe internal organisation, responsibilities and lines of authority. The policy contains governing principles and requirements as to overview of various processing of data, training, risk assessments, data protection impact assessment (DPIA), assurance of the customer's timely right of access, follow-up of undesired events and deviations, controls, reporting, data processors and outsourcing of functions. In addition, the policy defines organisation and responsibility for compliance with the data protection rules, and operationalisation of that responsibility in the line organisation.

The policy is revised annually and approved by the Board of Directors in the event of material changes. It must in any event be approved by the Board of Directors every third year.

All employees and hired-in personnel who have access to and/or process and administer personal data through the Group's IT infrastructure, and subsidiaries, are covered by the policy.

The Group's webpages and internal systems include declarations on personal data protection for, respectively, customers and employees of the Group. These provide information on what personal data is compiled, how this is handled, and on rights accruing to customers and employees respectively.

Policy on outsourcing of functions at SpareBank 1 SMN

This policy sets framework conditions for all outsourcing, including IT services and agreements regarding use of cloud services, and applies to the entire Group, but in particular to staff who own or administer contracts, systems, services, processes or products.

The policy sets out general principles and guides related to outsourcing, and supports the Board of Directors' requirements on corporate governance in the Group, in addition to attending to regulatory requirements. The policy's principles and requirements as to outsourcing cover the following:

- What can be outsourced
- Risk and vulnerability assessments
- Written agreements and overview of agreements
- Obligation to report to supervisory authorities
- Follow-up

In addition, the policy defines organisation and responsibility for proper organisation of the Group's outsourced activities and functions, including the Board of Directors and the respective departments and business lines. The policy is revised annually and in the event of material changes, otherwise every third year.

Policy on responsible marketing

The object of the policies is to act in keeping with good marketing practices and applicable laws, regulations, guides and industry standards that are relevant to the area, including the Marketing Act and the Financial Contracts Act.

The Group's procedure for responsible marketing applies to all types of marketing, for example advertising, films, podcasts, social media, e-mail and marketing on the internet bank and mobile bank. The procedure includes overarching guides for the Group's marketing initiatives with regard to advantages/opportunities and disadvantages/ limitations concerning the Group's products and services. Marketing directed at vulnerable groups, children and young people, and greenwashing, receive special attention. This is also true of the marketing of credit and debt products.

The Group has a procedure dedicated to the processing of personal data in marketing.

Community dividend

Approach to the topic

The Mid-Norwegian community has been the Group's largest owner for more than 200 years. When Trondhjems Sparebank was founded in 1823, many of the region's day labourers were out of work, and alcoholism was a major societal problem. One of the objects of the ownership model and community dividend was to enable the poorly off to save money and secure their future.

The ownership model was based on the premise that depositors should not earn dividend. The ownerless capital (grunnfondet) was to grow and secure the local populace ownership, and any future surplus was to be shared with the local community. In step with the extension of the Group's catchment area through acquisitions, amalgamations and organic growth, the Mid Norwegian community remains the Group's largest owner.

The Group has had a positive Impact as a *Contributor in the region*. This entails that its profit contributes to developing the region of which the Group is part.

Entity-specific reporting

This aspect of the reporting is entity-specific since the Group's impacts cannot be tied to specific themes in the AR 16 list. Community dividend has been a material theme for social conditions since the Group's initial materiality analysis in 2020. In 2024 it was again identified as a material area with its own impacts on the implementation of the Group's double materiality assessment. This is expected, since the local community is the Group's largest individual owner with 41.1 per cent of the equity capital.

The reporting on community dividend follows the requirements of ESRS 1 Appendix AR 1-5. The minimum disclosure requirements of ESRS 2 are applied in the reporting of policies, action plans and measures, and targets and key performance indicators.

From gifts to one of the largest private contributors in the region

The objects clause of the bank 200 years ago was:

> *"...to encourage the common people to save so that the less fortunate might have something to engage in by starting a business, entering into marriage, in time of distress or in troublesome old age."*

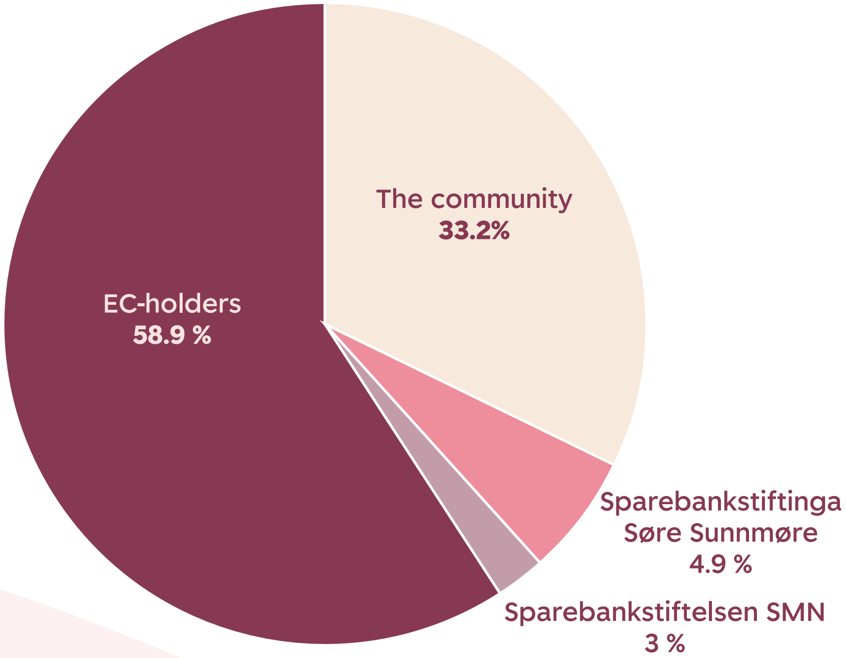
Since 1847 parts of the net profit have gone to non-profit and charitable causes which build and develop the region. For more than 100 years the Group has through the community dividend been a mainstay for the region. In step with growth financial soundness the Group has developed into a community builder with the opportunity to create value of major benefit to the community.

The Group is reliant on and concerned with the region's development. This includes everything from voluntary work and fostering of talented individuals to cultural experiences, making the region a better place to live and work, business and industry and jobs. The Group recognises the importance of supporting future generations, and prioritises initiatives that benefit children and young people. Moneys from the community dividend fund support projects that build and develop Mid Norway. This strengthens the development of community and industry by building knowledge, a culture of innovation and capital. This enables new investments and lays the basis for new jobs.

It is recommended to allocate NOK 896 million of the Group's net profit to community dividend. Of this, NOK 240 million will go to investments in various projects in the region. A further NOK 656 million will be transferred to the foundation Sparebankstiftelsen SMN, the community's 'savings account'.

The community's stake in the Group is 41.1 per cent. Ownership breaks down to 33.2 per cent to the community, 3 per cent to Sparebankstiftelsen SMN, and 4.9 per cent to the foundation Sparebankstiftinga Søre Sunnmøre.

The community is SpareBank 1 SMN largest owner
Total equity



Organisation and allocation

It follows from the Financial Institutions Act section 10-7 that community dividend is to be allocated to non-profit causes that benefit as many as possible. The allocations are in the public domain at smn.no.

The Supervisory Board sets, upon the Board of Directors' recommendation, both the level of community dividend and the split between allocation to non-profit donations and transfers to Sparebankstiftelsen SMN. Where the share of community dividend allocated to donations is concerned, the Board of Directors adopts the overarching strategies and long-term priorities for distribution.

The Board of Directors has authorised the Group CEO to manage the total amount of community dividend available for distribution within the other limits and mandates adopted by the Board of Directors. Allocations to individual projects that exceed NOK 10 million are decided by the Board of Directors. The Group CEO and the community dividend fund's administration are authorised to decide individual allocations up to this level. All applications for support from the fund are considered on an ongoing basis, and are guaranteed a reply within a maximum of three weeks. Applications must be approved by at least two persons, who certify/order the disbursement of community dividend moneys to ensure due competence and the four-eyes principle.

Strategic direction

The community dividend strategy was anchored in the Board of Directors in 2022, and is based on more than 10,000 inputs from individuals, firms and organisations in Mid Norway. In December 2023 the strategy was renewed with minor changes for the period 2024 to 2026. Focal areas defined here are community-building, sport and outdoor recreation, art and culture, driving the green transition along with innovation and value creation. Among the changes for the new strategy period is a shift in the distribution of community dividend moneys in a more sustainable direction in order to underpin the role of driver of the green transition in Mid-Norway.

The ambition to strengthen Mid-Norway through awards which help to:

- prevent outsiderness
- create living local communities
- make the region a leader in sustainable innovation and green transition

The endeavour to create new jobs in Mid Norway has increased. Ahead the Group wants to be an important actor for entrepreneurs in Mid-Norway – ranging from budding entrepreneurs at upper secondary school to more established entrepreneurial entities – and to heighten our commitment to the role of arena builder, innovator, investor and driver of green transition through collaboration with a variety partners and business associations.

Key project in 2024: “Road to the Ski World Championships – good public health and mental health”

In 2024 the object has been to show that values are more than money. The Group has spotlighted public health and the growing mental health challenge. This is a contribution aiming to improve public health, and seeks to create value for local communities across all of Mid Norway for a long period ahead.

In the run-up to the Ski World Championships in 2025 a goal is to encourage people in the region to be physically active, but also to maintain a focus on young people and mental health. Thus far the Group has reached out to more than 6,500 individuals across the entire region. Family and activity days have been organised, valuable advice has been given to clubs and associations, and events dealing with mental health and sound finances have drawn large numbers of young people.

Physical health has also been given priority in 2024. NOK 11.4 million has been awarded to ‘Dagsturhytta’, a chalet in each of all 38 local districts in Trøndelag. The community dividend fund has also, in collaboration with a number of clubs and associations, awarded NOK 8 million to the project “Ski and activity facilities in Trøndelag and in Møre and Romsdal”. The object has been to encourage more people to engage in physical activity in order to promote public health in the run-up to the Ski World Championships in 2025.

Moreover, NOK 50 million has been donated to the Kavli Foundation as a long-term contribution to solving the Alzheimer’s enigma.

Targets and KPIs

Since the community dividend awards are based on the Group’s annual net profits, it is difficult to set financial targets.

In order to perform the role of community builder, it is crucial to have sufficient capital for major initiatives that create good, new environments and leave a lasting legacy. Community dividend is therefore managed in a manner that supports the region of which the Group is a part, with the aim of laying a solid basis for future value creation and increased community dividend.

No targets or KPIs in line with the MDRs of ESRS 2 have been drawn up. This will be done in 2025.

Based on the Group’s materiality assessment of 2022, alternative performance measures (APMs) were assigned to sustainability. These have applied up to and including 2024, and are subject to updates in forthcoming periods to stay in line with the minimum disclosure requirements of ESRS 2. A complete table with an overview of the Group’s APMs for sustainability, alongside detailed descriptions, is provided in the chapter *Key figures* at the beginning of this annual report.

Sustainability APM's	Target 2024	Results 2024
No. of participants in meeting places and innovation activities	6.000 participants 250 entrepreneur- and youth enter-prises	6.025 participants 300 youth enter-prises
No. of participants in competence and development programmes	500	450

Action plans and measures

The action plan for community dividend supports the strategic direction. The focal area have differing action plans, and for each focal area an area officer is responsible for drawing up plans and measures for the particular year. The action plans have not been drawn up in accordance with the minimum disclosure requirements of ESRS 2 as of the reporting date.

Policies

In order to ensure that the funds awarded to projects are allocated correctly, strict procedures underlie disbursement, case handing, allocation and controls. The Supervisory Board adopts the distribution of community dividend, and authorises the Board of Directors to manage the funds within the bounds of such authority. Furthermore, the Executive Director of Communication and Brand receives authorisation from the Group CEO to approve budget proposals and focal areas presented by the head of community dividend.

Note 1: Allocation of community dividend

The allocation from community dividend for 2024 was NOK 250m. A total of 4,341 applications were processed in 2024, of which 2,018 were granted. The applications totalled NOK 672m, and NOK 332m was granted to non-profit causes in 2024 (including NOK 50m to the Kavli Foundation).

Focal area 1)	Amounts applied for (MNOK)	Amounts granted (MNOK) 2)	Processed applications	Approved applications
Regional community	105.9	56.3	1016	490
Sports and outdoor recreation	262.8	71.4	1743	804
Art and culture	111.5	56.4	1090	466
Driving the green transition	17.4	10.2	172	123
Innovation and value creation	174.7	123.4	320	135
Total	**672.3**	**331.9**	**4341**	**2018**

1) The Community Portal on smn.no is structured according to the focal areas of community dividend. Discrepancies between the figures in the portal and the table are due to the fact that allocations are only published in the portal after approval, when the funds are fully utilized, or adjusted for any remaining funds that are returned after two years. This creates a time lag, and figures for previous periods in the portal are subject to adjustments

2) 14.2 NOKm has been used for the operation and administration of the community dividend. This represents the discrepancy between the granted amounts for various focal areas and the total amount

The Group has supported many different projects in all focal areas with community dividend moneys. In the community-building area, funds have for example been granted to improving and constructing large and small outdoor playgrounds, extensions and renovation of meeting places (village halls etc.), youth enterprises and pride events.

In 2024 the main project has been the Ski World Championships 2025. Funds have for instance been granted to ski and activity facilities and 'Dagsturhytta' under this main project. In addition, support has been granted to enabling everyone to participate in sports, football schools, the Oppdal Bike Festival and regional sporting events.

In Art and culture, support has gone to small projects such as seminars, markets, local choirs along with equipment for various cultural events, but also substantial projects such as 'Stiklestad for another thousand years', the Students Union, Blues in Hell, Trondheim Calling and Olavsfest International.

All allocations to Driver of Green Transition support one of 17 sustainable development goals, and in 2024 support has been granted to projects and collaborations in business clusters, innovation courses in green growth, circular economy learning arena, cleaning up plastic waste and community projects, along with relevant competence enhancement.

Allocations to innovation and value creation in the region have gone to Trøndelag Food and Brewery Festival, NTNU, Junior Achievement, partnership with 6AM Accelerator, an incubator for early-phase start-ups, and various other incubators, clusters and innovation entities.

Transparency Act

The Group's report in keeping with the Transparency Act (LOV-2021-06-18-99) will be available on the Group's webpages by 30 June 2025.

Report on remuneration and other emoluments to senior personnel

The Group's report in keeping with the Public Limited Liabilities Act, section 6-16b, on remuneration and other emoluments to senior personnel is available on the Group's webpages. The report contains an account of sustainability-related benefits to senior personnel in line with ESRS 2 GOV-3.

Røros, Trøndelag

Governance

Business conduct

Approach to the topic

The Group's vision is T*ogether we make things happen*, a vision that for a long time has helped to shape the Group's culture and the Group's values: *Wholehearted, Responsibly Minded, Likeable* and *Capable*. SpareBank 1 SMN's corporate culture is defined as the sum of the employees' conduct. Hence importance is attached to precision with regard to what is expected of the Group's employees in terms of conduct, work environment, culture, competence and quality.

In 2021 a Group-wide culture project was carried through with the aim of creating a shared organisation culture with a unifying effect for all Group employees. The rationale was:

- to find out what was to be shared on a Group-wide basis, while at the same time preserving each business line's distinctive features,
- a desire to realise the Group's potential for synergy and collaboration with a focus on building trust across the Group,
- to understand what motivates the employees, and what makes them committed and proud, and
- a desire to restore, and reinforce, the feeling of belonging to SpareBank 1 SMN after the Covid 19 pandemic.

This formed the basis for the Group's culture ambitions:

- *Create customer value*
- *Shape the future*
- *Be a team player*

Much importance is attached to giving employees a thorough introduction to the essence of the Group's culture ambitions. These ambitions proved relevant when launched, but have also proved relevant in the recent past. The Group's forthcoming organisation changes (the One SMN 2.0 project), including a new finance centre structure, is about shaping the future and creating the best customer experience.

The Group is dependent on the trust and confidence it enjoys, and to preserve this trust and confidence the Group must be quality oriented across everything from advisory services to cybersecurity. The Group defines *Quality* as meeting the expectations of external and internal stakeholders. Much importance is attached to coaching employees in corporate culture through an annual ethics update containing reflection tasks addressing relevant ethical issues with the aim of raising awareness of such issues in the working day. Employees are also coached in personal data protection, cybersecurity, anti-money laundering and anti-terrorist financing, and other relevant legislation to which the Group is subject with a view to assuring responsible performance of the Group's activities at all levels.

In the evaluation of the individual employee's remuneration, the conduct criterion is one of three areas to which importance is assigned. The Group's values, shared cultural ambitions and quality expectations are key to this criterion. More information on remuneration is provided in chapter on *The Group's employees*.

Assessment of IROs related to business conduct

Present effects of the Group's IROs as regards business conduct stem directly from the Group's business models, and are largely a result of macroeconomic factors. Expected effects of the Group's IROs will in large measure refer to the same macroeconomic factors.

In order to inspire trust and reliability the Group has to keep abreast of frequent changes in the regional community and adjust the business and the Group's expectations accordingly. At issue here are own operations but also regulatory requirements, economic crime and data- and cyber-security in the Group's value chains. Societal changes may also require changes large and small in business models and strategies, both at group level and in the business lines.

The Group's material IROs, where they are centred and what time horizons they span, are presented in the tables on the next page.

Entity-specific reporting

This chapter deals with entity-specific reporting. The backdrop is that anti-money laundering and anti-terrorist financing remain an important area with a material impact and appurtenant risk. The same applies to data- and cyber-security.

These topics can't be linked to specific topics in ESRS 1 AR 16. Due to absence of relevant disclosure requirements in CSRD, both anti-money laundering and anti-terrorist financing and data- and cyber-security are reported on in the present chapter by recourse to the disclosure requirements of ESRS 1 Appendix AR 1-5.

IMPACTS		Value chain	Time horizon
Corruption and bribery	Negative	Own operations Downstream	All
Money laundering and terrorist financing	Negative	Own operations Downstream	All
Poor data- and cyber-security	Negative	Upstream Own operations	Medium-term Long-term
Poor animal welfare	Negative	Downstream	Medium-term Long-term

RISKS	Value chain	Time horizon
Poor processes for combating money laundering and terrorist financing	Own operations Downstream	All
Disloyal servants	Own operations	All
Breaches of IT security	Own operations	All
Breaches of legislation	All	All
Too high ambitions	Own operations	Long-term

OPPORTUNITIES	Value chain	Time horizon
Role of driver of green transition	All	Short-term Medium-term

Impacts on business conduct

The Group's business models contribute directly and indirectly to impacts on internal and external stakeholders.

As a financial institution, the Group is defined as critical infrastructure. A robust digital defence is therefore crucial to the Group's ability to assume its share of the responsibility for ensuring access to means of payment

As a provider of various products and services to a multitude of personal and corporate customers in the region, the Group has an inherent negative impact with regard to various types of economic crime, including money laundering, terrorist financing, corruption and bribery.

All IROs are a combination of external expectations and stringent regulatory requirements to which the Group is, or becomes, subject. A closer description of the Group's material impacts is provided below.

Corruption and bribery

Alert, law-abiding employees are key to the Group's ability to perform its role. Each day a considerable volume of transactions and other financial information is processed across the Group, and there is an inherent risk of manipulation of financial systems and financial breach of trust both in own operations and among the Group's customers. The Group has a potential negative impact on corruption and bribery.

Money laundering and terrorist financing

The Group has an inherent negative impact on money laundering and terrorist financing. This impact stems from the Group's business, and how the Group's systems, processes and payment solutions can be exploited for criminal purposes. The impact has the potential to extend beyond Norway's borders.

The Group has a responsibility for ensuring that the financial system retains its stability and the trust placed in it. Management of this impact is immensely important, both to maintain the community's trust and confidence in the Group and to ensure the stability and reliability of economic structures, systems and solutions. The Group is subject to stringent regulation in this area in all areas of its business, and has long had in place measures to manage this impact.

The Group's impact with regard to fraud is described under *Consumers and end-users*.

Poor data- and cyber-security

The world is marked by armed conflict, and growing rivalry between major powers. The threat picture in the IT sphere reflects this fact. The Group's ongoing work on cyber security and security culture, including the knowledge, attitudes and conduct of its employees, is key to the Group's ability to maintain operational stability and continuity, credibility and the trust of stakeholders. Shorter or longer disruptions of IT infrastructure could have a negative impact on a number of stakeholders in the shape of financial loss or loss of trust.

The Group's impact with regard to personal data protection is described under *Consumers and end-users*.

Poor animal welfare

As one of the country's largest agricultural banks the Group has a responsibility for ensuring the customers' animal husbandry is compliant with applicable legislation and policies. As a provider of advice to farm operators in the region, the Group can have a potentially negative impact on animal husbandry. Irresponsible animal husbandry and poor animal welfare are closely interlinked with financial problems, and may breach animals' five freedoms or impair procedures for slaughter, transport, import and export.

Risks and opportunities related to business conduct

The Group's material risks and opportunities related to business conduct are described below. None of those risks or opportunities have had material financial impacts in 2024. There is no indication that risks and opportunities entail significant risk of changes in balance sheet values of assets or liabilities in the financial account in the forthcoming reporting period.

The expected financial effects of the risks and opportunities are encumbered with uncertainty. It has for that reason been decided to omit such information in the present sustainability statement by recourse to the phased-in disclosure requirement of ESRS 1 Appendix C.

Poor processes for combating money laundering and terrorist financing

Money laundering and terrorist financing are a complex risk affecting several of the Group's business lines, and could in the absence of effective controls and management processes lead to the Group's involvement in criminal acts. Criminal elements utilise ever more complex methods, and the Group risks financial loss as a result of loss of reputation and trust or sanctions imposed by regulatory authorities.

Risk to the Group related to fraud is described under *Consumers and end-users*.

Disloyal servants

The Group is utterly dependent on its trust in its employees. There are many examples in the business sector of corruption committed by employees having inflicted both financial loss and reputational loss on companies. Disloyal servants may cause structural harm, depending on their motivation.

A large share of the employees have to varying degrees access to personal data and financial data through various systems. This entails an inherent risk of corruption and bribery. Disloyal servants could inflict both direct and indirect financial loss.

Breaches of IT security

The Group's services and interfaces are becoming increasingly digitalised in parallel with a constantly changing threat picture. Disruptions or interruptions in the Group's IT infrastructure are liable to lead to downtimes in critical services, digital robberies, loss of confidential information and delays or inability to deliver services. This could have complex financial consequences both for the Group and its customers.

While such risk is closely interlinked with risk of *failure to protect personal data and customer data*, there are nuances that justify their separation for easier management. This risk is described under *Consumers and end-users*.

Breaches of legislation

The Group relates to an ever more complex and broad body of regulation in areas such as IT, capital adequacy, sustainability, risk management and money laundering and terrorist financing. Breaches may occur as a result of human error in combination with poor procedures, processes or controls. The financial consequences will in large measure correlate with the degree of seriousness involved. Some breaches may attract minor fines while larger, more serious breaches will entail heavier loss. In addition, ripple effects will lead to more complex financial consequences.

Too high ambitions

The Group is concerned with having ambitious and realistic targets to strive for. This is indeed an aspect of the transition of the region of which the Group is a part. There is a risk here of failing to achieve the targets set. That risk could give rise to financial consequences through loss of reputation and potential sanctions imposed supervisory authorities in line with more stringent requirements in some areas.

The role of a driver of green transition

The Group's strategic ambition is to drive green transition through own operations, consulting, products, and services. In addition, the Group's knowledge and influence will be used to support the region and business community in the green transition. Community dividend will be allocated in a way that contributes to the transition of the region the Group is part of.

A business culture reflecting this ambition could help to motivate employees in the performance of their tasks, reinforce the innovation culture and accelerate the internal transition.

Anti-money laundring and terrorist financing

Prevention and combating of economic crime is a pivotal task for remediating the Group's inherent impact with regard to money laundering and terrorist financing.

Economic crime, including money laundering and terrorist financing is a steadily growing problem for Norway's welfare state and a threat to trustful and healthy business conduct. As the regions' largest financial services group, and a substantial operator at national level, the Group plays an important role in preventing the community and customers from becoming involved in or harmed by economic crime. The professionalisation of criminal operators, combined with ever new forms and methods of digital crime, increases the complexity of the work faced.

Økokrim's[1] threat assessment for 2024 shows an increase in economic crime committed by criminal networks, frequently in collaboration with professional facilitators such as technologists, accountants or lawyers. Economic crime is often commingled with central government activity where concealment of transaction flows may have its origin in money laundering, terrorist financing and circumvention of sanctions. Criminal operators' involvement in fraud is also an increasing trend. The Group has seen a growing volume of cases associated with money laundering and terrorist financing in 2024, some of which are, or may be, associated with criminal networks and/or originate in fraud.

The Group's companies have a statutory obligation to institute measures against money laundering and terrorist financing. The steering document was updated, revised and considered by the Board of Directors in June 2024. This sets out requirements for work on combating money laundering and terrorist financing.

Customer due diligence measures are implemented upon the establishment of customer relationships and for ongoing customer monitoring. Internal controls are performed and status reports are filed with the Board on a quarterly basis. In 2024 the focus was on enhancing process efficiency and systematic efforts were made to heighten the accuracy of electronic monitoring.

In June it was decided to acquire a new system supplier in the money laundering and terrorist financing area. The object of the procurement is to comply with regulatory requirements in combination with good, holistic customer processes. The procurement will encompass the areas of customer establishment, risk classification, ongoing customer follow-up and transaction monitoring. The platform is scheduled for implementation in the third quarter of 2025. Preparations for implementation er already under way and organised through the project "New AML platform".

In October it was decided to assemble specialist entities in the money laundering and terrorist financing field in a new organisational unit, Economic Crime and Business Support, with a new director as from 1 January 2025.

1 *National Authority for Investigation and Prosecution of Economic and Environmental Crime*

The Group's employees have undergone digital training in money laundering and terrorist financing. Themes for 2024 comprised a broad approach to money laundering and terrorist financing, a module specifically for terrorist financing, high-risk industries, and for cryptocurrency. The completion rate has been in the 94-99 per cent range.

In addition, a basis was laid for specialist training and immersion days internally and under SpareBank 1 Alliance auspices. Moreover, the Group's employees have attended relevant extramural courses and conferences.

In 2024 13,758 transactions were flagged,, comprising 24,000 transactions identified for further checks by the bank's transaction monitoring system. Of these, 804 were reported as suspicious ('MT reports') to Økokrim's financial intelligence unit in 2024. At the subsidiaries a total of 128 MT reports were dispatched.

Anti-corruption

The Group has decreed zero tolerance of any form of corruption and bribery. With a view minimising the Group's impact a steering document, procedures, processes and training programmes have been established and made available to the Group's employees, hired-in consultants and substitutes. All employees are expected to be knowledgeable of the Group's zero tolerance of corruption and bribery and its ethical guidelines.

If an offence is committed against the Group in the form of corruption or bribery, the matter is reported to the police who will attend to the investigation. The Group will conduct its own enquiries ahead of or following a possible police report. These will be carried out internally. The Group's policy on internal malpractices and corruption is reviewed annually and considered by the Board of Directors at least every third year. Quality deviations are reported directly to the Board on a quarterly basis.

Risk-based internal controls have been established to prevent corruption and bribery. Particular emphasis is given to internal controls in procurements, granting of credit, community dividend and gifts/entertainment expenses.

Where deviations or censurable circumstances contrary to ethical guidelines are identified in connection with internal controls or in other contexts, they shall be reported using established whistleblowing procedures.

The whistleblowing procedure addresses employees' rights and obligations, how whistleblowing is to be carried out, and how and by whom it is to be followed up. The procedure is described in greater detail under *Guidelines* and in the chapter *The Group's employees.*

Digital training in anti-corruption was implemented in 2024.

- The nano learning course "Duty of confidentiality" addressed types of information that are subject to confidentiality, and how the employee should deal with and relate to the duty of confidentiality. The course was held in August, and 91 per cent of the Group's employees had completed the course by the end of the year.

- The ethics week was held at the turn of December. The theme for 2024 was a review of the Group's ethical guidelines and the appurtenant four main principles and ten rules of conduct. 96 per cent of the Group's employees had completed the ethics programme by the end of the year.

In the period December 2022 to January 2023, a hired-in substitute committed gross embezzlement at SpareBank 1 SMN. The criminal case has been ongoing in 2023 and 2024, with a final conviction delivered in the Supreme Court. In 2024 no cases of employee involvement in corruption or bribery were brought to light.

Data- and cyber-security

Data- and cyber-security are closely linked to other security challenges in today's digital society, including geopolitics, global and local value chains and crisis management. The Group's reputation, and the trust and confidence we enjoy in the market, are impacted by the Group's digital defence and robustness in the face of cyberattacks and denials of service by criminal actors. Customers regard data- and cyber-security as a basic premise for their bank, and a lack of quality and compliance could lead to loss of existing and new customers alike.

For the Group, the work on data- and cyber-security is a continuous and particularly important effort. It is crucial to delivering services of high quality, complying with current laws and regulations, maintaining confidence and credibility as a financial services group, and protecting customers' security in the best possible manner.

The threat picture in 2024

Geopolitical unrest marked the threat picture in 2023, and has also characterised 2024 owing to the ongoing wars in Ukraine and Gaza. It remains a concern that some warring parties in the above conflicts could endanger the Group's services or shared financial infrastructure through targeted or arbitrary digital attacks.

The Group finds itself in a period in which an economic situation under pressure puts a heavier burden on individuals and financial institutions alike. Such conditions also affect the threat picture in the data- and cyber-security sphere, and the work being done to strengthen and maintain digital resilience. The Group and the SpareBank 1 Alliance have experienced several denials of service in 2024. The motives for such attacks are often political, and the attacks often unfold differently from those that are financially motivated. Threat actors' objective is to sabotage or create disquiet and uncertainty around bank services' stability and availability.

Focus and priorities

Digital value chain security has had high priority in 2024. Digital value chains are complex, can traverse national borders and include several layers of sub-suppliers. An overview of the digital infrastructure and its components is a challenge to maintain since more and more systems need to function and communicate together, at the same time as differing suppliers are utilised. Criminal actors will continue to attempt to exploit supplier chains' lack of transparency, which is why it is imperative to closely monitor suppliers' security as well as our own.

Card and bank ID information remains attractive for criminal actors intent on using the information for personal gain. The Group therefore gives high priority to security architecture and new security solutions. The SpareBank 1 Alliance has again in 2024 reinforced competencies and capacity in the cybersecurity sphere. Security-technical assessments and experience are exchanged in the Alliance's security committee which draws security professional from various companies in the SpareBank 1 Alliance.

The Group's focus is on data- and cyber-security at the technical, human and organisational level. Alongside technical security measures, work on a good security culture is at centre stage through attitude-moulding efforts and awareness-raising and training initiatives. The SpareBank 1 Alliance's established competence-building and attitude-moulding programme for information security, Passopp, strengthens the security culture, and attendance is compulsory for the Group's employees. Results from Passopp are made active use of to plan and prioritise future competence-building and attitude-moulding courses in the security sphere. In 2024 the focus was on cyber threats, digital footprints, confidentiality and security in an uncertain world. A total of 93 per cent of the Group's employees have completed all course programmes.

At the organisational level the Group has high capacity to ensure business continuity and reliable services. Information security in the context of physical bank premises, coordination and cloud services has a particular priority.

The IT and Security Department (ITS) is responsible for the Group's IT security and also largely performs the operative tasks in this area. The ITS controls access to systems and data, is responsible for servers' physical security, correct access level for employees, software to protect systems and services against unauthorised access and for backup of locally stored data.

In addition, the Group cooperates closely with SpareBank 1 Utvikling as executing partner in a number of areas, including cybersecurity and round-the-clock security monitoring and incident reporting. TietoEvry delivers a shared client-server platform to the SpareBank 1 Alliance. This ensures that recent versions of operative systems are in use and that the systems are supported by general updates at least once a month and by security updates on an immediate basis.

Regulations on the use of information and communication technology (ICT Regulations) guide the work on information security, and SpareBank 1 SMN is regularly audited by both the internal and external audit functions in accordance with those regulations. The financial industry will be encompassed by the EU's Digital Operational Resilience Act (DORA) in 2025, which will strengthen financial institutions' digital resilience through ICT risk management.

Digital Operational Resilience Act (DORA)

The Digital Operational Resilience Act (DORA) is a Europe-wide body of rules which defines and harmonises requirements on the financial industry's management and assessment of IT risk. Its object is to strengthen the financial industry's operational digital resilience. It is as yet unclear when DORA will enter into force in Norway.

Despite the uncertainty, the Group has already started work to gain an overview of the gap between today's ICT practice with regard to ICT risk management practice and the requirements of DORA. Work on closing these gaps in the period up to the introduction of the act is ongoing. Establishing a framework for ICT risk management in accordance with the requirements of DORA has been a priority in 2024. Operationalisation and integration will be a continuing process in 2025.

Targets and KPIs

Several of the Group's IROs have received much attention for a number of years, and feature various forms of dedicated targets and KPIs. However, the process remains of adapting the latter to the nuances of the Group's material IROs, and to the minimum disclosure requirements (MDRs) of ESRS 2 and disclosure requirements (DRs) of ESRS G1.

Excessive ambitions are a risk that will not have a dedicated target or KPI, but will be reflected in other targets and KPIs. This also applies to the risk of breaching regulatory requirements and the opportunity inherent in the role of driver of green transition.

This is the backdrop to why the Group this year has not drawn up or adapted targets or KPIs linked to the Group's IROs in line with the MDRs of ESRS 2. This work will be organised in various planning processes, and will continue in 2025.

Based on the Group's 2022 materiality assessment, alternative performance measures (APMs) were attached to sustainability. These have applied up to and including 2024, and are to be updated in the coming period. A complete table with an overview of the Group's APMs for sustainability, and detailed descriptions of the APMs, is shown in *Key figures* at the beginning of this annual report.

Sustainability APM's	Target 2024	Results 2024
Share of managers and employees having completed e-learning course in AML and anti-terrorist financing	100%	95%
Category score for sustainability in WinningTemp[1]	8	7.3
Share of managers and employees having completed e-learning course in ethics	100%	93%
Share of managers and employees having completed e-learning course in information security	100%	93%

1) Digital platform to measure and improve employee engagement, well-being and performance

Action plans and measures

Several of the Group's IROs are already integrated into systematic processes, procedures and tasks which are implemented in connection with the management of anti-corruption, data- and cyber-security and anti-money laundering and terrorist financing. In 2024 several measures were taken which help to manage impacts and risks in these areas. These measures are described more fully under the respective chapters above.

However, concrete action plans have not been drawn up in keeping with the MDRs of ESRS 2. Several of the Group's present plans will require only small adjustments to comply with the MDRs. This work will be ongoing in 2025.

Policies

The Group has a number of policies with regard to the Group's material IROs. All policies are available to the employees in internal systems where roles and responsibilities are explicitly described. To the extent that they are relevant for external stakeholders, the policies are available on the Group's website.

While none of the policies are fully in line with the MDRs of ESRS 2, the majority will require only minor updates. All policies referred to below will in the coming period be reviewed, revised and approved by the Board of Directors with a view to meeting these requirements.

Policy on measures to combat money laundering and terrorist financing

Measures to combat money laundering and terrorist financing are designed prevent and detect money laundering and terrorist financing. The measures that are implemented ensure the Group's compliance with applicable requirements of laws and regulations at all times. The policies encompass all obliged entities in the Group, and observe a number of overarching principles by which risk assessments, procedures, customer measures, training programmes, reporting, exchange of information and personal data are regulated.

The Group is required to have in place updated procedures in the money laundering area, and procedures and policies are updated as and when changes in the risk assessments so require. A review of applicable procedures and policies is conducted at least once yearly.

Policy on internal malpractices and corruption

This policy describes the overarching requirements set by the Group management with regard to internal control and communication procedures to prevent, detect and manage the risk of internal malpractices and corruption. The policy makes for predictability and equal treatment in cases that may involve internal malpractices and corruption.

The policies apply to all employees and consultants who perform tasks on behalf of the Group. Breaches of the policies will prompt sanctions against the individual concerned, and notification is given using the Group's internal notification (whistleblowing) channels referred to under *The Group's employees*.

Guiding principles for the Group's work on internal malpractices and corruption are:

- The Group has zero tolerance of any form of corruption and bribery.
- The Group has zero tolerance of any form of employee transaction for own account
- The Group and the Group's staff members shall not make use of internal malpractices or corruption to promote the Group's or their own interests.
- The Group shall maintain an active stance on ethics, and on measures to prevent internal malpractices and corruption
- The Group and the Group's staff shall contribute actively to the prevention of internal malpractices and corruption.
- The Group shall not make so-called political contributions in the form of monetary support to political parties or causes.
- The Group and the Group's staff shall display particular diligence and caution in their interaction with authorities and government employees, including in connection with government procurement processes and with applications for approvals, permits and licences.
- An absolute prohibition applies to the falsification of financial statements, other reports in the public domain, reporting to public authorities and all other documentation.

Competency enhancement and training are a part of the Group's annual ethics update, onboarding of new staff members and other attitude-moulding activities. Fuller descriptions are provided in *Note 1: Competency enhancement*.

The policy against internal malpractices and corruption has not been drawn up with an eye to the *United Nations Convention against Corruption*, but complies with several of the Convention's requirements. The Convention will be used as a basis for updating the said policy. The policy existing on the reporting date is in the Group's opinion adequate to meet internal and external stakeholders' requirements and expectations as regards internal malpractices and corruption.

Policy for information security

The object is to ensure a systematic and risk-based approach to information security requirements and procedures, to continuously improve and increase the Group's digital resilience and to reduce vulnerabilities and the risk of information security events. The policy shall ensure that information security targets and principles support the Group's strategic objectives and increase digitalisation and use of data-driven insight. The policy regulates general security requirements such as security architecture, IT systems and IT infrastructure, information classification, security culture, access control, and development and use of AI. AI has dedicated principles for use in the Group. The policy is regularly updated in response to changes in the threat picture, regulatory changes and new technological solutions, including use of artificial intelligence.

The Group has a dedicated policy for the outsourcing of IT services. Outsourcing of critical or important services is a matter for the board of directors and is notified to Finanstilsynet (Norway's Financial Supervisory Authority). A fuller description is given under *Consumers and end-users*.

Code of conduct

The code of conduct deals with attitudes and values and is designed to promote an awareness of and compliance with the ethical standard required of employees of the Group in their daily decision making. At the same time, employees who represent the Group are encompassed by the policy rules and are expected to familiarise themselves with them and to act in accordance with them.

Four main principles on confidentiality, financial independence, loyalty and personal integrity apply with the following ten ethical rules of conduct:

- We observe the duty of confidentiality
- We maintain a professional relationship to customers, suppliers, competitors and the world at large
- We avoid conduct which may harm the Group's reputation
- We maintain our capacity and impartiality and an awareness of conflicts of interest
- We keep our personal finances in order
- We strive actively to achieve a good working environment characterised by mutual trust and respect
- We are consciously aware of how we communicate
- We give notification of our business or board activities, which must be approved by the Group

- We observe the Group's whistleblowing procedures
- We do not tolerate corruption

If deviations or breaches of the Group's ethical policies are brought to light the employee is entitled, and in some cases obliged, to give notification. Notification (whistleblowing) is effected using the same notification procedures and channels as those available for notification of other deviations and breaches.

Whistleblowing procedure

The object of this policy is to ensure that the worker's right to present notification of censurable circumstances is respected. Examples of censurable circumstances are:

- danger to life or health
- danger to climate or environment
- corruption or other financial criminality
- misuse of authority
- unsatisfactory working environment
- harassment, discrimination
- breach of personal data security
- material breach of the bank's management and control procedures
- deficient compliance with the Group's policies and procedures

Statements concerning circumstances which solely apply to the worker's own employment relationship are not regarded as notification (whistleblowing) in this context, unless the circumstance is encompassed by an item listed above. The procedure contains information on the worker's right, and possible obligation, to give notification both internally and externally, to whom notification shall be given, how notification should be presented and how notification should be managed, including requirements as to confidentiality and protection against retaliation.

Policies on sustainable agriculture

The policy shall make certain that the Group's financing of the agriculture sector – including farming, forestry, animal husbandry and further processing of raw materials – helps to ensure that a farm property is passed on in a better condition than when the present holder took it over. Animal husbandry is at centre stage for many farm operators who are financed by the Group, and the policy aims to encourage the Group to set the stage for improved animal husbandry through increased investment by farm operators in new buildings and their conversion of existing buildings to permit animal husbandry that more than meets the requirements of legislation.

The policy provides guides as to activities financed by the bank, according to which animal husbandry must be practised in accordance with applicable legislation and animals' five freedoms. It also requires the Group's agriculture advisers, in their advice and granting of credit, to take into account potential risks of maltreatment or serious neglect in supervision and care, and financial problems as a contributor to poor animal welfare.

Note 1: Competency enhancement

The tables below deal with competency enhancement in business conduct and economic crime, including corruption, bribery, anti-money laundering and terrorist financing. The figures show the number of hours devoted to competency enhancement in given areas of relevance to anti-money laundering and terrorist financing, and corruption risk. These hours are a part of the overall competency enhancement described in *Note 3: Competency enhancement* under *The Group's employees.*

Update on the Group's code of conduct

Each year all Group employees undergo a mandatory ethics update as a means of promoting ethical awareness and professional integrity and ensuring responsible performance of the Group's business activities. The theme for the 2024 ethics week was the Group's ethical policies, the appurtenant four main principles and ten rules of conduct.

	Economic crime[1]	Functions-at-risk[2]	Group Manage-ment	Other	Total
Offered	39	449	3	151	642
Total receiving training	36	414	3	142	595
Completion rate	93%	92%	100%	94%	93%
Type of training					
Physical[3]	0	0	0	0	0
Digital	36	414	3	142	595
Frequency					
Digital courses	Yearly	Yearly	Yearly	Yearly	

1) The division for Economic crime and business support is a result of the "One SMN 2.0" project and has been established as a separate division from January 1, 2025. The division consists of employees whose main tasks are focused on anti-money laundering and anti-terrorist financing.

2) Employees with access to customer systems, control systems, or who, in the course of their work, have a legitimate need for such systems. Anti-money laundering and anti-terrorist financing are part of their responsibilities.

3) No physical ethics courses have been conducted during the reporting period.

Governing bodies' competency as regards performance of the business is considered good. All members of the Group management have undergone the 2024 ethics update. The Board of Directors have not attended the ethics update for 2024, but are considered to be adequately covered by current or prior management roles in a broad range of substantial companies and industries where ethics is, and has been, at centre stage. The Board of Directors is well acquainted with the Group's ethical framework.

Ethical issues are discussed and considered by the Group Management, the Risk Committee and the Board of Directors as and when the need arises. More information about governing bodies is provided under *General Information.*

Update on anti-money laundering and terrorist financing

Employees with access to customer systems and/or control systems, or who have an official need for such access, are in larger measure exposed both to corruption risk and money laundering risk. For that reason these areas of responsibility are subject to larger degree of competency enhancement as regards economic crime and its management.

	Economic crime[1]	Functions-at-risk[2]	Group Manage-ment	Other	Total
Offered training	331	1,654	9	444	2,438
Total receiving training	316	1,576	9	416	2,317
Completion rate	96%	95%	100%	94%	95%
Type of training					
Physical[3]	0	0	0	0	0
Digital	316	1,576	9	416	2,317
Frequency					
Digital courses	Multiple times per year	Multiple times per year	Multiple times per year	Multiple times per year	

1) The division for economic crime and business support is a result of the "Ett SMN 2.0" project and has been established as a separate division from January 1, 2025. The division consists of employees whose main tasks are focused on anti-money laundering and anti-terrorist financing.

2) Employees with access to customer systems, control systems, or who, in the course of their work, have a legitimate need for such systems. Anti-money laundering and anti-terrorist financing are part of their responsibilities.

3) Several employees of the Group in the division for economic crime and business support have participated in seminars, and other in-person training. However, this has not been recorded and is not included in the table above due to significant variations and uncertainty.

Eight of ten Directors have completed a general update on anti-money laundering and terrorist financing in the reporting period.

Headquarters, Trondheim

Financial reports

Financial results

Macroeconomic conditions

The inflation that marked the world economy in previous years subsided through 2024, and the larger central banks have reduced their monetary policy tightening in the course of the year. Geopolitical turbulence continues to generate uncertainty as to macroeconomic developments, with wars in Ukraine and the Middle East. Increased uncertainty also attends protectionist measures which are liable to impede international trade and economic growth in the period ahead.

In Norway the base rate has remained unchanged at 4.50 per cent due to low unemployment, a weak krone and inflation above the central bank's operating target. Value creation in the mainland (non-oil) economy rose 0.7 per cent against 2023 and the wholly unemployed share of the labour force climbed from 1.9 per cent to 2.0 per cent. Wage growth ended 2024 at 5.3 per cent.

Price growth in Norway, in terms of the consumer price index (CPI), was 3.1 per cent in 2024, a decline of 2.4 percentage points from 2023. Annual growth in the consumer price index adjusted for taxes and excluding energy (CPI-JAE) was reduced from 6.2 per cent in 2023 to 3.7 per cent in 2024. Twelve-month growth in credit to households (C2) rose from 3.4 per cent in 2023 to 3.7 per cent in 2024. Norges Bank expects credit growth to be moderate again in 2025.

Norges Bank's monetary policy report of December 2024 indicated a gradual reduction in the base rate from the current level of 4.5 per cent, with the first rate cut in March 2025. At the same time the central bank drew attention to macroeconomic uncertainty both nationally and globally due to the risk of international trade barriers and uncertainty with regard to wage and price growth.

Regional: Trøndelag and Møre og Romsdal

Unemployment edged up through 2024, from particularly low levels. The wholly unemployed share of the labour force was 1.8 per cent both in Trøndelag and in Møre og Romsdal at the end of 2024.

SpareBank 1 SMN's industry indicator for the second half of 2024 shows a continued sluggish trend in the building and construction industry. Expectations of real wage growth again in 2025 make for improved prospects for retail trade.

Accounts 2024

(*Consolidated figures. Figures in parenthesis refer to the same period of last year unless otherwise stated).*

- Pre-tax profit: NOK 5,647m (4,484m)
- Net profit: NOK 4,591m (3,688m)
- Return on equity: 16.6 per cent (14.4 per cent)
- Without the NOK 452m gain related to the merger between Fremtind and Eika Forsikring, the net profit would have been NOK 4,139, and return on equity 15.0 per cent
- Growth in lending: 5.5% (11.9 per cent) and in deposits: 6.0 per cent (8.9 per cent) in the last 12 months
- Growth in lending to the bank's retail customers was 5.0 per cent (13.1 per cent) in the last 12 months.
- Growth lending to corporates was 7.5 per cent (10.4 per cent) in the last 12 months
- Lending to wage earners accounts for 67 per cent (68 per cent) of total lending
- Deposits from retail customers rose 7.5 per cent (17.6 per cent) in the last 12 months.
- Deposits from corporate clients rose 10.7 per cent (0.1 per cent) in the last 12 months
- Net result of ownership interests: NOK 1,254m (297m)
- Net result of financial instruments (incl. dividends): NOK 103m (402m)
- Losses on loans and guarantees: NOK 176m (14m), 0.07 per cent (0.01 per cent) of gross lending
- Book value per EC: NOK 128.09 (120.48)
- Earnings per EC: NOK 20.60 (16.88)
- The board of directors proposes a cash dividend of NOK 12.50 per EC (12.00) which is 61 per cent of the net profit, and a community dividend of NOK 896m (860m)

SpareBank 1 SMN posted a net profit NOK 4,591m (3,688m) and a return on equity of 16.6 per cent (14.4 per cent) as at 31 December 2024. Earnings per equity certificate (EC) were NOK 20.60 (16.88).

Net interest income came to NOK 5,373m (4,732m). The base rate has remained unchanged at 4.50 per cent since December 2023. The bank has carried out general interest rate increases on loans and deposits in line with Norges Bank's hikes, and the latest rate increase was given effect in the first quarter 2024. Compared with 2023, lending margins in the retail market have strengthened while deposit margins have concurrently weakened. Margins in 2023 were heavily impacted by the notice to borrowers required in connection with Norges Bank's base rate hikes.

Net commission income was NOK 2,392 m (2,085m). Income from accounting and estate agency services rose by NOK 72m and 73m respectively compared with 2023. Income from insurance products and payment transfers have risen concurrently. Net commission income excluding the captive mortgage companies has increased by NOK 184m from 2023. Higher margins on loans sold to SpareBank 1 Boligkreditt have increased commissions from this mortgage company by NOK 113m.

The net result from ownership interests was NOK 1,254m (297m). The growth in profit from ownership interests is due mainly to recognition of NOK 452m related to the merger between Fremtind and Eika Forsikring and to strong profit contributions from BN Bank and reclassification of SpareBank 1 Markets as a related company. The net result from financial instruments and dividends was reduced from NOK 402m in 2023 to NOK 103m in 2024. The reduction is attributable to disinvestment from SpareBank 1 Markets in the fourth quarter 2023.

Group expenses were NOK 3,300m (3,018m) in 2024. The expenses picture in 2023 reflected merger costs and expensing of the embezzlement affair. In 2024 expenses rose as a result of initiatives and investments made through 2023. The bank's overall expenses in 2024 are 6.4 per cent higher than in 2023. When adjusted for increased capital tax and the one-time expense related to employer national insurance contributions in the fourth quarter, expense growth in the bank is 4.5 per cent. At Group level expenses for the year are 9.3 per cent higher than last year, of which 55 per cent of the increased costs refers to the subsidiaries.

As at 31 December loan losses total NOK 176m (14m). Losses on loans to corporate customers amounted to NOK 139m in 2023 (6m). The corresponding figure for personal customers is a loss of NOK 37 (8m).

Lending growth in the Group was 5.5 per cent (11.9 per cent) in 2024. Growth in lending to the bank's retail segment was 5 per cent (13.1 per cent). Lending to the bank's corporate customers rose 7.5 per cent (10.4 per cent). Deposits rose 6.0 per cent (8.9 per cent). Deposits from personal customers rose 7.5 per cent (17.6 per cent). Deposits from corporate customers climbed 10.7 per cent (0.1 per cent). Treasury deposits were reduced over the course of the year as part of the bank's liquidity management.

Proposed distribution of net profit

It is the Group's results exclusive of interest on hybrid capital, along with non-controlling ownership interests' share of the profit, which comprise the basis for distribution of the net profit for the year; the distribution is done at the parent bank.

The net profit is distributed between the ownerless capital and the equity certificate (EC) capital in proportion to their relative shares of total equity. Earnings per equity certificate were NOK 20.60. Given the bank's solid capitalisation, regulatory changes and prospects for profitable operation, the board of directors recommends a cash dividend of NOK 12.50 per equity certificate (EC). This makes for a payout ratio of 61 per cent of the Group's net profit. The bank's long-term dividend policy is to distribute about 50 per cent of distributable profit. This policy stands firm.

The board of directors further recommends an allocation of NOK 896m to community dividend. Of this amount, NOK 240m is to be transferred to non-profit causes and NOK 656m to the foundation Sparebankstiftelsen SMN. NOK 206m and NOK 102m are to be transferred to the dividend equalisation fund and the ownerless capital respectively

	2024	2023
Profit for the year, Group	4,591	3,688
Interest hybrid capital (after tax)	–137	–122
Profit for the year excl interest hybrid capital, Group	**4,454**	**3,566**
Profit, subsidiaries	–387	–408
Dividend, subsidiaries	117	302
Profit, associated companies	–1,254	–297
Dividend, associated companies	201	391
Group eliminations	14	2
Profit for the year excl interest hybrid capital, Parent bank	**3,146**	**3,557**

Distribution of profit	**2024**	**2023**
Profit for the year excl interest hybrid capital, Parent bank	3,146	3,557
Transferred to/from revaluation reserve	–139	–37
Profit for distribution	**3,007**	**3,520**
Dividends	1,803	1,731
Equalisation fund	206	621
Saving Bank's fund	102	308
Gifts	896	860
Total distributed	**3,007**	**3,520**

The parent bank's disposable profit includes dividends received from subsidiaries, related companies and joint ventures, and is adjusted for interest expenses on hybrid capital.

Subsidiaries are fully consolidated in the Group accounts, whereas profit shares from related companies and joint ventures are consolidated using the equity method. Dividends are accordingly not included in the Group results. The net annual profit for distribution reflects changes of NOK 139m in the unrealised gains reserve.

The total amount for distribution is accordingly NOK 3,007m. After distribution of the net profit for 2024, the ratio of EC capital to total equity remains 66.8 per cent.

Net interest income

Net interest income totalled NOK 5,373 million (4,732 million). After a substantial base rate hike from autumn 2021 to December 2023, the base rate was kept unchanged at 4.50 per cent throughout 2024. NIBOR has been relatively stable at about 4.70 to 4.75 per cent through the year.

Compared with last year, average margins on loans to personal customers have risen. This is mainly because lending margins in 2023 were impacted by the notice to borrowers required in connection with Norges Bank's base rate hikes. Deposit margins in the personal market have the opposite effect: a decline was noted as a result of stable market interest rates and an increase in the share of deposits placed in savings accounts.

Lending growth, in both the personal and corporate market, has contributed to increased net interest income. In addition, a high interest rate level has a positive effect on return on the bank's equity capital.

Commision income and other operating income

SpareBank 1 SMN's strategy of exploiting the breadth present in the Group and expanding interaction across the respective business lines stands firm. This is achieved inter alia through co-location of services in finance centres. A high proportion of multi-product customers contributes to a capital-efficient, diversified income flow and high customer satisfaction.

Commission and other income (NOKm)	**2024**	**2023**	**Change**
Payment transmission income	354	330	25
Credit cards	71	61	10
Commissions savings and asset mgmt	49	43	6
Commissions insurance	263	253	10
Guarantee commissions	65	60	5
Estate agency	505	432	73
Accountancy services	733	661	72
Other commissions	67	76	-10
Commissions ex. Bolig-/Næringskreditt	**2,106**	**1,915**	**192**
Commissions Boligkreditt	272	155	117
Commissions Næringskreditt	14	15	-1
Total commission income	**2,392**	**2,085**	**307**

Commission income excluding the captive mortgage companies rose by NOK 192m compared with 2023. Income from estate agency and accounting services show the largest increase from last year. Commission income excluding mortgage companies rose 10.0 per cent compared with 2023.

In the case of loans sold to the captive mortgage companies SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, the bank receives a commission corresponding to the loan interest less the funding and operating expenses of those companies. The increase of NOK 116m from 2023 is down to the previously mentioned notice required of interest rate changes through 2023.

Return on financial investments

Return on financial investments was NOK 70m (376m) in 2024.

The gain on shares is related to unrealised value changes, and totalled NOK 90m. The gain on shares in 2023 was driven primarily by NOK 414m related to the disinvestment from SpareBank 1 Markets.

Financial instruments, including bonds and CDs, showed a capital loss of NOK 120m (capital loss of 196m) while income from foreign exchange transactions totalled NOK 100m (108m).

Return on financial instruments (NOKm)	**2024**	**2023**	**Change**
Net gain/(loss) on stocks	90	464	-374
Net gain/(loss) on financial instruments	-120	-196	76
Net gain/(loss) on forex	100	108	-9
Net return on financial instruments	**70**	**376**	**-306**

Associated companies

SpareBank 1 SMN has a broad and well-diversified income platform. The Group offers its customers a broad product range through product companies, both through direct ownership and through ownership of SpareBank 1 Gruppen, which provide commission income along with return on invested capital.

The overall profit share from the product companies and other related companies was NOK 1,254m (297m) in 2024.

Income from investment in associated companies (NOKm, SMN's share in parentheses)	2024	2023	Change
SpareBank 1 Gruppen (19,5 %)*)	226	-34	260
Gain from merger Fremtind/Eika Insurance	452	-	-
SpareBank 1 Boligkreditt (23,2 %)	129	98	31
SpareBank 1 Næringskreditt (12,7 %)	14	10	4
BN Bank (35,0 %)	302	257	45
SpareBank1 Markets (39,9 %)	89	19	70
SpareBank 1 Kreditt (17,9 %)	-10	-13	3
SpareBank 1 Betaling (21,9 %)	-19	-37	18
SpareBank 1 Forvaltning (21,5 %)	54	35	19
Other companies	15	-38	53
Total associated companies	**1,254**	**297**	**957**

SpareBank 1 Alliance

The SpareBank 1 Alliance is Norway's second largest financial services grouping. It is a banking and product collaboration designed to ensure the banks in the SpareBank 1 alliance economies of scale and access to competitive financial services and products. The Alliance collaboration is driven through its ownership of SpareBank 1 Gruppen which owns and manages several of the product companies, and through its participation in SpareBank 1 Utvikling which develops and delivers shared products and services.

SpareBank 1 Gruppen posted a net profit of NOK 2,262m (251m) in 2024, of which SpareBank 1 SMNs share of the controlling interest's net profit was NOK 226m (minus 34m). The merger between Fremtind Forsikring and Eika Forsikring resulted in a gain of NOK 452m in third quarter. The overall profit contribution from SpareBank 1 Gruppen was thus NOK 678m.

The most important companies in SpareBank 1 Gruppen (SpareBank 1 Gruppen's holding in parenthesis)

- **Fremtind Forsikring (51,4 per cent)** offers non-life and personal insurance coverage and is headquartered in Oslo. The company posted a profit of NOK 2,382m after tax (1,200m).
- **SpareBank 1 Forsikring (100 per cent)** s a pension company headquartered in Oslo. The company mainly offers contribution-based occupational pensions, collective disability insurance and private pension saving. SpareBank 1 Forsikring reported a net profit of NOK 355m (208m) in 2024.
- **SpareBank 1 Factoring (100 per cent)** offers administrative and financial factoring services. The company is headquartered in Ålesund. The company posted a net profit of NOK 87m (81m).
- **Kredinor (69,0 per cent)** is Norway's largest debt collection company and a subsidiary of SpareBank 1 Gruppen. Sparebank 1 Gruppen has from 1 May recognised NOK 39 million kroner before taxes from Kredinor.

SpareBank 1 Forvaltning delivers products and services to a broad range of clients in the field of capital management and securities services. SpareBank 1 SMN's profit share in 2024 was NOK 54m (35m).

SpareBank 1 Boligkreditt is a mortgage company that issues covered bonds secured by residential mortgages with a view to stable financing and low financing costs. SpareBank 1 SMN's profit share was NOK 129m (98m) in 2024.

SpareBank 1 Næringskreditt is a mortgage company that issues covered bonds secured by commercial mortgages with a view to stable financing and low financing costs. SpareBank 1 SMN's profit share was NOK 14m (10m) in 2024.

SpareBank 1 Kreditt offers unsecured finance to retail customers. SpareBank 1 SMN's profit share in 2024 was minus NOK 10m (minus 13m). From 2025, the company has merged with Eika Kredittbank, obtained a banking licence, and operates under the name Kredittbanken.

BN Bank offers residential mortgages and loans to commercial property and its main market is south-eastern Norway. SpareBank 1 SMN's share of BN Bank's net profit was NOK 302m (257m) i 2024.

SpareBank 1 Markets is a leading Norwegian investment firm. The company offers services in the fields of equity and credit analysis, equity and bond trading and services in the corporate finance area. SpareBank 1 SMN's share of SpareBank 1 Markets' profit was NOK 89m in 2024.

SpareBank 1 Betaling is the SpareBank 1 banks' parent company in Vipps AS. SpareBank 1 SMN's profit share was minus NOK 19m (minus 37m) in 2024.

Operating expenses

The Group aims for a cost-income ratio below 40 per cent at the bank and below 85 per cent at the subsidiaries EiendomsMegler 1 Midt-Norge and SpareBank 1 Regnskapshuset SMN. The cost-income ratio is defined as the ratio of operating expenses to net interest income and commission and other income.

The bank's cost-income ratio was 34.5 per cent in 2024 (37.7 per cent). The corresponding figure for EiendomsMegler 1 Midt-Norge and SpareBank 1 Regnskapshuset SMN were 86.5 (91.0) and 90.8 (85.0) per cent respectively.

Operating expenses (NOKm)	**2024**	**2023**	**Change**
Personnel expenses	1,981	1,691	290
IT costs	410	413	-3
Marketing	104	93	11
Ordinary depreciation	183	153	30
Operating expenses, real properties	48	57	-8
Purchased services	298	238	60
Merger expenses	-	64	-64
Other operating expense	275	309	-34
Total operating expenses	3,300	3,018	282

Overall group expenses rose NOK 282m from 2023, corresponding to 9.4 per cent. 55 per cent of the increase refers to the subsidiaries. Expenses in 2023 included merger and expensing of the embezzlement affair.

In 2024 expenses rose as a result of price and wage growth, staff increases and the whole-year effect of investments made through 2023.

The bank's expenses in 2024 are 6.4 per cent higher than in 2023. Expenses in 2024 are impacted by capital tax of NOK 38m (22m). The increase from 2023 is due both to a higher rate of capital tax and an increase in the value of the ownerless capital. Moreover, the fourth quarter of 2024 saw the expensing of increased employer's national insurance contributions in an amount of NOK 22m. The increase is due to the recalculation of such contributions referring to the period 2019 to 2024 as a result of incorrect application of regional differentiation of employer's national insurance contribution rates.

When adjusted for higher capital tax and the one-time expense related to employer national insurance contributions mentioned above, expense growth at the bank comes to 4.5 per cent.

Losses on loans and guarantees

The Group's losses on loans and guarantees totalled NOK 176m (14m) in 2024, where losses on loans and guarantees in the parent bank is NOK 156m and at SpareBank 1 Finans Midt-Norge NOK 20m.

Losses in 2024 break down to NOK 7m in Stage 1 and 2 and NOK 169m in Stage 3. Losses in the period measured 0.07 per cent of total outstanding loans. (0.01 per cent)

Losses	**2024**	**2023**	**Change**
RM	36	-6	42
CM	120	-66	186
SpareBank 1 Finans Midt-norge	20	86	-66
Total impairment losses	**176**	**14**	**162**

Overall impairment write-downs on loans and guarantees as at 31 December 2024 amount to NOK 981m (995m), corresponding to 0.54 per cent (0.59 per cent) of gross lending.

The bank's loan portfolio is of good credit quality. The portfolio comprises NOK 177,871 m (167,777m) in Stages 1 and 2, corresponding to 99.11 per cent. Loans in Stage 3 total NOK 2,231m (2,085m), corresponding to 0.89 per cent (0.88 per cent) of gross outstanding loans, including loans sold to the captive mortgage companies.

Results from business lines

Personal customers

The Retail Banking Division is the Group's largest business line with more than 300,000 personal customers. It has about 480 staff dispersed across 45 offices who advise the Group's customers in the fields of financing, saving and investment, insurance, and everyday banking services. In addition, the Group has 30 specialists with spearhead competence in wealth management and private banking.

Retail Banking has a loan portfolio of NOK 175bn distributed across residential mortgages (NOK 160bn) and loans to agricultural customers (NOK 13bn), and a deposit portfolio of NOK 69bn. In its core catchment area, Trøndelag and Møre og Romsdal, the Group has a share of 31 per cent of the market for mortgage collateral, and on a national basis a market share of just over 5 per cent.

Around 70 per cent of the Group's loan portfolio consists of residential mortgages. For the Group to achieve its long-term goal and ambition of net zero emissions by 2050, a transition of this portfolio is necessary. As of the end of 2024, green mortgages amount to NOK 7.3 billion, representing 4.6 per cent of total residential mortgages, up from 4.1 per cent at the beginning of the year.

Retail Banking is under way on developing advisory tools designed to contribute to a more energy-efficient mortgage portfolio. An effort is being made to gain access to good property data providing correct information on energy ratings of dwellings in which the bank holds collateral. This enables the adviser to provide better advice to the customer. For the customer, “Min Bolig” (‘My dwelling’) in the mobile and internet bank provides an overview of characteristics of one’s home with an impact on both the community and own finances.

In 2024, 20 sessions were held with a success rate of 65 per cent with the bank’s financial health team. The mission of the financial health team is to provide better and more targeted crisis preparedness to customers struggling with unmanageable debt problems. This assistance is provided by an interdisciplinary team comprising internal and external personnel skilled in financial advice, debt advice and psychology. By this means the Group takes responsibility for each and every customer, but also an important societal responsibility.

In 2024 customers’ sustainability preferences were identified using a suitability assessment that is a mandatory aspect of all investment advice.

The Retail Banking Division prioritises balanced growth, as reflected in growth figures for 2024, viz. 5.0 per cent lending growth and 7.5 per cent deposit growth. A focus on deposits in advisory services lends robustness to the bank’s earnings and heightens customers’ financial security in the form of increased buffer capital.

Profit and loss account (NOKm)	**2024**	**2023**
Net interest	2,448	2,333
Comission income and other income	823	699
Total income	3,271	3,032
Total operating expenses	1,392	1,294
Ordinary operating profit	**1,879**	**1,738**
Loss on loans, guarantees etc.	36	–4
Result before tax including held for sale	**1,843**	**1,742**

Balance		
Loans and advances to customers	175,120	166,713
Adv.of this sold to SB1 Boligkreditt and SB1 Næringskreditt	–67,972	–64,892
Deposits to customers	69,449	64,601

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 Alliance, the country’s largest provider of estate agency services. The company has approx. 260 staff distributed across some 30 offices throughout Trøndelag and Møre og Romsdal. The company provides purchase, sale, advisory and project management services in the fields of existing homes, commercial property, new builds, rental and agricultural brokerage. Brauten Eiendom has specialist competence in property organisation (conversion, subdividing etc.).

The company has about 6,500 transactions annually in its catchment area, comprising a market share of just under 40 per cent for Trøndelag and Møre og Romsdal. The bulk of transactions are in the market for existing properties. New builds and commercial property account for approximately 15 per cent of total turnover. The Trondheim market area accounts for just over 40 per cent of the total market area. The company is the largest actor in EiendomsMegler 1 Alliance.

In recent decades the company has focused on change processes in order to be at the forefront of developments in its field. Estate agency has become more and more digitalised in recent years, and increased work-process efficiency has been important in delivering good results for customers, employees and owners. This effort continues in 2025 along with the implementation of sustainability in annual plans and strategy.

The company delivered a turnover of NOK 512m and a net profit of NOK 71m in 2024.

EiendomsMegler 1 Midt-Norge (92,4%)	**2024**	**2023**
Total revenues	512	435
Total operating expenses	442	395
Pre-tax profit (NOKm)	**71**	**40**
Operating margin	14%	9%

Corporate customers

The Corporate Banking Division is the second largest business line in the Group with about 210 staff distributed across the head office and the districts of which the Group is a part. The business line serves a broad customer segment from the public sector to transport and other services, and commercial property and property management with services and products in deposits, financing, payments, insurance and pensions.

The business line has about 9,000 corporate customers and a loan portfolio worth NOK 69bn. A majority of the customers are small and medium-sized businesses. Each corporate customer has a dedicated customer officer who is responsible for the respective customer portfolios. For each industry an industry officer is designated with overall responsibility for customers in a given industry. This assists risk understanding, and ensures that the Group is updated on trends, developments and other industry-specific considerations likely to have a bearing on how various industries are handled.

The loan portfolio to corporate customers (including agriculture) accounts for the largest share of the Group’s financed GHG-emissions. It is here that the Group’s IROs are largely centred.

As part of the green transition for customers, process have been initiated to establish products for corporate customers related for example to transition financing. Measures have also been taken to collect emissions data at customer level, improve climate risk assessments at industry level, and build competence among both business advisers and customers.

ESG risk is defined as a driver of the traditional risks facing the Group, and is integrated into the credit risk assessment of customers, and is a standard element for the credit committee and risk management. Internal guidelines have been established for managing ESG and for the Group's business advisers. Customer's ESG risk is taken into account in repayment profile, differentiated loan disbursements, instalment profile and other loan terms and conditions. All exposures in excess of NOK 10m are assessed by mans of the SpareBank 1 Alliance's risk classification system tool, called the ESG model.

The credit quality of the loan portfolio is good. The bankruptcy rate in the region has risen, but so far with limited impact on the loan portfolio, and losses on loans and guarantees were moderate in 2024.

A strengthened input of resources in Trondheim and greater coordination with SpareBank 1 Regnskapshuset SMN spurs Corporate Banking's acquisition of market shares in Mid Norway. The establishment of a presence in Oslo has developed as planned, contributing to lending growth in selected segments where SpareBank 1 SMN offers competencies and experience.

Profit and loss account (NOKm)	**2024**	**2023**
Net interest	2,266	2,162
Comission income and other income	326	298
Total income	2,592	2,461
Total operating expenses	587	552
Ordinary operating profit	**2,005**	**1,909**
Loss on loans, guarantees etc.	120	–68
Result before tax including held for sale	**1,885**	**1,977**

Balance		
Loans and advances to customers	61,470	57,191
Adv.of this sold to SB1 Boligkreditt and SB1 Næringskreditt	–1,277	–1,576
Deposits to customers	69,734	62,988

SpareBank 1 Regnskapshuset SMN has about 625 employees distributed across 45 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 and advisory services the company offers specialist services in the fields of HR, taxes and duties, corporate governance, transaction services, sustainability reporting and advice, as well as sales and advice related to choice and implementation of various IT solutions.

The company has approximately 12,000 customers in all segments, the great majority in the SME market. Moreover, a large corporates department has been established in Trondheim, which has a service model adapted to customers with a turnover in excess of NOK 100m or who have a need for particular specialist competence.

The accounting industry is changing rapidly, and to keep pace with developments the company focuses on offering service models and services that simplify customers' everyday life. The company has achieved greater accessibility and relevance through a joint service model with the bank's Corporate Banking Department in banking and accounts. By taking into use new technology in its accounting systems and ensuring efficient work methodology on the part of the accounting adviser and the customer, the company creates value for its customers. The company's broad services portfolio, combining traditional accounting with specialist entities, means that the customer receives assistance from A to Z.

The company's advisory services contribute to customers' transition efforts in several areas:

HR consultants can help to implement measures that promote diversity, inclusion, wellbeing and engagement and reduce stress. The can also offer training programmes in which ESG is integrated, and which can support the management on various fronts. Integration of these elements into the HR strategy strengthens the social dimension of ESG and improves the organisation's overall sustainability.

The department for sustainability reporting and advisory assists with sustainability reporting and integrate this in other financial reporting enabling customers to measure and report on environmental and social impacts.

The company will continue its work on concrete sustainability reporting by establishing strategy and plans for this business line for 2025 and the years ahead. The company delivered a turnover of NOK 808m and a net profit of NOK 78m in 2024.

SpareBank 1 Regnskapshuset SMN (93,3%)	**2024**	**2023**
Total revenues	808	720
Total operating expenses	730	612
Pre-tax profit (NOKm)	**78**	**108**
Operating margin	10%	15%

SpareBank 1 Finans Midt-Norge's catchment area comprises south-east, west and mid Norway. It has a loan portfolio of NOK 13bn. The company offers leasing, commercial

loans, vendor's lien and invoice sale services to about 38,847 retail customers and 3,388 corporate clients in Norway, and has about 60 staff members.

The company markets its products through the parent banks mentioned above, dealers and direct sales. In 2024 a distribution agreement was entered into with Sparebanken Møre for distribution to retail customers. The bulk of transactions are in the second-hand market.

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. For example, heavily polluting objects will not be financed. Moreover, where green objects are concerned, specific products are offered on advantageous terms. The company will continue its work on concrete sustainability objectives in 2025.

The company delivered a turnover of NOK 453m and a net profit of NOK 298m in 2024.

SpareBank 1 Finans Midt-Norge (57,3%)	2024	2023
Total revenues	453	311
Total operating expenses	136	115
Pre-tax profit (NOKm)	20	86
Operating margin	**298**	**111**

Other companies

In addition to the above subsidiaries, the Group has four subsidiaries not belonging to specific segments in the Group's segment reporting or in the periodic reporting to the Board of Directors and Management.

SpareBank 1 SMN Invest is a fully owned subsidiary of SpareBank 1 SMN, and owns shares and units in regional growth companies and funds. The portfolio is managed together with other long-term shareholdings of the bank and will be scaled down over time and and sustainability-related objectives will therefore not be set. The company's securities portfolio is worth NOK 589 million (531 million) as at 31 December 2024.

The company's net profit in 2024 was NOK 33 million. The company has no employees.

SpareBank 1 SMN Kvartalet operates part of the Group's head office in the centre of Trondheim. The company has five employees who work in the reception, staff restaurant and conference centre.

The company's premises are a preferred arena for cultural and business activities in Trondheim. The company serves both retail and corporate customers. The staff restaurant is rented out for corporate events, Christmas parties and weddings, and in 2024 has organised corporate events such as 'Verdifulle dager' and 'Trøndelag på børs'.

The company has a focus on waste management and reduction of food waste at the staff restaurant and function rooms. Purchase of locally sourced ingredients and raw materials is also important with a view to supporting local businesses and agriculture.

The company delivered a turnover of NOK 43m and a net profit of NOK 10m in 2024.

SpareBank 1 Bygget Steinkjer AS and **St. Olavs Plass 1 SMN AS** are located in Steinkjer and Ålesund respectively, and are both owned and rented by SpareBank 1 SMN. The companies have no employees

The finance centre at Strandvegen 25 in Steinkjer has only tenants from within the Group. In keeping with the Group's focus on energy efficiency and good working conditions, extensive renovations of the building have been carried out over several years.

In 2024 energy mapping was carried out with support from Enova. This identified a number of energy efficiency measures to be implemented in 2025. In addition, processes are under way to obtain Breeam in-Use certification of the building.

At the finance centre at St. Olavs Plass in Ålesund the Group has both internal and external tenants. It is important that the premises should also meet external tenants' requirements and expectations, and extensive upgrades of the building have been carried out over several years. Energy mapping was carried out with support from Enova in 2024. In this connection a number of energy efficiency measures have been identified for implementation in 2025. Moreover, the lift was upgraded, boiler replaced and stone frontage repaired in 2024.

These companies report income of NOK 3.7m and 7.5m respectively, and an annual net profit of NOK 0.5m and 0.3m respectively.

Financial position, funding and liquidity

Total assets

The bank's total assets as at the end of 2024 were NOK 248 billion (233 billion), having increased by NOK 15 billion, or 6.4 per cent, over the last 12 months

As at 31 December 2024 loans totalling NOK 69 billion (66 billion) had been sold from SpareBank 1 SMN to the captive mortgage companies SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. These loans do not figure as loans in the bank's balance sheet. The comments covering lending growth take into account loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt.

Loans

Total outstanding loans rose in 2024 by NOK 13.0 billion, or 5.5 per cent, and stood at NOK 249.4 billion (236.3 billion) at the end of 2024.

Lending to the bank's retail customers climbed NOK 175.1 billion (166.7 billion) in 2024. Last year's figures are impacted by the merger with the former SpareBank 1 Søre Sunnmøre.

Lending to the bank's corporate segment was increased by 7.5 per cent (10.4 per cent) in 2024. Overall lending to the bank's corporate customers came to NOK 61.5 billion (57.2 billion) as at 31 December 2024. Last year's figures are impacted by the merger with the former SpareBank 1 Søre Sunnmøre.

SpareBank 1 Finans' gross loan volume was NOK 13.2 billion (12.6 billion) at the end of 2024.

(For breakdown by sector – see note 8).

Deposits

Customer deposits were NOK 140.9 billion (132.9 billion) at the end of 2024. Deposit growth in 2024 was 6.0 per cent (8.9 per cent).

Personal deposits were NOK 69.4bn (64.6bn) at the end of the year. Personal deposits rose 7.5 per cent (17.6 per cent) over the course of the year.

Deposits from the bank's corporate segment rose 10.7 per cent (0.1 per cent) in the last 12 months.

Total deposits from the bank's corporate segment were NOK 69.7bn (63.0bn) as at 31 December 2024.

The bank's money market deposits were reduced over the course of the year as part of its liquidity management.

Last year's figures are impacted by the merger with the former SpareBank 1 Søre Sunnmøre.

(For breakdown by sector – see note 35).

Funding and liquidity

SpareBank 1 SMN has ample liquidity and good access to funding. The bank follows a conservative liquidity strategy, with liquidity reserves that ensure the bank's survival for 12 months of ordinary operation without need of fresh external funding.

The bank is required to maintain sufficient liquidity buffers to withstand periods of limited access to market funding. The liquidity coverage ratio (LCR) measures the size of banks' liquid assets relative to net liquidity outflow 30 days ahead given a stressed situation. The LCR was calculated at 183 per cent (175 per cent) as at 31 December 2024.

The Group's deposit-to-loan ratio, including the captive mortgage companies SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, was 57 per cent (56 per cent) as at 31 December 2024.

The bank's funding sources and products are amply diversified. The share of the bank's overall money market funding with a maturity above one year was 83 per cent (89 per cent) at the end of 2024.

SpareBank 1 Boligkreditt and Næringskreditt are important funding sources for the bank, and loans totalling NOK 69bn (66bn) had been sold to these mortgage companies as at 31 December 2024.

At the end of 2024 SpareBank 1 SMN held NOK 13.4bn in SNP debt instruments. SNP debt measured 35.8 per cent as at 31 December 2024, and SpareBank 1 SMN met the MREL requirements by an ample margin.

Rating

The bank has a rating of Aa3 (stable outlook) with Moody's.

Financial soundness

The CET1 ratio at 31 December 2024 was 18.3 per cent compared with 18.8 per cent at 31 December 2023.

SpareBank 1 SMN received a new Pillar 2 requirement in the fourth quarter of 2023. The requirement was reduced to 1.7 percentage points and must be met with a minimum of 56.25 per cent CET1 capital. As a result of this change the Group's long-term CET1 target is revised to 16.3 per cent, including a Pillar 2 guidance. The bank is subject to a provisional add-on of 0.7 per cent to its Pillar 2 requirement until its application for adjustment of IRB models has been processed. The provisional add-on of 0.7 per cent is not included in the bank's long-term capital target.

A leverage ratio of 7.0 per cent as at 31 December 2024 (7.2 per cent) shows the bank to be very solid.

See note 5 for details.

The bank's equity certificate (MING)

The book value per EC at 31 December 2024 was NOK 128.09 (120.48) and earnings per EC in 2024 were NOK 20.60 (16.88).

The Price / Income ratio was 8.32 (8.40) and the Price / Book ratio was 1.34 (1.18).

Insurance policy for board members and the CEO

A liability insurance policy has been taken out for board members and the CEO.

The policy covers insured persons' liability for any economic loss that is the subject of a claim brought in the insured period as the result of an alleged tortious act or omission. In addition to covering the economic loss proper, the policy covers the cost of necessary proceedings to decide the question of compensatory damages provided that the claim for damages is covered by the policy. The policy also covers necessary and reasonable expenses on advisers in the event of public investigation. Such expenses will be expenses incurred by the insured person before a claim is brought against that person. Furthermore, the policy covers any claim directed at an insured party by, or on behalf of, an employee as a result of discrimination, harassment or other illegality committed during the duration of employment, or failure to introduce or implement an adequate personnel policy or procedures.

Outlook

SpareBank 1 SMN delivered a very good performance in 2024 reflecting strong profitability and financial soundness. In addition to good operating profit, the gain from the merger between Fremtind and Eika Forsikring contributed to strengthening return on equity.

At the start of 2025 there are prospects for lower interest rates and increased household purchasing power. Inflation has diminished substantially and unemployment in Mid Norway remains low.

Geopolitical developments make for uncertainty with regard to global growth and inflation, which could change central banks' interest rate setting through 2025. Norges Bank's regional network survey shows a positive trend for the region with expectations at the end of 2024 having turned from weakly negative to neutral for Mid Norway

SpareBank 1 SMN's ambition to expand its market shares stands firm. The bank's growth aspirations will be realised through initiatives taken in selected geographical locations and industries. Work on strengthening synergies across the Group's business lines continues through an expanded focus on the finance centre model, and 26 finance centres have now been established in SpareBank 1 SMN's catchment area. This focus is expected to contribute further to the Group's well-diversified income platform and to strengthen profitability in the years ahead.

The bank's cost trend has normalised through 2024. Among the subsidiaries the cost trend is to a greater degree driven by activity levels, and will vary with market conditions. The cost-income ratio is among the most important of its key ratios, and the bank's cost growth in 2025 is expected to be moderate.

The risk picture in SpareBank 1 SMN's loan portfolio is satisfactory, although increased uncertainty is evident in the construction industry and retail trade. Bankruptcies in the region declined in number in 2024 and remain at a lower level than prior to the pandemic. The credit quality of the bank's portfolio is good, as reflected in continued moderate losses.

The Group's long-term CET1 target is 16.3 per cent. The Group still awaits a decision on its application for revision of its IRB models. The provisional requirement of a 0.7 percentage point add-on to its Pillar 2 requirement therefore still needs to be taken into account. Implementation of CRR3 and a new risk weight floor for residential mortgages will in isolation reduce the Group's CET1 ratio, but the ratio remains above regulatory requirements and the Group's long-term target. SpareBank 1 SMN is in position to deliver on its growth aspirations while concurrently maintaining good dividend capacity.

The Group's long-term dividend policy requiring about one half of net profit to be disbursed as dividend stands firm. When setting the size of the annual dividend payout, account is taken of the Group's need for capital, prospects for profitable growth and strategic plans. The Board of Directors will recommend the bank's supervisory board to set a cash dividend of NOK 12.50 per equity certificate (NOK 12.00) which is equivalent to 61 per cent of the net profit, and a community dividend of NOK 896m (860m). The size of the dividend for 2024 should be viewed in light of the Group's solidity, which at the end of the fourth quarter remains well above regulatory requirements and the Group's long-term target.

SpareBank 1 SMN aspires to be among the best performers in the Nordic region, and the Group's overriding financial goal of delivering a return on equity above 13 per cent over time stands firm. The main pillars of the Group's strategy are unchanged, and the focus is on implementation and realisation of desired effects. The board of directors is pleased with results achieved in 2024. The Group is well placed to strengthen its market position with an efficient distribution of products and services. The board of directors expects 2025 to be another good year for the Group.

Trondheim, 25 february 2025

The Board of Directors of SpareBank 1 SMN

Kjell Bjordal Chair	Christian Stav Deputy chair	Mette Kamsvåg
Freddy Aursø	Nina Olufsen	Ingrid Finboe Svendsen
Kristian Sætre	Inge Lindseth Employee rep	Christina Straub Employee rep
		Jan-Frode Janson Group CEO

To the Supervisory Board of SpareBank 1 SMN

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of SpareBank 1 SMN (the «Company») included in the chapter Sustainability statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in the section "The Group`s double materiality assessment" in the general information; and
- compliance of the disclosures in the section "EY Taxonomy" of the Sustainability Statement under environment with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in the section "The Group`s double materiality assessment" in the general information of the Sustainability Statement. This responsibility includes:

PricewaterhouseCoopers AS, Brattørkaia 17B, 7010 Trondheim
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in the section "EU Taxonomy" of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in the section "The Group`s double materiality assessment".

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in the section "The Group`s double materiality assessment".

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
  - Obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
  - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel on selected information in the Sustainability Statement;

- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Trondheim, 25 February 2025
PricewaterhouseCoopers AS

Marius Fevaag Larsen
State Authorised Public Accountant – Sustainability Auditor
Note: This translation from Norwegian has been prepared for information purposes only.

Volda/Ørsta, Møre og Romsdal

Annual financial statements

Income Statement

Parent bank				Group	
2023	**2024**	**(NOKm)**	**Note**	**2024**	**2023**
9,219	11,122	Interest income effective interest method	17	11,685	9,721
1548	1,883	Other interest income	17	1,875	1542
6,622	8,180	Interest expenses	17	8,187	6,631
4,144	**4,824**	**Net interest**	**4**	**5,373**	**4,632**
1,117	1,315	Commission income	18	1,611	1,370
114	135	Commission expenses	18	224	199
73	65	Other operating income	18	1,006	913
1,076	**1,245**	**Commission income and other income**	**4**	**2,392**	**2,084**
711	361	Dividends	19.44	33	26
-	0	Income from investment in related companies	19.39	1,254	297
464	45	Net return on financial investments	19	70	476
1176	**406**	**Net return on financial investments**	**4**	**1,357**	**799**
6,396	**6,475**	**Total income**		**9,123**	**7,515**
849	1,012	Staff costs	20.22	1,981	1,691
1,121	1,084	Other operating expenses	21,31,32,33	1,319	1,326
1,969	**2,096**	**Total operating expenses**	**4**	**3,300**	**3,017**
4,426	**4,379**	**Result before losses**		**5,823**	**4,498**
–72	156	Loss on loans, guarantees etc.	4.1	176	14
4,498	**4,223**	**Result before tax**		**5,647**	**4,484**
820	940	Tax charge	23	1,054	904
-	-	Result investment held for sale, after tax	39	–2	108
3,678	**3,283**	**Net profit**		**4,591**	**3,688**
122	137	Attributable to additional Tier 1 Capital holders		146	125
2,376	2,101	Attributable to Equity capital certificate holders		2,970	2,331
1,181	1,044	Attributable to the saving bank reserve		1,370	1159
0	0	Attributable to non-controlling interests		106	74
3,678	**3,283**	**Net profit**		**4,591**	**3,688**
		Profit/diluted profit per ECC		20.10	16.88

Total comprehensive income

Morbank				Konsern	
2023	**2024**	(NOKm)	**Noter**	**2024**	**2023**
3,678	3,283	Net profit		4,591	3,688
		Items that will not be reclassified to profit/loss			
–27	70	Actuarial gains and losses pensions	22	70	–27
7	–17	Tax		-17	7
-	0	Share of other comprehensive income of associates and joint venture		9	6
–20	**52**	**Total**		**62**	**–14**
		Items that will be reclassified to profit/loss			
–5	–4	Value changes on loans measured at fair value		-4	–5
-	0	Share of other comprehensive income of associates and joint venture		-148	–140
–5	**–4**	**Total**		**-153**	**–145**
–25	**48**	**Net other comprehensive income**		**-91**	**–158**
3,653	**3,331**	**Total comprehensive income**		**4,500**	**3,530**
122	137	Attributable to additional Tier 1 Capital holders		146	125
2,359	2,134	Attributable to Equity capital certificate holders		2,909	2,225
1173	1,060	Attributable to the saving bank reserve		1,339	1,106
0	0	Attributable to non-controlling interests		106	74
3,653	**3,331**	**Total comprehensive Income**		**4,500**	**3,530**

Statement of financial position

Parent bank				Group	
31 Dec 2023	**31 Dec 2024**	(NOKm)	**Note**	**31 Dec 2024**	**31 Dec 2023**
		ASSETS			
1,172	654	Cash and receivables from central banks	12.24	654	1,172
19,241	19,785	Deposits with and loans to credit institutions	7,12,13,24,26	9,166	8,746
156,464	166,312	Net loans to and receivables from customers	4,8,9,10,11,12,13,24,25,26	179,254	168,955
34,163	36,649	Fixed-income CDs and bonds	12,13,24,25,27	36,650	34,163
6,659	7,231	Derivatives	12,24,25,28,29	7,231	6,659
731	587	Shares, units and other equity interests	24,25,30	1,050	1137
6,270	6,789	Investment in related companies	39,40,41,44	10,084	8,695
2,090	2,225	Investment in group companies	39.41	-	-
98	98	Investment held for sale	30.39	190	112
812	797	Intangible assets	31	1,230	1228
1,321	1,599	Other assets	4,12,22,23,24,26,32,33,34	2,189	1,849
229,020	**242,726**	**Total assets**	14.15	**247,699**	**232,717**

Parent bank				Group	
31 Dec 2023	31 Dec 2024	(NOKm)	Note	31 Dec 2024	31 Dec 2023
		LIABILITIES			
13,160	13,940	Deposits from credit institutions	7,24,26	13,941	13,160
133,462	141,485	Deposits from and debt to customers	4,24,26,35	140,897	132,888
12,597	36,570	Debt created by issue of securities	24,26,29,36	36,570	33,417
3,411	13,352	Subordinated debt	24,26,29,36	13,352	12,415
6,989	6,152	Derivatives	24,26,27,30	6,152	6,989
2,262	2,673	Other liabilities	22,23,24,25,26,37	3,527	3,005
-	0	Investment held for sale	39	2	1
2,169	2,656	Subordinated loan capital	16	2,735	2,247
203,871	**216,829**	**Total liabilities**		**217,175**	**204,120**
		EQUITY			
2,884	2,884	Equity capital certificates	43	2,884	2,884
-	-0	Own holding of ECCs	43	-0	-
2,422	2,422	Premium fund		2,422	2,422
8,482	8,721	Dividend equalisation fund		8,721	8,482
1,730	1,803	Recommended dividends		1,803	1,730
860	896	Provision for gifts		896	860
6,865	6,984	Ownerless capital		6,984	6,865
106	245	Unrealised gains reserve		245	106
-	-	Other equity capital		3,709	2,677
1,800	1,943	Additional Tier 1 Capital	5.38	2,039	1,903
		Non-controlling interests		821	666
25,150	**25,898**	**Total equity capital**	5	**30,523**	**28,597**
229,020	**242,726**	**Total liabilities and equity**	14.15	**247,699**	**232,717**

Trondheim, 25. february 2025

Board of Directors of SpareBank 1 SMN

Kjell Bjordal Chair	Christian Stav Deputy chair	Mette Kamsvåg
Freddy Aursø	Nina Olufsen	Ingrid Finboe Svendsen
Kristian Sætre	Inge Lindseth Employee rep	Christina Straub Employee rep
		Jan-Frode Janson Group CEO

Statement of Changes in Equity

Accounting policy

Proposed dividends on equity certificates and gifts are recognised as equity capital in the period to the declaration of dividends by the bank's supervisory board

Parent Bank	**Issued equity**		**Earned equity**						
(NOKm)	**EC capital**	**Premium fund**	**Owner-less capital**	**Equalisation fund**	**Dividend and gifts**	**Unrealised gains reserve**	**Other equity**	**Additional Tier 1 Capital**	**Total equity**
Equity at 1 January 2023	**2,597**	**895**	**6,408**	**7,877**	**1,314**	**70**	**0**	**1,726**	**20,887**
Net profit	-	-	299	602	2,591	37	27	122	3,678
Other comprehensive income	**-**	**-**	**-**	**-**	-	-	-	-	-
Value changes on loans measured at fair value	-	-	-	-	-	-	-5	-	-5
Actuarial gains (losses), pensions	-	-	-	-	-	-	-20	-	-20
Other comprehensive income	-	-	-	-	-	-	-25	-	-25
Total comprehensive income	-	-	299	602	2,591	37	3	122	3,653
Transactions with owners									
Dividend declared for 2022	-	-	-	-	-840	-	-	-	-840
To be disbursed from gift fund	-	-	-	-	-474	-	-	-	-474
Additional Tier 1 Capital	-	-	-	-	-	-	-	416	416
Buyback Additional Tier 1 Capital issued	-	-	-	-	-	-	-	-342	-342
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-122	-122
Purchase and sale of own ECCs	-0	-	-	3	-	-	-	-	2
Merger SpareBank 1 Søre Sunnmøre	288	1,526	158	-	-	-	-	-	1,972
Direct recognitions in equity	-	-	-	-	-	-	-3	-	-3
Total transactions with owners	**287**	**1,526**	**158**	**3**	**-1,314**	**-**	**-3**	**-48**	**610**
Equity at 31 December 2023	**2,884**	**2,422**	**6,865**	**8,482**	**2,591**	**106**	**0**	**1,800**	**25,150**

Parent Bank	Issued equity		Earned equity						
(NOKm)	EC capital	Premium fund	Owner-less capital	Equalisation fund	Dividend and gifts	Unrealised gains reserve	Other equity	Additional Tier 1 Capital	Total equity
Equity at 1 January 2024	**2,884**	**2,422**	**6,865**	**8,482**	**2,591**	**106**	**-**	**1,800**	**25,150**
Net profit	-	-	119	239	2,698	139	-49	137	3,283
Other comprehensive income	**-**	**-**	-	-	-	-	-	-	-
Value changes on loans measured at fair value	-	-	-	-	-	-	-4	-	-4
Actuarial gains (losses), pensions	-	-	-	-	-	-	52	-	52
Other comprehensive income	-	-	-	-	-	-	48	-	48
Total comprehensive income	**-**	**-**	**119**	**239**	**2,698**	**139**	**-1**	**137**	**3,331**
Transactions with owners									
Dividend declared for 2023	-	-	-	-	-1,730	-	-	-	-1,730
To be disbursed from gift fund	-	-	-	-	-860	-	-	-	-860
Additional Tier 1 Capital	-	-	-	-	-	-	-	450	450
Buyback Additional Tier 1 Capital issued	-	-	-	-	-	-	-	-307	-307
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-137	-137
Purchase and sale of own ECCs	0	-	-	1	-	-	-	-	1
Direct recognitions in equity	-	-	-	-	-	-	1	-	1
Total transactions with owners	0	-	-	1	-2,591	-	1	6	-2,583
Equity at 31 December 2024	**2,884**	**2,422**	**6,984**	**8,721**	**2,698**	**245**	**-0**	**1,943**	**25,898**

	Attributable to parent company equity holders									
Group	**Issued equity**		**Earned equity**							
(NOKm)	**EC capital**	**Premium fund**	**Owner-less capital**	**Equalisation fund**	**Dividend and gifts**	**Unrealised gains reserve**	**Other equity**	**Additional Tier 1 Capital**	**NCI**	**Total equity**
Equity at 1 January 2023	**2,586**	**895**	**6,408**	**7,828**	**1,314**	**70**	**2,940**	**1,769**	**997**	**24,807**
Net Profit	-	-	299	602	2,591	37	-40	125	74	3,688
Other comprehensive income										
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	-133	-	-	-133
Value changes on loans measured at fair value	-	-	-	-	-	-	-5	-	-	-5
Actuarial gains (losses), pensions	-	-	-	-	-	-	-20	-	-	-20
Other comprehensive income	-	-	-	-	-	-	-158	-	-	-158
Total comprehensive income	**-**	**-**	**299**	**602**	**2,591**	**37**	**-198**	**125**	**74**	**3,530**
Transactions with owners										
Dividend declared for 2022	-	-	-	-	-840	-	-	-	-	-840
To be disbursed from gift fund	-	-	-	-	-474	-	-	-	-	-474
Additional Tier 1 Capital issued	-	-	-	-	-	-	-	519	-	519
Buyback Additional Tier 1 Capital issued	-	-	-	-	-	-	-	-385	-	-385
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-125	-	-125
Purchase and sale of own ECCs	-0	-	-	3	-	-	-	-	-	2
Own ECC held by SB1 Markets 1)	11	-	-	49	-	-	10	-	-	70
Merging with SpareBank 1 Søre Sunnmøre	288	1,526	158	-	-	-	-	-	-93	1,879
SB1 Markets from subsidiary to associated company	-	-	-	-	-	-	110	-	-	110
Direct recognitions in equity	-	-	-	-	-	-	-16	-	-	-16
Share of other transactions from associates and joint ventures	-	-	-	-	-	-	-169	-	-	-169
Change in non-controlling interests	-	-	-	-	-	-	-	-	-312	-312
Total transactions with owners	298	1,526	158	52	-1,314	-	-65	10	-405	260
Equity at 31 December 2023	**2,884**	**2,422**	**6,865**	**8,482**	**2,591**	**106**	**2,677**	**1,903**	**666**	**28,597**

Group	Attributable to parent company equity holders									
	Issued equity		Earned equity							
(NOKm)	EC capital	Premium fund	Owner-less capital	Equalisation fund	Dividend and gifts	Unrealised gains reserve	Other equity	Additional Tier 1 Capital	NCI	Total equity
Equity at 1 January 2024	**2,884**	**2,422**	**6,865**	**8,482**	**2,591**	**106**	**2,677**	**1,903**	**666**	**28,597**
Net profit	-	-	119	239	2,698	139	1,145	146	106	4,591
Other comprehensive income										
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	-139	-	-	-139
Value changes on loans measured at fair value	-	-	-	-	-	-	-4	-	-	-4
Actuarial gains (losses), pensions	-	-	-	-	-	-	52	-	-	52
Other comprehensive income	-	-	-	-	-	-	-91	-	-	-91
Total comprehensive income	**-**	**-**	**119**	**239**	**2,698**	**139**	**1,053**	**146**	**106**	**4,500**
Transactions with owners										
Dividend declared for 2023	-	-	-	-	-1,730	-	-	-	-	-1,730
To be disbursed from gift fund	-	-	-	-	-860	-	-	-	-	-860
Additional Tier 1 capital issued	-	-	-	-	-	-	-	450	-	450
Buyback additional Tier 1 Capital issued	-	-	-	-	-	-	-	-315	-	-315
Interest payments additional Tier 1 capital	-	-	-	-	-	-	-	-146	-	-146
Purchase and sale of own ECCs	-	-	-	1	-	-	-	-	-	1
Direct recognitions in equity	-	-	-	-	-	-	-	-	-	-
Other transactions from associates and joint ventures	-	-	-	-	-	-	-21	-	-	-21
Change in non-controlling interests	-	-	-	-	-	-	-	-	48	48
Total transactions with owners	-	-	-	1	-2,591	-	-21	-10	48	-2,573
Equity at 31 December 2024	**2,884**	**2,422**	**6,984**	**8,721**	**2,698**	**245**	**3,709**	**2,039**	**821**	**30,523**

Cash Flow Statement

Parent bank			Group	
2023	2024	(NOKm)	2024	2023
-6,270	-9,987	Decrease/(increase) loans to customers	-10,458	-6,834
8,263	10,324	Interest receipts from loans to customers	10,961	8,805
4,331	-538	Decrease/(increase) loans credit institutions	-414	4,517
856	1,017	Interest receipts from loans to credit institutions	919	783
622	8,048	Increase/(decrease) deposits from customers	8,034	738
-3,632	-4,974	Interest payment on deposits from customers	-4,926	-3,600
-1,480	748	Increase/(decrease) debt to credit institutions	748	-1,472
-514	-551	Interest payment on debt to credit institutions	-551	-514
5,881	-1,902	Increase/(decrease) in short term investments	-1,765	5,881
1,288	1,579	Interest receipts from short term investments	1,466	1,282
221	-766	Increase/(decrease) in derivatives	-766	221
-802	-837	Interest receipts from derivatives	-837	-802
2,084	1,221	Increase/(decrease) in other claims	2,424	2,946
-2,822	-2,737	Increase/(decrease) in other debts	-3,959	-3,936
8,026	**646**	**A) Net change in liquidity from operations**	**877**	**8,016**
35	-	Increase of cash by merging	-	35
-125	-176	Gross investment buildings/operating assets	-241	-207
-	-	Sale of buildings/operating assets	-	-
302	117	Dividends from subsidiaries	-	-
-	-37	Paid-in capital from reduction in ownership of subsidiaries	-	-
-69	-97	Payment of capital due to increase in shareholding in subsidiaries	-	-
391	-	Dividends from associated companies and joint ventures	201	391
123	200	Proceeds from sale of shares of associated companies and joint ventures	198	142
-190	-717	Payment for purchase of shares of associated companies and joint ventures	-717	-198
-	-	Proceeds from shares held for sale	-80	163
18	43	Dividends from other businesses	33	26
1,590	1,411	Reduction/sale of shares and ownership interests	1,382	1,638

-1,487	-1,175	Increase/purchase of shares and ownership interests	-1,208	-1,509
589	**-432**	**B) Net change in liquidity from investments**	**-432**	**482**
5,280	7,589	Debt raised by issuance of covered bonds	7,589	5,280
-11,204	-4,820	Repayment of issued covered bonds	-4,820	-11,204
-1,207	-1,430	Interest payment on covered bonds issued	-1,430	-1,207
750	900	Debt raised by issuance of subordinated debt	902	826
-750	-400	Payments of issued subordinated debt	-400	-793
-125	-187	Interest payment on subordinated debt	-194	-128
2	1	Proceeds from sale or issue of treasury shares	1	153
-840	-1,730	Dividends cleared	-1,730	-840
-	201	Dividends paid to non-controlling interests	-9	-121
-474	-860	Disbused from gift fund	-860	-474
416	143	Additional Tier 1 Capital issued	450	519
-342	-	Repayment of Additional Tier 1 Capital	-315	-385
-122	-137	Interest payments Additional Tier 1 capital	-146	-125
-8,615	**-731**	**C) Net change in liquidity from financial activities**	**-962**	**-8,498**
1	**-517**	**A) + B) + C) Net changes in cash and cash equivalents**	**-517**	**1**
1,171	1,172	Cash and cash equivalents at 1.1	1,172	1,171
1,172	654	Cash and cash equivalents at end of the year	654	1,172
1	**-517**	**Net changes in cash and cash equivalents**	**-517**	**1**

Rørvik, Trøndelag

Notes

Note 1 - General information

Description of the business

See This is SpareBank 1 SMN presented in the annual report

The SpareBank 1 SMN Group

SpareBank 1 SMN's head office is in Trondheim, no. 4 Søndre gate. The Bank's market areas are essentially Trøndelag and Nordvestlandet.

The Group accounts for 2024 were approved by the Board of Directors on 25. februar 2025.

Note 2 - Accounting principles

Basis for preparing the annual accounts

The Bank and Group accounts for 2024 for SpareBank 1 SMN have been prepared in conformity with International Financial Reporting Standards IFRS®Accounting Standards as approved by the EU (IFRS). These include interpretations from the International Financial Reporting Interpretations. Committee (IFRIC) and its predecessor, the Interpretations Committee. The measurement base for both the parent bank and Group accounts is historical cost with the exception of financial assets measured at fair value as described in note 24. The accounts are presented based on IFRS standards and interpretations mandatory for accounts presented as at 31 December 2024.

Principal accounting principles

SpareBank 1 SMN has described the accounting policies under each note to the annual accounts. The following accounting policies has been assessed by management as principal accounting policies

- Accounting policies for Loans to customers (note 8) and Losses on loans (note 10)
- Accounting Policies for Net interest income (note 17) and Net commision income (note 18)
- Accounting Policies for Debt securities (note 36) and Hedge accounting (note 29)

General accounting policies

Consolidation

The consolidated accounts include the Bank and all subsidiaries which are not due for divestment in the near future and are therefore to be classified as held for sale under IFRS 5. All undertakings controlled by the Bank, i.e. where the Bank has the power to control the undertaking's financial and operational principles with the intention of achieving benefits from the undertaking's activities, are regarded as subsidiaries. Subsidiaries are consolidated from the date on which the Bank has taken over control, and are deconsolidated as of the date on which the Bank relinquishes control. Mutual balance sheet items and all significant profit elements are eliminated.

Upon takeover of control of an enterprise (business combination), all identifiable assets and liabilities are recognised at fair value in accordance with IFRS 3. A positive difference between the fair value of the consideration and the fair value of identifiable assets and liabilities is recorded as goodwill, while any negative difference is taken to income upon purchase. Accounting for goodwill after first-time recognition is described under the section on intangible assets.

All intra-Group transactions are eliminated in the preparation of the consolidated accounts. The non-controlling interests' share of the Group result is to be presented on a separate line under profit after tax in the income statement. In the statement of changes in equity, the non-controlling interests' share is shown as a separate item.

Presentation currency

The presentation currency is the Norwegian krone (NOK), which is also the bank's functional currency. All amounts are stated in millions of kroner unless otherwise specified.

Transactions and holdings in foreign currency

Transactions in foreign currency are converted to Norwegian kroner at the transaction exchange rate. Gains and losses on executed transactions or on conversion of holdings of monetary items on the balance sheet date are recognised in profit/loss. Gains and losses on conversion of items other than monetary items are recognised in the same way as the appurtenant balance sheet item.

Changes in accounting policies

The Group has assessed the impact of amended accounting standards and interpretations (IFRSs) issued by the IASB and IFRSs approved by the EU with effect from 1 January 2024 or later. The Group has assessed that the application of these has not had a significant impact on the Group accounts for 2024.

Furthermore, the Group has assessed the impact of new or changed accounting standards and interpretations (IFRS) issued by the IASB which have not yet been effective. The Group does not expect any significant impact on future periods from the adoption of these changes.

Note 3 - Critical estimates and assessments concerning the use of accounting principles

In the preparation of the Group accounts the management makes accounting estimates, discretionary assessments and assumptions that bear on the effect of the application of the accounting principles and hence the amounts booked for assets, liabilities, income and expenses. Estimates and discretionary assessments are evaluated continuously and are based on empirical experience and expectations of events which, as of the balance sheet date, are deemed likely to occur in the future.

Losses on loans and guarantees

The Bank rescores its loan portfolio monthly. Customers showing objective evidence of loss due to payment default, impaired creditworthiness or other objective criteria are subject to individual assessment and calculation of loss. Should the Bank's calculations show that the present value of the discounted cash flow based on the effective interest rate at the time of estimation is below the book value of the loan, the loan is assigned to stage 3 and a write-down is performed for the calculated loss. A high degree of discretionary judgement is required in order to assess evidence of loss, and the estimation of amounts and timing of future cash flows with a view to determining a calculated loss is affected by this judgement. Changes in these factors could affect the size of the provision for loss. In cases where collateral values are tied to specific objects or industries that are in crisis, collateral will have to be realised in illiquid markets, and in such cases assessment of collateral values may be encumbered with considerable uncertainty.

For loans in stage 1 and 2 a calculation is made of the expected credit loss using the bank's loss model based on estimates of probability of default (PD) and loss given default (LGD), as well as exposure (EAD). The bank uses the same PD model as in IRB, but with unbiased calibration, i.e. without safety margins, as a basis for assessment of increased credit risk. The PD estimate represents a 12-month probability.

Write-downs for exposures in stage 1 will be calculation of one-year's expected loss, while for exposures in stage 2, loss is calculated over lifetime.

The most important input factors in the bank's loss model that contribute to significant changes in the loss estimate and are subject to a high degree of discretionary judgement are the following:

- Use of forward-looking information and projection of macroeconomic variables for multiple scenarios on a probability-weighted basis.
- Establishing what constitutes a significant increase in credit risk for a loan.

Use of forward-looking information

Measurement of expected credit loss for each stage requires both information on events and current conditions as well as expected events and future economic conditions.

Estimation and use of forward-looking information requires a high degree of discretionary judgement. Each macroeconomic scenario that is utilised includes a projection for a five-year period. For engagements where the credit risk is assessed to have increased significantly since approval (stage 2), loss estimates for the period after year 5 are based on year 5 in terms of the level of PD and LGD.

Our estimate of expected credit loss at stage 1 and 2 is a probability-weighted average of three scenarios: Base Case, Best Case and Worst Case. The model that computes model write-downs is based on two macro variables – interest rate level (three-month NIBOR) and unemployment (Statistics Norway's Labour Force Survey, AKU). The assumptions in the baseline scenario are based on the assumptions in Norges Bank's Monetary Policy Report 4/24. Updated macro assumptions this quarter have had a small positive effect on the level of write-downs due to a lower interest rate path in the base scenario and increased estimates for price increases on housing, as per updated estimates from Norges Bank. The downside scenario features high interest rates and high unemployment, which are largely based on Finanstilsynet's stress test reported in Financial Outlook, June 2023. The upside scenario features low interest rates and low unemployment.

Calculation of the Group's overall model write-downs is based on calculations of expected credit loss (ECL) for each of five portfolios below. For each portfolio, separate assumptions are defined with regard to how the macro variables 'interest rate' and 'unemployment' impact PD and LGD. The relationships between the macro variables are developed using of regression analysis and simulation, while the relationships between the macro variables and LGD are based largely on expert assessments and discretionary judgement. The five portfolios are:

- Residential mortgages
- Other retail loans
- Agriculture
- Industries with large balance sheets / high long-term debt ratios (real estate, shipping, offshore, aquaculture, fishery)
- Industries with smaller balance sheets / low long-term debt ratios (other industries)

The criteria for classification in stage 2 ("significantly increased credit risk since approval") have not been changed in the period. The customers in building and construction industry (including industries closely linked to the building and construction sector) and some fishery segments are generally considered to have acquired significantly increased credit risk since loan approval and customers in this industry are accordingly classified to stage 2 or 3.

ECL as at 31 December 2024 is calculated as a combination of 80 per cent expected scenario, 10 per cent downside scenario and 10 per cent upside scenario (80/10/10 pct)

The effect of the change in input assumptions in 2024 is shown as "Effect of changed assumptions in the ECL model" in note 10. The model has been updated with a new version of the LGD-model which give higher estimated credit losses. At the same time the PD model has been re-calibrated to take into account that the calculated PD has been higher than historically observed default levels. Combined, this give somewhat reduced model write-downs for the retail market, and increased write-downs for the corporate portfolio. In total, this amounts to NOK 6 million for the Bank in increased write-downs and NOK 18 million for the Group in reduced write-downs.

The scenarios are weighted with a basis in our best estimate of the probability of the various outcomes represented. The estimates are updated quarterly and were as follows as per the estimates at 31 December:

Portfolio	**2024**			**2023**		
	Base Case	**Worst Case**	**Best Case**	**Base Case**	**Worst Case**	**Best Case**
Retail Market	80%	10%	10%	80%	10%	10%
Corporate excl. Agriculture and offshore	80%	10%	10%	80%	10%	10%
Agriculture	80%	10%	10%	80%	10%	10%

Sensitivities

The first part of the table below show total calculated expected credit loss as of 31 December 2024 in each of the three scenarios, distributed in the portfolios retail market (RM) corporate market (CM), and agriculture which adds up to parent bank. In addition the subsidiary SB 1 Finans Midt-norge is included. ECL for the parent bank and the subsidiary is summed up in th coloumn "Group".

The second part of the table show the ECL distributed by portfolio using the scenario weight applied, in addition to a alternative weighting where worst case have been doubled.

If the downside scenario's probability were doubled at the expense of the baseline scenario at the end of December 2024, this would have entailed an increase in loss provisions of NOK 114 million for the parent bank and NOK 135 million for the Group.

	CM	**RM**	**Agri-cul-ture**	**Total parent**	**SB 1 Finans MN CM**	**SB 1 Finans MN RM**	**Total Group**
ECL base case	610	98	89	797	38	15	850
ECL worst case	1,422	316	203	1,941	186	79	2,206
ECL best case	426	79	66	571	22	11	604
ECL with scenario weights used 80/10/10	672	118	98	888	51	21	960
ECL alternative scenario weights 70/20/10	754	140	109	1,003	66	27	1,096
Total ECL used	**81**	**22**	**11**	**114**	**15**	**6**	**135**

The table reflects that there are some significant differences in underlying PD and LGD estimates in the different scenarios and that there are differentiated levels and level differences between the portfolios. At Group level, the ECL in the upside scenario, which largely reflects the loss and default picture in recent years, is about 60 per cent of the ECL in the expected scenario. The downside scenario gives more than double the ECL than in the expected scenario. Applied scenario weighting gives about 13 percent higher ECL than in the expected scenario.

Determination of significant increase in credit risk:

The assessment of what constitutes a significant increase in credit risk requires a large degree of discretionary judgement. Movements between stage 1 and stage 2 are based on whether the instrument's credit risk on the balance sheet date has increased significantly relative to the date of first-time recognition. This assessment is done with a basis in the instrument's economic 12-month PD, and not expected losses.

The assessment is done for each individual instrument. Our assessment is performed at least quarterly, based on three factors:

1. The bank uses both absolute and relative changes in PD as criteria for removal to stage 2. A change of more than 150% in PD is considered to be a significant change in credit risk. In addition, the PD must at minimum be more than 0.6 percentage points.
2. An additional quantitative assessment is made based on whether the exposure has a significantly increased credit risk if it is subject to special monitoring or forbearance
3. In addition, customers with payments between 30-90 days overdue will in all cases be moved to stage 2.

If any of the above factors indicate that a significant increase in credit risk has occurred, the instrument is moved from stage 1 to stage 2.

See also note 10 on Losses on loans and note 6 on risk factors.

Fair value of equity interests

Assets recognised at fair value through profit and loss will mainly be securities traded in an active market. An active market is defined as a market where homogeneous products are traded, where willing buyers and sellers are normally present at all times, and where prices are accessible to the general public. Shares quoted in a regulated market place fit in with the definition of an active market. A market with a large spread between bid and ask prices and where trading is quiet may pose a challenge. Some key shares will be based on in-house valuations, transaction prices or external analyses of the company. Such shares are valued using acknowledged valuation techniques. These include the use of discounted cash flows or comparative pricing where similar, listed, companies are used (multiple pricing) to determine the value of the unlisted company. Such valuations may be encumbered with uncertainty. Any changes in assumptions may affect recognised values. Investments in private equity funds made in the subsidiary SpareBank 1 SMN Invest are valued based on net asset value (NAV) reported from the funds. The Group uses the «fair value option» for investments in private equity funds. Fair value is calculated based on valuation principles set out in IFRS 13 and guidelines for valuation in accordance with International Private Equity and Venture Capital (IPEV), see www.privateequityvaluation.com.

Management has based its assessments on the information available in the market combined with best judgment. No new information has emerged on significant matters that had occurred or already existed on the balance sheet date as of 31.12.2024 and up to the Board's consideration of the accounts on 25 February 2025. See also note 30 for specification of shares and equity interests.

Fair value of financial derivatives and other financial instruments

Fair value of derivatives is usually determined using valuation models where the price of the underlying, for example interest rates or exchange rates, is obtained in the market. When measuring financial instruments for which observable market data are not available, the Group makes assumptions regarding what market participants would use as the basis for valuing similar financial instruments. The valuations require extensive use of discretionary judgement inter alia when calculating liquidity risk, credit risk and volatility. Changes in these factors will affect the estimated fair value of the Group's financial instruments. For further information, see note 25 Measurement of fair value of financial instruments.

For options, volatilities will either be observed implicit volatilities or estimated volatilities based on historical movements in the price of the underlying instrument. In cases where the Bank's risk position is approximately neutral, middle rates will be used. "Neutral risk position" means for example that interest rate risk within a maturity band is virtually zero. Where market prices that are obtained are based on transactions with lower credit risk, this will be taken into account by amortising the original price difference measured against such transactions over the period to maturity.

Goodwill

The Group conducts tests to assess possible impairment of goodwill annually or in the event of indications of impairment. Assessment is based on the Group's value in use. The recoverable amount from cash-flow-generating units is determined by calculating discounted future cash flows. The cash flows are based on historical earnings and expectations of future factors and include suppositions and estimates of uncertain factors. The outcome of the impairment tests depends on estimates of discount rates which are set discretionarily based on information available on the balance sheet date.

Regarding goodwill, the portfolio is regarded as integrated in the Bank's other lending and deposit operations, and, the lowest level for the cash generating unit is the segments Retail Market and Corporate Market. Goodwill has been allocated to the segments based on their share of the loan portfolio. A net cash flow is estimated based on earnings in the Bank's loan and deposit portfolio. A five-year cash flow prognosis have been developed using expected growth, and a terminal value without growth thereafter. Cash flows are discounted with a discount rate (before tax rate) of 8 per cent.

Calculations show that the value of discounted cash flows exceeds recognised goodwill by an ample margin.

Other goodwill in the Group is calculated based on average earnings in the market area and is discounted at the risk-free interest rate + the risk premium for similar businesses (12-14 per cent).

Acquisitions

Acquisition of another company is accounted for by the acquisition method. This method requires a full purchase price allocation (PPA) in which the purchase price is allocated to identified assets and liabilities in the acquired company. Excess values beyond those allocated to identified assets and liabilities are booked as goodwill. Any deficit values are, after careful assessment, recognised as income through profit/loss in the year of the acquisition (badwill). The analyses contain both concrete calculations and use of best judgement in arriving at the fairest possible value of the acquired companies at the time of acquisition. While some uncertainty invariably attends estimation items, they are supported by determinations of expected cash flows, comparable transactions in previous periods etc. See also note 40 on business acquisitions/business combinations.

Companies held for sale

SpareBank 1 SMN's strategy is that ownership resulting from defaulted exposures should at the outset be of brief duration, normally not longer than one year. Work on selling such companies is continuously ongoing, and for accounting purposes they are classified as held for sale. See also note 39 Investments in owner interests.

Sale of loan portfolios

In the sale of loan portfolios to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, the Group considers whether the criteria for derecognition under IAS 39 are met. At the end of the accounting year all transferred portfolios were derecognised from the parent bank's balance sheet. See also note 9 on derecognition of financial assets.

Assets taken over

As part of the processing of defaulted loans and guarantees, the bank in some cases takes over assets that have been pledged as security for such engagements. Upon takeover, the assets are valued at the expected realisable value. Any deviation from the balance sheet value of a defaulted or written-down commitment at the time of the takeover is classified as a loan write-down. Assets taken over are entered in the balance sheet according to their nature. On final disposal, the deviation from the balance sheet value is recognised in the accounts according to the nature of the asset.

Note 4 - Segment information

Accounting policy

SpareBank 1 SMN has Retail Banking and Corporate Banking, along with the most important subsidiaries and associates as its primary reporting segments. The Group presents a sectoral and industry distribution of loans and deposits as its secondary reporting format. The Group's segment reporting is in conformity with IFRS 8. For the subsidiaries the figures refer to the respective company accounts, while for associates and joint ventures incorporated by the equity method the Group's profit share is stated, after tax, as well as book value of the investment at Group level.

Group 31 December 2024

Profit and loss account (NOKm)	RM	CM	Sunnmøre og Fjordane	EM 1	SB 1 Finans MN	SB 1 Regn-skapshuset SMN	Other	Uncollat-ed	Total
Net interest	1,924	1,456	715	6	549	4	-	721	5,373
Interest from allocated capital	418	242	161	-	-	-	-	-821	-
Total interest income	**2,342**	**1,697**	**876**	**6**	**549**	**4**	**-**	**-100**	**5,373**
Comission income and other income	752	236	158	505	-96	804	-	33	2,392
Net return on financial investments **)	-5	3	8	1	-	-	1,254	97	1,357
Total income	**3,088**	**1,936**	**1,041**	**512**	**453**	**808**	**1,254**	**30**	**9,123**
Total operating expenses	**668**	**233**	**212**	**442**	**136**	**730**	**-**	**880**	**3,300**
Ordinary operating profit	**2,421**	**1,703**	**829**	**71**	**317**	**78**	**1,254**	**-849**	**5,823**
Loss on loans, guarantees etc.	30	88	38	-	20	-	-	-0	176
Result before tax	**2,390**	**1,615**	**792**	**71**	**298**	**78**	**1,254**	**-849**	**5,647**
Return on equity *)	18.9 %	23.7 %	16.0 %						16.6 %

Group 31 December 2023

Profit and loss account (NOKm)	RM	CM	Sunnmøre og Fjordane	EM 1	SB 1 Finans MN	SB 1 Regn-skapshuset SMN	Other	Un-colatted	Total
Net interest	1,824	1,335	598	2	490	4	-	379	4,632
Interest from allocated capital	328	195	112	-	-	-	-	-634	-
Total interest income	**2,151**	**1,530**	**709**	**2**	**490**	**4**	**-**	**-255**	**4,632**
Comission income and other income	652	234	110	432	-97	716	-	37	2,084
Net return on financial investments **)	1	6	7	1	-82	-	379	488	799
Total income	**2,804**	**1,770**	**826**	**435**	**311**	**720**	**379**	**270**	**7,515**
Total operating expenses	1,078	407	315	395	115	612	-	97	3,017
Ordinary operating profit	**1,726**	**1,363**	**512**	**40**	**196**	**108**	**379**	**173**	**4,498**
Loss on loans, guarantees etc.	1	45	-118	-	86	-	-	-0	14
Result before tax	**1,725**	**1,318**	**629**	**40**	**111**	**108**	**379**	**173**	**4,484**
Return on equity *)	18.2 %	24.3 %	19.6 %		1.5 %				14.4 %

**) Regulatory capital in line with the bank's capital target have been used as basis for calculating capital used in the Retail and Corporate market*

**) Specification of other (NOKm)	31 Dec 24	31 Dec 23
SpareBank 1 Gruppen	226	-34
Gain from merger Fremtind/Eika	452	-
SpareBank 1 Boligkreditt	129	98
SpareBank 1 Næringskreditt	14	10
BN Bank	302	257
SpareBank1 Markets	89	19
SpareBank 1 Kreditt	-10	-13
SpareBank 1 Betaling	-19	-37
SpareBank 1 Forvaltning	54	35
Other companies	15	46
Income from investment in associates and joint ventures	**1,254**	**379**
SpareBank 1 Mobilitet Holding	-	-82
Net income from investment in associates and joint ventures	**1,254**	**297**

Note 5 - Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRR/CRD IV). SpareBank 1 SMN utilises the Internal Rating Based Approach (IRB) for credit risk. Advanced IRB Apporoach is used for the corporate portfolios. Use of IRB imposes wide-ranging requirements on the bank's organisational set-up, competence, risk models and risk management systems.

As of 31 December 2024 the overall minimum requirement on CET1 capital is 14.0 per cent. The capital conservation buffer requirement is 2.5 per cent, the systemic risk requirement for Norwegian IRB-banks is 4.5 per cent and the Norwegian countercyclical buffer is 2.5 per cent. These requirements are additional to the requirement of 4.5 per cent CET1 capital. In addition the financial supervisory authority has set a Pillar 2 requirement for SpareBank 1 SMN. From 31 December 2023, the requirement is 1.7 per cent and must be met with a minimum of 56.25 per cent. In addition the bank must have an additional 0.7 per cent in Pillar 2 requirements until the application for adjusting IRB-models has been processed.

Under the CRR/CRDIV regulations the average risk weighting of exposures secured on residential property in Norway cannot be lower than 20 per cent. As of 31 December 2024, the average risk weights are over 20 per cent for the Group

The systemic risk buffer stands at 4.5 per cent for the Norwegian exposures. For exposures in other countries, the particular country's systemic buffer rate shall be employed. As of 31 December 2024 the effective rate for the Group is 4.44 per cent.

The countercyclical buffer is calculated using differentiated rates. For exposures in other countries the countercyclical buffer rate set by the authorities in the country concerned is applied. If that country has not set a rate, the same rate as for exposures in Norway is applied unless the Ministry of Finance sets another rate. As of 31 December 2024 both the parent bank and the Group is below the capital deduction threshold such that the Norwegian rate is applied to all relevant exposures.

Parent Bank			Group	
2023	2024	(NOKm)	2024	2023
25,150	**25,898**	**Total book equity**	**30,523**	**28,597**
–1,800	–1,943	Additional Tier 1 capital instruments included in total equity	–2,039	–1,903
–812	–771	Deferred taxes, goodwill and other intangible assets	–2,272	–1625
–2,591	–2,698	Deduction for allocated dividends and gifts	–2,698	–2,591
-	-	Non-controlling interests recognised in other equity capital	–821	–666
-	-	Non-controlling interests eligible for inclusion in CET1 capital	701	679
-	-	Net profit	-	-
-	-	Year-to-date profit included in core capital (50 per cent (50 per cent) pre tax of Group profit)	-	-
–53	–58	Value adjustments due to requirements for prudent valuation	–78	–72
–412	–407	Positive value of adjusted expected loss under IRB Approach	–641	–546
-	-	Cash flow hedge reserve	–2	–4
–350	–350	Deduction for common equity Tier 1 capital in significant investments in financial institutions	–264	–278
19,131	**19,670**	**Common equity Tier 1 capital**	**22,409**	**21,589**
1,800	1,800	Additional Tier 1 capital instruments	2,409	2,252
–48	–49	Deduction for significant investments in financial institutions	–49	–48
20,883	**21,422**	**Tier 1 capital**	**24,769**	**23,793**
		Supplementary capital in excess of core capital		
2,150	2,650	Subordinated capital	3,465	2,822
–216	–230	Deduction for significant investments in financial institutions	–230	–216
1,934	**2,420**	**Additional Tier 2 capital instruments**	**3,235**	**2,606**
22,817	**23,842**	**Total eligible capital**	**28,004**	**26,399**

Parent Bank			Group	
2023	**2024**	**(NOKm)**	**2024**	**2023**
		Minimum requirements subordinated capital		
15,701	17,015	Specialised enterprises	20,514	19,226
11,303	12,252	Corporate	12,422	11,634
19,617	21,185	Mass market exposure, property	39,806	36,333
1,545	1,498	Other mass market	1,540	1,577
18,558	19,411	Equity positions IRB	-	-
66,724	**71,361**	**Total credit risk IRB**	**74,283**	**68,770**
40	15	Central government	324	68
1,188	1,450	Covered bonds	2,100	1,908
4,659	4,540	Institutions	3,327	3,495
1,371	1,032	Local and regional authorities, state-owned enterprises	1,177	1,829
3,101	3,145	Corporate	6,895	6,325
49	216	Mass market	9,141	8,785
467	840	Exposures secured on real property	1,592	1,573
792	889	Equity positions	5,946	5,809
1,400	1,682	Other assets	2,734	2,224
13,069	**13,810**	**Total credit risk standardised approach**	**33,235**	**32,016**
279	409	Debt risk	405	279
-	-	Equity risk	137	82
-	-	Currency risk and risk exposure for settlement/delivery	13	21
6,810	7,859	Operational risk	13,125	11,548
472	463	Credit value adjustment risk (CVA)	1,424	1,918
87,354	**93,902**	**Minimum requirements subordinated capital**	**122,622**	**114,633**
6,988	**7,512**	**Risk weighted assets (RWA)**	**9,810**	**9,171**
3,931	4,226	Minimum requirement on CET1 capital, 4.5 per cent	5,518	5,159
		Capital Buffers		
2,184	2,348	Capital conservation buffer, 2.5 per cent	3,066	2,866
3,896	4,179	Systemic risk buffer, 4.44 per cent	5,444	5,081
2,184	2,348	Countercyclical buffer, 1.0 per cent	3,066	2,866
8,264	**8,874**	**Total buffer requirements on CET1 capital**	**11,576**	**10,813**
6,937	**6,571**	**Available CET1 capital after buffer requirements**	**5,315**	**5,618**
		Capital adequacy		
21.9 %	20.9 %	Common equity Tier 1 capital ratio	18.3 %	18.8 %
23.9 %	22.8 %	Tier 1 capital ratio	20.2 %	20.8 %
26.1 %	25.4 %	Capital ratio	22.8 %	23.0 %
		Leverage ratio		
221,334	235,069	Balance sheet items	342,557	323,929
7,559	8,473	Off-balance sheet items	10,145	8,984
–513	–513	Regulatory adjustments	–768	–666
228,380	243,028	Calculation basis for leverage ratio	351,934	332,247
20,883	21,422	Core capital	24,769	23,793
9.1 %	**8.8 %**	**Leverage Ratio**	**7.0 %**	**7.2 %**

Note 6 - Risk factors

Risk management

SpareBank 1 SMN aims to maintain a moderate risk profile and to apply risk monitoring of such high quality that no single event will seriously impair the Group's financial position. The Group's risk profile is quantified through targets for rating, concentration, risk-adjusted return, probability of default, loss ratios, expected loss, necessary economic capital, regulatory capital adequacy, and liquidity-related regulatory requirements.

The principles underlying SpareBank 1 SMN's risk management are laid down in the risk management policy. The Group gives much emphasis to identifying, measuring, managing and monitoring central risks in such a way that the Group progresses in line with its adopted risk profile and strategies.

The bank's three lines of defence against financial loss or impaired reputation comprise:

1. Prudent risk limits which reduce the probability of a bank-specific event, and a good internal control function which ensure compliance with the limits.
2. The period's financial result, a buffer to absorb volatility and loss within the adopted risk appetite, and which allows time to make adjustments in business plans/risk profile.
3. Sufficient liquidity and equity capital to manage unexpected events and crises.

Risk management within the Group is intended to support the Group's strategic development and target attainment. The risk management regime is also designed to ensure financial stability and prudent asset management. This will be achieved through:

- A strong organisation culture featuring high risk-management awareness
- A sound understanding of the risks that drive earnings and risk costs, thereby creating a better basis for decision-making
- Striving for an optimal use of capital within the adopted business strategy
- Avoiding unexpected negative events which could be seriously detrimental to the Group's financial position
- Exploiting synergies and diversification effects

The Group's risk is quantified inter alia by calculating expected loss and the need for risk-adjusted capital (economic capital) to meet unexpected losses.

Expected loss is the amount which statistically can be expected to be lost in a 12-month period. Risk-adjusted capital is the volume of capital the Group considers it needs to meet the actual risk incurred by the Group. The board of directors has decided that the risk-adjusted capital should cover 99.9 per cent of all possible unexpected losses. Statistical methods are employed to compute expected loss and risk-adjusted capital, but the calculation requires expert assessments in some cases. In the case of risk types where no recognised methods of calculating capital needs are available, the Group defines risk management limits that limit loss risk in accordance with the adopted risk appetite. For further details see the Group's Pillar III reporting which is available on the bank's website

The Group has incorporated ESG in steering documents, including risk management policy, credit strategy and credit policy. ESG risk, including climate risk, is considered a driver of financial risk and reputational risk.

The Group's overall risk exposure and risk trend are monitored on a continual basis. Status and development are reported on by way of periodic risk reports to the administration and the board of directors. Overall risk monitoring and reporting are performed by Risk Management which is independent of the Group's business lines.

Credit risk

Credit risk is the risk of loss resulting from the inability or unwillingness of customers or counterparties to honour their commitments to the Group.

The Group is exposed to credit risk through all customer and counterparty receivables. The main exposure is through ordinary lending and leasing activities, but the Group's credit risk also has a bearing on the liquidity reserve portfolio through counterparty risk arising from interest rate and foreign exchange derivatives.

Credit risk associated with the Group's lending activity is the risk area with the highest requirement as to capital, both under internal assessments and capital requirement calculations under the CRR.

Through its annual review of the bank's credit strategy, the board of directors concretises the Group's risk appetite by establishing thresholds and limits for the bank's credit portfolio. The limits define the lending activity's boundaries. Deviations with respect to thresholds obliges the credit manager to comment on the deviation to the board of directors and in most cases to prepare action plans in order to reduce risk. The bank's credit strategy and credit policy are derived from the bank's main strategy, and contain guidelines for the risk profile, including credit quality and concentration risk.

Concentration risk is managed by distribution between Retail Banking and Corporate Banking, limits on the size of loan and loss ratio on single exposures, limits on maximum exposure for the twenty largest Grouped exposures, limits on maximum exposure within industries and a limit that ensures industry diversification among the 20 largest customers.

Compliance with credit strategy and thresholds and limits adopted by the board of directors is monitored on a continual basis by the Group Credit Committee and reported quarterly to the board of directors by way of the risk report.

The board of directors delegates lending authorisation to the Group CEO. The Group CEO can further delegate authorisations below divisional director level. Lending authorisations are graded in relation to exposure size and risk profile.

The bank has a department dedicated to credit support which assists in or takes over dealings with customers who are clearly unable, or are highly likely to become unable, to service their debts unless action is taken beyond ordinary follow-up.

The bank's exposure to climate risk is mapped by means of qualitative assessments of physical risk and transition risk at industry level, and through the requirement of ESG scoring of all credit cases above NOK 10m for corporate customers. In addition, the bank has estimated greenhouse gas emissions from the bank's loan customers.

The board of directors has adopted a strategy requiring the bank to be a driver for green transition, and transition plans are accordingly prepared towards a low emissions society for all significant industries in the bank. The transition plans communicate expectations and requirements we place on our customers. Strategies and policies are regularly assessed to ensure that measures against climate risk in the loan portfolio are adequate with reference to risk appetite. The bank has in 2024 not applied exclusion of industries or customer Groups as a tool to curb climate risk.

The bank's risk classification system was developed to quantify credit risk, and thus to enable management of the bank's loan portfolio in keeping with the bank's credit strategy and to measure risk-adjusted return.

The bank has approval to use internal models in its risk management and capital calculation (IRB) with respect to loans and guarantees to the mass market and undertakings. Approval to use the advanced IRB approach was given by Finanstilsynet in 2015. The bank uses IRB models for risk classification, capital allocation, risk pricing and portfolio management.

In 2022 the bank package, including CRR2, was introduced in Norwegian law. The bank package contains comprehensive requirements and guidelines for the development, application and validation of the IRB models. In June 2022 an application to apply the revised models was delivered to Finanstilsynet. The process is still ongoing.

The risk classification system (IRB) builds on the following main components:

1. Probability of Default (PD)
The bank's credit models are based on statistical computations of probability of default. The calculations are based on scoring models that take into account financial position and internal and external behavioural data. The models are partly point-in-time oriented, and reflect the probability of default in the course of the next 12 months under current economic conditions.

Customers are assigned to one of nine risk classes based on PD, in addition to two risk classes for exposures in default and/or subject to impairment write down.

The models are validated on an ongoing basis and at least once per year both with respect to their ability to rank customers and to estimate PD levels. The validation results confirm that the models' accuracy meets internal criteria and international recommendations.

The bank has also developed a cashflow-based PD model used for exposures to commercial property lease. The bank has applied to Finanstilsynet for permission to use this model in its capital calculation (IRB).

2. Exposure at Default (EAD)
EAD is an estimation of the size of an exposure in the event of, and at the time of, a counterparty's default. For drawing rights, a conversion factor (CF) is used to estimate how much of the present unutilised credit ceiling will have been utilised at a future default date. For guarantees, a government-determined CF is used to estimate what portion of issued guarantees will be brought to bear upon default. The CF is validated monthly for drawing rights in the retail market and corporate market. The bank's EAD model takes account of differences both between products and customer types.

3. Loss Given Default (LGD)
The bank estimates the loss ratio for each loan based on expected recovery rate, realisable value (RE value) of the underlying collateral, recovery rate on unsecured debt, as well as direct costs of recovery. Values are determined using standard models, and actual realised values are validated to test the models' reliability.

Estimated loss ratio shall allow for a future economic contraction. Given limited data from economic contractions, the bank has incorporated substantial safety margins in its estimates to ensure conservative estimates when calculating capital requirements.

The three above-mentioned parameters (PD, EAD and LGD) underlie the Group's portfolio classification and statistical calculation of expected loss (EL) and need for economic capital and regulatory capital.

Counterparty risk

Counterparty risk in derivatives trading is managed through ISDA and CSA contracts set up with financial institutions that are the bank's largest counterparties. ISDA contracts regulate settlements between financial counterparties. The CSA contracts limit maximum exposure through market evaluation of the portfolio and margin calls when the change in portfolio value exceeds the maximum agreed limit or threshold amount. The bank will continue to enter CSA contracts with financial counterparties to manage counterparty risk. See note 12 for a further description of these contracts.

Counterparty risk for customers is hedged through use of cash depots or other collateral which, at all times, have to exceed the market value of the customer's portfolio. Specific procedures have been established for calling for further collateral or to close positions if market values exceed 80 per cent of the collateral.

Market risk

Market risk is a generic term for the risk of loss and reduction of future incomes as a result of changes in observable rates or prices of financial instruments. Market risk arises at SpareBank 1 SMN mainly in connection with the bank's investments in bonds, CDs and shares, including funding. SpareBank 1 has outsourced customer trading in fixed income and foreign currency instruments to SpareBank 1 Markets. This customer activity, and SpareBank 1 Markets' use of the bank's balance sheet, also affect the bank's market risk.

Market risk is managed through limits for investments in shares, bonds and positions in the fixed income and currency markets. The Group's strategy for market risk lays the basis for management reporting, control and follow-up of compliance with limits and guidelines.

The bank limits market risk through active use of hedging instruments. Uncovered market risk must be managed within assigned limits. Limits are reviewed at least once a year and adopted yearly by the bank's board of directors. Compliance with the limits is monitored by Risk Management, and exposures relative to the adopted limits are reported quarterly to the Board of Directors.

Interest rate risk is the risk of loss due to changes in interest rates in financial markets. The risk on all interest rate positions can be viewed in terms of the change in value of interest rate instruments resulting from a rate change of 1 percentage point across the entire interest rate curve on all balance sheet items. The Group utilises analyses showing the effect of this change for various maturity bands, with separate limits applying to interest rate exposure within each maturity band and across all maturity bands as a whole, including EVE and NII for interest rate risk in the banking book. Interest rate lock-ins on the Group's instruments are essentially short, and the Group's interest rate risk is low to moderate.

Spread risk is the risk of loss as a result of changes in market value/fair value of bonds due to general changes in credit spreads. The bond portfolio is managed based on an evaluation of the individual issuers. In addition, the bank has a separate limit for overall spread risk and for the business lines. The bank calculates spread risk based on Finanstilsynet's module for market and credit risk. The loss potential for the individual credit exposure is calculated with a basis in rating and duration.

Exchange rate risk is the risk of loss resulting from exchange rate movements. The Group measures exchange rate risk on the basis of net positions in the various currencies.

Limits on exchange rate risk are expressed in limits for the maximum aggregate foreign exchange position in individual currencies.

Equity risk is the risk of loss on positions as a result of changes in share prices. Limits are set for the various portfolios as well as limits for total equity risk. Shares in subsidiaries and shares forming part of a consolidated or strategic assessment are not included.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to refinance its debt or unable to finance increases in its assets.

The bank's most important source of finance is customer deposits. At end-2024 the Group's ratio of deposits to loans was 57 per cent, including loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt, compared with 56 per cent at end-2023 (Group figures).

The bank reduces its liquidity risk by diversifying funding across a variety of markets, funding sources, maturities and instruments, and by employing long-term funding. Excessive concentration of maturities heightens vulnerability with regard to refinancing. The Group seeks to mitigate such risk by applying defined limits.

The bank's finance division is responsible for the Group's financing and liquidity management. Compliance with limits is monitored by Risk Management which reports monthly to the board of directors, but breached limits can be reported on an ongoing basis. The Group manages its liquidity on an overall basis by assigning responsibility for funding both the bank and the subsidiaries to the finance division.

Governance is based in the Group's overall liquidity strategy which is reviewed and adopted by the board at least once each year. The liquidity strategy reflects the Group's moderate risk profile. As a part of the strategy, emergency plans have been drawn up both for the Group and the SpareBank 1 Alliance to handle the liquidity situation in periods of turbulent capital markets. These take into account periods of both bank-specific and system-related crisis scenarios as well as a combination of the two.

The bank shall have a holding of liquid assets sufficient to cover a minimum of 12 months' ordinary operation without access to external funding and to withstand a house price fall of 30 per cent. The bank shall in addition have an adequate liquidity buffer consisting of assets that meet the LCR requirements, and which in volume at all times ensures that the bank is above the minimum requirement. The average residual maturity on debt created by issue of securities at the end of 2024 was 2.9 years. The overall LCR at the same point was 183 per cent. The LCR in Norwegian kroner and euro at the end of 2024 was 158 and 1,086 per cent respectively. Access to funding has been satisfactory in 2024.

Government requirements and investor's preferences will pull in the direction of green investments ahead. The Group has issued green bonds worth NOK 24bn and its objective is to increase the share of loans that qualify for green bonds.

The Group's liquidity situation as of 31 December 2024 is considered satisfactory.

Operational risk

Operational risk can be defined as the risk of loss resulting from:

- People: Breaches of procedures/guidelines, inadequate competence, unclear policy, strategy or procedures, internal malpractices
- Systems: Failure of ICT or other systems
- External causes: Criminality, natural disaster, other external causes

Operational risk is a risk category that captures the great majority of costs associated with quality lapses in the Group's current activity.

Management of operational risk has acquired increased importance in the financial industry in recent years. Contributory factors are internationalisation, strong technological development and steadily growing demands from customers, public authorities and other interest Groups. Many substantial loss events in the international financial industry have originated in failures in this risk area.

Identification, management and control of operational risk are an integral part of managerial responsibility at all levels of SpareBank 1 SMN. Managers' most important aids in this work are professional insight and leadership skills along with action plans, control procedures and good follow-up systems. A systematic programme of risk assessments also contributes to increased knowledge and awareness of current needs for improvement in one's own unit. Any weaknesses and improvements are reported to higher levels in the organisation.

SpareBank 1 SMN attaches importance to authorisation structures, good descriptions of procedures and clear definition of responsibilities in supply contracts between the respective divisions as elements in a framework for handling operational risk.

The management views the undertaking's IT systems as central to operations, to accounting for and to the reporting of executed transactions, as well as to providing a basis for important estimates and calculations. The IT systems are mainly standardised, and their management and operation are largely outsourced to service suppliers.

Process and risk analyses are carried out in all material areas of activity in the bank. In these analyses a risk assessment is made at process level to obtain an overview of the largest operational risks related to the bank's business and support processes.

Upon the introduction of new products, services, systems or processes a risk assessment and quality assurance are undertaken. A number of the bank's specialist areas are involved in this process. They include risk management, compliance, legal affairs, data protection officer, AML and information security. This risk assessment contributes to keeping operational risk related to new products, services, systems and processes to an acceptable level.

The bank uses a Governance, Risk and Compliance (GRC) system as a tool to improve the monitoring of risk, events and areas for improvement. An important area is event registration where these are employed for learning and improvement purposes. A structured process has been established involving follow-up of events with the responsible areas. Personnel with quality responsibilities and specialist responsibilities are involved to identify the need for measures such as process improvements, procedural changes and training needs. The system is also an important tool for registering and following up on areas for improvement that are identified by controls performed by the first and second line, as well as areas for improvement pointed out in reviews by the internal auditor.

Operational losses are reported periodically to the board of directors. The board of directors receives each year from the internal audit and the statutory auditor an independent assessment of the Group's risk and of whether the internal control functions in an appropriate and adequate manner. The board of directors considers operational risk in the undertaking to be moderate, including the risk related to the accounting and reporting process.

For further information see the bank's Pillar 3 reporting which is available at smn.no and the following notes:

Note 12 Maximum credit risk exposure

Note 13 Credit quality per class of financial assets

Note 14 Market risk related to interest rate risk

Note 15 Market risk related to currency exposure

Note 7 - Credit institutions- loans and advances

Parent Bank			Group	
31 Dec 23	31 Dec 24	Loans and advances to credit institutions (NOK million)	31 Dec 24	31 Dec 23
14,191	14,270	Loans and advances without agreed maturity or notice of withdrawal	3,651	3,696
5,050	5,515	Loans and advances with agreed maturity or notice of withdrawal	5,515	5,050
19,241	**19,785**	**Total**	**9,166**	**8,746**

		Specification of loans and receivables on key currencies		
14	3	CAD	3	14
18	5	CHF	5	18
1,735	991	EUR	991	1,735
305	539	GBP	539	305
3	9	JPY	9	3
17,062	18,141	NOK	7,523	6,567
3	20	SEK	20	3
74	41	USD	41	74
26	35	Other	35	26
19,241	**19,785**	**Total**	**9,166**	**8,746**
4.5 %	5.6 %	Average rate credit institutions	5.1 %	3.6 %

31 Dec 23	31 Dec 24	Deposits from credit institutions (NOK million)	31 Dec 24	31 Dec 23
11,028	9,593	Deposits without agreed maturity or notice of withdrawal	9,594	11,028
2,132	4,347	Deposits with agreed maturity or notice of withdrawal	4,347	2,132
13,160	**13,940**	**Total**	**13,941**	**13,160**

		Specification of deposits on key currencies		
621	653	EUR	653	621
14	30	GBP	30	14
1	1	JPY	1	1
12,503	13,215	NOK	13,216	12,503
15	0	SEK	0	15
0	34	USD	34	0
6	7	Other	7	6
13,160	**13,940**	**Total**	**13,941**	**13,160**
3.2 %	4.2 %	Average rate credit institutions	4.2 %	3.2 %

31 Dec 23	31 Dec 24	Other commitments to credit institutions (NOK million)	31 Dec 24	31 Dec 23
2,304	2,174	Unutilised credits	2,174	2,304
20	20	Financial guarantees	20	20
2,324	2,194	Total	2,194	2,324

Deposits from and loans to credit institutions with mainly floating interest.

The average interest rate is calculated based on the interest income/expense of the holding accounts’ average balance for the given year. This is, however, limited to holdings in NOK denominated accounts.

Note 8 - Loans and advances to customers

Accounting policy

Loans held in "hold to collect" business models are measured at amortised cost. Amortised cost is acquisition cost less repayments of principal, plus or minus cumulative amortisation resulting from the effective interest rate method, with deductions for loss provisions. The effective interest rate is the interest rate which precisely discounts estimated future cash in- or out-payments over the financial instrument's expected lifetime.

The Bank sells only parts of the loans qualified for transfer to SpareBank 1 Boligkreditt. Loans included in business models (portfolios) with loans qualifying for transfer are therefore held both to collect cash flows and for sales. The Bank therefore classify all residential mortgages at fair value over other comprehensive income. Fair value on such loans at initial recognition are measured at the transaction price, without reduction for 12 month expected credit loss.

Fixed interest loans to customers are recognised at fair value. Gains and losses due to changes in fair value are recognised in the income statement as fair value changes. Accrued interest and premiums/discounts are recognised as interest. Interest rate risk on fixed interest loans is managed through interest rate swaps which are recognised at fair value. It is the Group's view that recognising fixed interest loans at fair value provides more relevant information on carrying values.

Parent Bank			Group	
31 Dec 2023	**31 Dec 2024**	**(NOK million)**	**31 Dec 2024**	**31 Dec 2023**
157,240	167,077	Gross Loans	180,102	169,862
776	765	Write-downs for expected credit losses	848	907
156,464	166,312	Net loans to and advances to customers	179,254	168,955
		Additional information		
64,719	67,830	Loans sold to SpareBank 1 Boligkreditt	67,830	64,719
894	994	- Of which loans to employees	1,807	1,609
1,749	1,419	Loans sold to SpareBank 1 Næringskreditt	1,419	1,749
102	103	Subordinated loan capital other financial institutions	-	-
2,000	2,202	Loans to employees **1)**	3,625	3,250

1) *Interest rate subsidies on loans to employees are included in net interest income. The lending rate for employees is 75 per cent of the best mortgage rate for other customers.*

Loans and commitments specified by type

Parent Bank			Group	
31 Dec 2023	**31 Dec 2024**	**Loans and commitments specified by type (NOK million)**	**31 Dec 2024**	**31 Dec 2023**
		Gross loans and advances		
-	-	Financial lease	4,237	3,788
13,891	17,799	Bank overdraft and operating credit	17,799	13,891
4,211	3,790	Construction loans	3,790	4,211
139,138	145,489	Amortizing loan	154,276	147,971
157,240	167,077	Total gross loans to and receivables from customers	180,102	169,862
		Other commitments		
4,946	4,845	Financial guarantees, of which:	4,845	4,946
979	1,288	*Payment guarantees*	1,288	979
1,341	1,260	*Performance guarantees*	1,260	1,341
670	810	*Loan guarantees*	810	670
79	73	*Guarantees for taxes*	73	79
1,877	1,413	*Other guarantee commitments*	1,413	1,877
995	1,285	Unutilised guarantee commitments	1,285	995
12,660	13,124	Unutilised credits	13,377	12,883
7,629	9,926	Loans approvals (not discounted)	10,053	7,817
10	20	Documentary credits	20	10
26,240	29,199	Total other commitments	29,578	26,652
183,481	**196,277**	**Total loans and commitments**	**209,680**	**196,514**

Loans and other commitments specified by sector and industry

	31 Dec 2024			31 Dec 2023		
Parent Bank (NOK million)	**Gross loans**	**Other commitments**	**Total loans and commitments**	**Gross loans**	**Other commitments**	**Total loans and commitments**
Wage earners	92,082	12,606	104,688	87,992	9,895	97,887
Public administration	37	868	905	2	643	645
Agriculture and forestry	13,029	1,106	14,134	12,021	1,016	13,037
Fisheries and hunting	6,055	772	6,827	5,459	756	6,215
Sea farming industries	3,835	602	4,437	2,218	1,806	4,024
Manufacturing	3,697	2,826	6,523	3,170	2,245	5,415
Construction, power and water supply	4,996	2,026	7,022	6,111	2,251	8,362
Retail trade, hotels and restaurants	3,266	1,834	5,100	2,845	1,597	4,442
Maritime sector and offshore	4,043	1,342	5,385	6,030	1,574	7,604
Property management	23,427	1,089	24,515	19,539	1,561	21,101
Business services	4,965	1,859	6,824	4,239	910	5,149
Transport and other services provision	6,099	1,368	7,467	5,396	1,043	6,438
Other sectors	1,548	903	2,451	2,220	943	3,163
Total	**167,077**	**29,199**	**196,277**	**157,240**	**26,240**	**183,481**

	31 Dec 2024			31 Dec 2023		
Group (NOK million)	**Gross loans**	**Other commitments**	**Total loans and commitments**	**Gross loans**	**Other commitments**	**Total loans and commitments**
Wage earners	99,329	12,814	112,143	95,058	10,123	105,181
Public administration	62	868	930	39	644	683
Agriculture and forestry	13,519	1,120	14,639	12,489	1,031	13,520
Fisheries and hunting	6,085	773	6,858	5,488	757	6,245
Sea farming industries	4,144	610	4,755	2,473	1,814	4,287
Manufacturing	4,362	2,845	7,207	3,757	2,264	6,021
Construction, power and water supply	6,332	2,064	8,396	7,353	2,291	9,644
Retail trade, hotels and restaurants	4,201	1,860	6,061	3,777	1,627	5,404
Maritime sector and offshore	4,043	1,342	5,385	6,030	1,574	7,604
Property management	23,546	1,092	24,638	19,651	1,565	21,216
Business services	5,701	1,883	7,584	5,148	941	6,088
Transport and other services provision	7,311	1,403	8,714	6,459	1,077	7,536
Other sectors	1,466	904	2,369	2,140	943	3,084
Total	**180,102**	**29,578**	**209,680**	**169,862**	**26,652**	**196,514**

Loans and other commitments specified by geographic area

	31 Dec 2024			31 Dec 2023		
Parent Bank (NOK million)	**Gross loans**	**Other commitments**	**Total loans and commitments**	**Gross loans**	**Other commitments**	**Total loans and commitments**
Trøndelag	97,986	15,679	113,665	95,331	15,593	110,924
Møre og Romsdal	38,733	8,271	47,003	37,194	6,441	43,635
Nordland	2,788	117	2,905	1,109	343	1,453
Oslo	11,314	2,519	13,833	9,794	2,061	11,855
Rest of Norway	15,969	2,563	18,532	13,483	1,762	15,244
Abroad	288	51	339	329	40	369
Total	**167,077**	**29,199**	**196,277**	**157,240**	**26,240**	**183,481**

	31 Dec 2024			31 Dec 2023		
Group (NOK million)	**Gross loans**	**Other commitments**	**Total loans and commitments**	**Gross loans**	**Other commitments**	**Total loans and commitments**
Trøndelag	102,447	15,813	118,260	99,368	15,727	115,096
Møre og Romsdal	41,734	8,357	50,091	40,038	6,533	46,571
Nordland	3,047	125	3,171	1,374	352	1,726
Oslo	11,580	2,526	14,107	10,211	2,074	12,285
Rest of Norway	21,005	2,707	23,712	18,541	1,925	20,466
Abroad	288	51	339	329	40	369
Total	**180,102**	**29,578**	**209,680**	**169,862**	**26,652**	**196,514**

Gross loans sold to SpareBank 1 Boligkreditt

	31 Dec 2024			31 Dec 2023		
(NOK million)	**Gross loans**	**Other commitments**	**Total loans and commitments**	**Gross loans**	**Other commitments**	**Total loans and commitments**
Trøndelag	57,946	2,219	60,165	55,192	2,357	57,549
Møre og Romsdal	7,523	2	7,526	7,392	7	7,399
Nordland	1,538	3	1,541	1,349	7	1,355
Oslo	418	0	418	457	0	457
Rest of Norway	353	-	353	274	-	274
Abroad	52	-	52	53	-	53
Total	**67,830**	**2,224**	**70,054**	**64,717**	**2,371**	**67,088**

Gross loans sold to SpareBank 1 Næringskreditt

	31 Dec 2024			31 Dec 2023		
(NOK million)	**Gross loans**	**Other commitments**	**Total loans and commitments**	**Gross loans**	**Other commitments**	**Total loans and commitments**
Trøndelag	1,073	-	1,073	1,562	-	1,562
Møre og Romsdal	182	-	182	94	-	94
Nordland	163	-	163	93	-	93
Oslo	-	-	-	-	-	-
Rest of Norway	-	-	-	-	-	-
Abroad	-	-	-	-	-	-
Total	**1,419**	**-**	**1,419**	**1,749**	**-**	**1,749**

Loans to and claims on customers related to financial leases

Group (NOK million)	31 Dec 2024	31 Dec 2023
Gross advances related to financial leasing		
- Maturity less than 1 year	153	140
- Maturity more than 1 year and less than 5 years	2,490	2,418
- Maturity more than 5 years	1,486	1,162
Total gross claims	**4,129**	**3,719**
Received income related to financial leasing, not yet earned	108	103
Net investments related to financial leasing	4,237	3,788
Net investments in financial leasing can be broken down as follows:		
- Maturity less than 1 year	166	153
- Maturity more than 1 year and less than 5 years	2,563	2,491
- Maturity more than 5 years	1,508	1,145
Total net claims	**4,237**	**3,788**

Loans and other commitments to customers specified by risk Group

The Bank calculates default probabilities for all customers in the loan portfolio at the loan approval date. This is done on the basis of key figures on earnings, financial strength and behaviour. Default probability is used as a basis for risk classification of the customer. Further, risk classification is used to assign each customer to a risk Group. See note 11 on credit risk exposure for each internal risk rating.

Customers are rescored in the Bank's portfolio system on a monthly basis.

Other commitments include guarantees, unutilised credit lines and letters of credit.

Exposures are monitored with a basis in the exposure's size, risk and migration. Risk pricing of business exposures is done with a basis in expected loss and economic capital required for each exposure. The Bank uses macro-based stress tests to estimate write-downs required as a result of objective events that were not reflected in portfolio quality at the time of measurement.

Risk Group default and written down consist of customers default by over 90 days and or objetive evidence of impairment leading to reduced cash flows from the customer. See note 10 Losses on loans and guarantees.

Parent Bank 31 Dec 24 (NOK million)	Neither default or credit impaired					Default and credit impaired	Total
	Lowest risk	Low risk	Medium risk	High risk	Highest risk		
Gross Loans							
Fair value through OCI	**78,304**	**9,148**	**2,639**	**696**	**1,313**	**762**	**92,863**
Stage 1	78,152	8,085	1,124	185	208	-	87,754
Stage 2	152	1,063	1,515	511	1,106	-	4,346
Stage 3	-	-	-	-	-	762	762
Amortised cost	**27,795**	**15,694**	**15,829**	**1,994**	**1,100**	**1,232**	**63,645**
Stage 1	27,534	14,167	12,404	1,118	250	-	55,473
Stage 2	261	1,527	3,425	875	851	-	6,939
Stage 3	-	-	-	-	-	1,232	1,232
Fair value through Profit and Loss	**8,743**	**1,320**	**351**	**63**	**72**	**21**	**10,570**
Total Gross Loans	**114,843**	**26,163**	**18,819**	**2,752**	**2,485**	**2,015**	**167,077**
Other Commitments	**18,289**	**6,081**	**4,269**	**232**	**160**	**167**	**29,199**
Stage 1	17,846	5,636	3,269	108	59	-	26,918
Stage 2	443	445	1,000	125	101	-	2,114
Stage 3	-	-	-	-	-	167	167
Total loans and other commitments	**133,132**	**32,244**	**23,089**	**2,985**	**2,645**	**2,182**	**196,277**

Parent Bank 31 Dec 23 (NOK million)	Neither default or credit impaired						
	Lowest risk	Low risk	Medium risk	High risk	Highest risk	Default and credit impaired	Total
Gross Loans							
Fair value through OCI	**79,502**	**7,751**	**2,854**	**647**	**1,098**	**526**	**92,377**
Stage 1	79,314	6,791	1,147	187	236	-	87,675
Stage 2	188	960	1,707	459	862	-	4,175
Stage 3	-	-	-	-	-	526	526
Amortised cost	**27,706**	**12,092**	**15,553**	**1,498**	**1,069**	**1,363**	**59,281**
Stage 1	27,445	9,856	11,834	886	532	-	50,553
Stage 2	261	2,236	3,719	613	536	-	7,366
Stage 3	-	-	-	-	-	1,363	1,363
Fair value through Profit and Loss	**4,738**	**609**	**163**	**44**	**20**	**7**	**5,582**
Total Gross Loans	**111,946**	**20,452**	**18,570**	**2,189**	**2,186**	**1,897**	**157,240**
Other Commitments	**16,850**	**4,917**	**3,963**	**199**	**118**	**193**	**26,240**
Stage 1	16,209	4,585	3,080	67	35	-	23,976
Stage 2	641	331	883	133	84	-	2,071
Stage 3	-	-	-	-	-	193	193
Total loans and other commitments	**128,796**	**25,369**	**22,533**	**2,389**	**2,305**	**2,090**	**183,481**

	Neither default or credit impaired						
Group 31 Dec 24 (NOK million)	**Lowest risk**	**Low risk**	**Medium risk**	**High risk**	**Highest risk**	**Default and credit impaired**	**Total**
Gross Loans							
Fair value through OCI	**78,304**	**9,148**	**2,639**	**696**	**1,313**	**762**	**92,863**
Stage 1	78,152	8,085	1,124	185	208	-	87,754
Stage 2	152	1,063	1,515	511	1,106	-	4,346
Stage 3	-	-	-	-	-	762	762
Amortised cost	**28,013**	**18,356**	**23,797**	**3,194**	**1,943**	**1,469**	**76,772**
Stage 1	27,752	16,372	19,235	1,820	250	-	65,428
Stage 2	261	1,984	4,562	1,374	1,694	-	9,876
Stage 3	-	-	-	-	-	1,469	1,469
Fair value through Profit and Loss	**8,640**	**1,320**	**351**	**63**	**72**	**21**	**10,467**
Total Gross Loans	**114,958**	**28,825**	**26,787**	**3,952**	**3,328**	**2,251**	**180,102**
Other Commitments	**18,289**	**6,081**	**4,649**	**232**	**160**	**167**	**29,578**
Stage 1	17,846	5,636	3,468	108	59	-	27,117
Stage 2	443	445	1,180	125	101	-	2,294
Stage 3	-	-	-	-	-	167	167
Total loans and other commitments	**133,247**	**34,906**	**31,436**	**4,184**	**3,488**	**2,418**	**209,680**

	Neither default or credit impaired						
Group 31 Dec 23 (NOK million)	**Lowest risk**	**Low risk**	**Medium risk**	**High risk**	**Highest risk**	**Default and credit impaired**	**Total**
Gross Loans							
Fair value through OCI	**79,502**	**7,751**	**2,854**	**647**	**1,098**	**526**	**92,377**
Stage 1	79,314	6,791	1,147	187	236	-	87,675
Stage 2	188	960	1,707	459	862	-	4,175
Stage 3	-	-	-	-	-	526	526
Amortised cost	**28,043**	**14,748**	**22,971**	**2,853**	**1,833**	**1,557**	**72,004**
Stage 1	27,782	12,177	18,328	1,797	532	-	60,616
Stage 2	261	2,571	4,642	1,056	1,301	-	9,832
Stage 3	-	-	-	-	-	1,557	1,557
Fair value through Profit and Loss	**4,636**	**609**	**163**	**44**	**20**	**7**	**5,480**
Total Gross Loans	**112,181**	**23,108**	**25,988**	**3,544**	**2,951**	**2,091**	**169,862**
Other Commitments	**16,850**	**4,917**	**4,374**	**199**	**118**	**193**	**26,652**
Stage 1	16,209	4,585	3,293	67	35	-	24,189
Stage 2	641	331	1,081	133	84	-	2,270
Stage 3	-	-	-	-	-	193	193
Total loans and other commitments	**129,031**	**28,025**	**30,362**	**3,743**	**3,069**	**2,284**	**196,514**

Gross loans and commitments sold to SpareBank 1 Boligkreditt

	31 Dec 2024			31 Dec 2023		
(NOK million)	**Gross loans**	**Other commitments**	**Total loans and commitments**	**Gross loans**	**Other commitments**	**Total loans and commitments**
Lowest risk	39,591	1,415	41,006	37,570	1,518	39,088
Low risk	13,178	569	13,747	13,153	597	13,750
Medium risk	-	-	-	-	-	-
High risk	4,454	84	4,538	3,960	81	4,042
Highest risk	10,541	156	10,697	7,619	143	7,762
Default and written down	66	1	67	2,414	32	2,446
Total	**67,830**	**2,224**	**70,054**	**64,717**	**2,371**	**67,088**

Gross loans and commitments sold to SpareBank 1 Næringskreditt

	31 Dec 2024			31 Dec 2023		
(NOK million)	**Gross loans**	**Other commitments**	**Total loans and commitments**	**Gross loans**	**Other commitments**	**Total loans and commitments**
Lowest risk	1,109	-	1,109	1,311	-	1,311
Low risk	97	-	97	188	-	188
Medium risk	-	-	-	-	-	-
High risk	213	-	213	250	-	250
Highest risk	-	-	-	-	-	-
Default and written down	-	-	-	-	-	-
Total	**1,419**	**-**	**1,419**	**1,749**	**-**	**1,749**

Note 9 - Derecognition of financial assets

In its ordinary business the Bank undertakes transactions that result in the sale of financial assets. The Bank transfers such financial assets mainly through sales of customers' home mortgage loans to SpareBank 1 Boligkreditt or commercial property loans to SpareBank 1 Næringskreditt.

Payment received for loans sold to SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt corresponds to book value and is deemed to equal the loans' fair value at the time of sale.

In accordance with the management agreement with the above mortgage companies, the Bank is responsible for management of the loans and maintains customer contact. The Bank receives payment in the form of commission for the obligations ensuing from management of the loans.

The above mortgage companies can sell the loans bought from the Bank, while the Bank's right to service the customers and receive commission continues to apply. Should the Bank be unable to service customers, its right to service and commission may lapse. The Bank may have the option to repurchase the loans under given conditions.

If the mortgage companies incur losses on purchased loans, they have a certain right to settle such loss against commissions from all banks that have sold the loans. Hence a limited residual involvement exists related to sold loans in the event of a possible limited settlement of loss against commission. However, this opportunity of settlement is not considered to be of such a nature as to alter the conclusion that the great majority of risk and advantages is transferred. The Bank's maximum exposure to loss is represented by the highest amount reimbursable under the agreements.

The Bank has considered the accounting implications such that great majority of risk and advantages related to the sold loans is transferred to the mortgage companies. This entails full derecognition of sold loans. The Bank recognises all right and obligations that are created or retained in connection with the sale separately as assets or liabilities. Commision received is presented as Commision income.

SpareBank 1 Boligkreditt

SpareBank 1 Boligkreditt AS is owned by savings banks participating in the SpareBank 1 Alliance. The Bank has a stake of 23.16 per cent as of 31 December 2024 (23.85 per cent as of 31 December 2023). SpareBank 1 Boligkreditt AS acquires loans secured on dwellings and issues covered bonds within the applicable rules that were established in 2007. Loans sold to SpareBank 1 Boligkreditt are secured on dwellings at up to 75 per cent of property valuation. Sold loans are legally owned by SpareBank 1 Boligkreditt and the Bank has, over and above the right to be responsible for management and receipt of commission, and the right to take over written-down loans in whole or in part, no right to make use of the loans. The Bank is responsible for management of the sold loans and receives commission based on the net of the return on the loans that the Bank has sold and the mortgage company costs.

In 2024 mortgage loans were bought and sold to a net value of NOK 3.1bn (7.8bn in 2023) to SpareBank 1 Boligkreditt. In total, mortgage loans to SpareBank 1 Boligkreditt were derecognised in an amount of NOK 67.8bn at the end of the financial year (NOK 64.7bn in 2023)

Liquidity facility

SpareBank 1 SMN has, together with the other owners of SpareBank 1 Boligkreditt, entered an agreement for the establishment of a liquidity facility for SpareBank 1 Boligkreditt. Under this agreement the Banks undertake to purchase covered bonds issued by the mortgage company limited to the overall value of amounts falling due over the next 12 months at SpareBank 1 Boligkreditt.

The liability is limited to the mortgage company's obligation to redeem issued covered bonds after the company's own holding of liquidity at the due date is subtracted. Each owner is liable principally for its share of the need, subsidiarily for twice the primary liability under the same agreement. The bonds may be deposited in Norges Bank and therefore entail no significant increase in risk for the Bank. Under its liquidity strategy, SpareBank 1 Boligkreditt holds liquidity in compliance with the Net Stable Funding Ratio requirements. This liquidity reserve is taken into account in assessing the Banks' liability. Hence it is only in cases where the company no longer has sufficient liquidity to meet amounts falling due over the next 12 months that the Bank will report any exposure in this regard.

Financial strength

Together with the other owners of SpareBank 1 Boligkreditt, SpareBank 1 SMN has also entered an agreement to ensure that SpareBank 1 Boligkreditt has at all times a common equity Tier 1 capital ratio of at least 9 per cent. The shareholders are required to supply sufficient core capital within 3 months of receiving a written request to do so, unless other initiatives are taken to reduce the capital need.

The shareholders' undertaking to supply such core capital is on a pro rata rather than a solitary basis, and is based on each shareholder's pro rata portion of the shares of SpareBank 1 Boligkreditt. Each owner is liable principally for its share of the need, subsidiarily for twice the primary liability under the same agreement. At year-end the company has 20 per cent own funds, of which about 17.8 per cent is core capital. Viewed in light of the mortgage company's very low risk profile, the Bank considers it unlikely that capital will be called up under this agreement and has opted not to maintain reserves to that end.

SpareBank 1 Næringskreditt

SpareBank 1 Næringskreditt AS is owned by savings banks in the SpareBank 1 Alliance. The Bank has a stake of 12,70 per cent as at 31.12.2024 (14.80 per cent as at 31.12.2023). SpareBank 1 Næringskreditt AS acquires loans secured on dwellings and issues covered bonds within the applicable rules that were established in 2007. Loans sold to SpareBank 1 Næringskreditt are secured on commercial property at up to 60 per cent of property valuation. Sold loans are legally owned by SpareBank 1 Næringskreditt and the Bank has, over and above the right to be responsible for management and receipt of commission, and the right to take over written-down loans in whole or in part, no right to make use of the loans. The Bank is responsible for management of the sold loans and receives commission based on the net of the return on the loans that the Bank has sold and the mortgage company costs.

Commercial property loans sold to SpareBank 1 Næringskreditt were reduced by NOK 330m in 2024 (reduced by NOK 90m in 2023). In total, mortgage loans to SpareBank 1 Næringskreditt were derecognised in an amount of NOK 1.3bn by the end of the financial year (NOK 1,6bn in 2023)

Liquidity facility

As described above with regard to SpareBank 1 Boligkreditt, a similar agreement has been entered with SpareBank 1 Næringskreditt.

Financial strength

An agreement to secure a core capital ratio of at least 9 per cent at SpareBank 1 Næringskreditt has been similarly entered into. See the above account concerning SpareBank 1 Boligkreditt.

Note 10 - Losses on loans and guarantees

Accounting Policy

Loan loss provisions are recognised based on expected credit loss (ECL). The general model for provisions for loss of financial assets in IFRS 9 applies to both financial assets measured at amortised cost and to financial assets at fair value with changes in value through profit or loss, which are not impaired when purchased or issued. In addition, unused credit, loan commitments and financial guarantee contracts that are not measured at fair value through profit or loss are also included.

Measurement of the provision for expected loss depends on whether credit risk has increased significantly since first- time recognition. Upon first-time recognition, and when credit risk has not increased significantly since first-time recognition, provision shall be made for expected loss occuring due to defaults that occur within 12 months. If credit risk has risen significantly, provision shall be made for expected loss across the entire life. Loss estimates are prepared quarterly, and build on data in the data warehouse which has historical accounting and customer data for the entire credit portfolio. The bank uses three macroeconomic scenarios to take into account non-linear aspects of expected losses. The various scenarios are used to adjust relevant parameters for calculating expected losses, and a probability-weighted average of expected losses under the respective scenarios is recognised as a loss.

Loss estimates are computed based on 12-month and lifelong probability of default (PD), loss given default (LGD) and exposure at default (EAD). The data warehouse contains historical data for observed PD and observed LGD. This forms the basis for estimating future values for PD and LGD. In keeping with IFRS 9 the bank Groups its loans in three stages:

Stage 1:
This is the starting point for all financial assets covered by the general loss model. All assets that do not have significantly higher credit risk than at first-time recognition receive a loss provision corresponding to 12 months' expected loss. All assets that are not transferred to stage 2 or 3 reside in this category.

Stage 2:
Stage 2 of the loss model encompasses assets that show a significant increase in credit risk since first-time recognition, but where objective evidence of loss is not present. For these assets a provision for expected loss over the entire lifetime is to be made. In this Group we find accounts with a significant degree of credit deterioration, but which at the balance sheet date belong to customers classified as performing. As regards delineation against stage 1, the bank defines 'significant degree of credit deterioration' by taking a basis in whether the exposure's calculated probability of default shows a significant increase. SpareBank 1 SMN has decided to utilise both absolute and relative changes in PD as criteria for transfer to stage 2. The most important factor for a significant change in credit risk is the quantitative change in PD on the period end compared to the PD at first time recognition. A change in PD by more than 150 per cent is considered to be a significant change in credit risk. The change will have to be over 0.6 percentage points. In addition, customers with payments 30 days past due will be transferred to stage 2. A qualitative assessment is also done when engagements have been put on watch list or given forbearance.

The thresholds for movement between Stage 1 and Stage 2 are symmetrical. After a financial asset has transferred to Stage 2, if its credit risk is no longer considered to have significantly increased relative to its initial recognition, the financial asset will move back to Stage 1.

Stage 3:
Stage 3 of the loss model encompasses assets that show a significant increase in credit risk since loan approval and where there is objective evidence of loss at the balance sheet date. For these assets a provision shall be made for expected loss over the entire lifetime. These are assets which under previous rules were defined as defaulted and written down.

Impairment must be a result of one or more events occurring after first-time recognition (a loss event), and it must be possible to measure the result of the loss event(s) reliably. Objective evidence of impairment of a financial asset includes observable data which come to the Group's knowledge on the following loss events:

- significant financial difficulties on the part of the issuer or borrower
- a not insignificant breach of contract, such as failure to pay instalments and interest
- the Group grants the borrower special terms in light of financial or legal aspects of the borrower's situation
- the debtor is likely to start debt negotiation or other financial restructuring
- due to financial problems, the active markets for the financial asset cease

The Group assesses first whether individual objective evidence exists that individually significant financial assets have suffered impairment. Where there is objective evidence of impairment, the size of the impairment is measured as the difference between the asset's carrying value and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The carrying value of the asset is reduced through a provision account and the loss is recognised in the income statement.

Defaulted or non-performing loans

Default is defined in two categories: 1) payment default or 2) default based on manual default marking;

1. Payment default is defined as material payment arrears or overdrafts of more than 90 days' duration. Threshold values for material arrears or overdrafts are set out in the Norwegian CRR/CRD IV regulations.
2. Default resulting from manual default marking is based to a larger degree on individual credit assessments, and to a lesser degree on automatic mechanisms. Events included in this category are provision for loss on a customer loan, bankruptcy/debt restructuring, forbearance assessments, deferment of interest and instalment payments for more than 180 days, or other indications suggesting considerable doubt as to whether the borrower will perform his obligations.

The default definition include a 'waiting period' during which borrowers are categorised as still in default after the default has been rectified. The waiting period is three months or 12 months depending on the underlying cause of the default.

Furthermore, rules on default marking at Group level are introduced whereby corporate customers in default to a Group company will also be considered to be in default to the bank. For personal customers, threshold values are specified for default contagion in the Group. Where a defaulted exposure exceeds 20 per cent of total exposure, the exposure will be considered to be in default at Group level.

Actual loan losses

Write-down for actual losses (derecognition of book value) are made when the bank has no reasonable expectations to recover the asset in its whole or partially. Criteria for write-down are as follows:

- Closed bankruptcy in limited liability companies
- Confirmed chord / debt negotiations
- Settlement for other companies with limited liability
- Ended living at death
- By lawful judgment
- Collateral is realized

The commitment will normally be placed on long-term monitoring in case the debtor should again become solvent and suable.

Financial guarantees issued

Financial guarantees are contracts that require the bank to reimburse the holder for a loss due to a specific debtor failure to pay in accordance with the terms is classified as issued financial guarantees. On initial recognition of issued financial guarantees, the guarantees are recognised in the balance sheet at the received consideration for the guarantee. Subsequent measurement assesses issued financials guarantees to the highest amount of the loss provision and the amount that was recognised at initial recognition less any cumulative income recognised in the income statement. When issuing financial guarantees, the consideration for the guarantee is recognised under "Other liabilities" in the balance sheet. Revenue from issued financial guarantees and costs related to purchased financial guarantees is amortised over the duration of the instrument and presented as "Commission income" or "Commission expenses". Changes in expected credit losses are included in the line «Losses on loans and guarantees» in the income statement.

Loan commitments

Expected credit losses are calculated for loan commitments and presented as "Other liabilities" in the balance sheet. Changes in the provision for expected losses are presented in the line «Losses on loans and guarantees» in the income statement. For instruments that have both a drawn portion and an unutilised limit, expected credit losses are distributed pro-rata between provisions for loan losses and provisions in the balance sheet based on the relative proportion of exposure.

Losses on loans and guarantees

	2024			2023		
Parent Bank (NOKm)	**RM***	**CM***	**Total**	**RM***	**CM***	**Total**
Change in provision for expected credit losses	38	28	65	4	–59	–55
Actual loan losses on commitments exceeding provisions made	3	105	109	11	146	157
Recoveries on commitments previously written-off	–5	–13	–18	–21	–153	–174
Losses for the period on loans and guarantees	36	120	156	–6	–66	–72

*) RM = Retail market, CM = Corporate market

	2024			2023		
Group (NOKm)	**RM***	**CM***	**Total**	**RM***	**CM***	**Total**
Change in provision for expected credit losses	33	–14	19	1	–7	–6
Actual loan losses on commitments exceeding provisions made	9	166	175	47	168	215
Recoveries on commitments previously written-off	–5	–14	–19	–40	–155	–195
Losses for the period on loans and guarantees	37	139	176	8	6	14

**) RM = Retail market, CM = Corporate market*

In 2024, the Group has written off NOK 140 million, which are still subject to enforcement activities, the corresponding figure for 2023 was NOK 296 million.

Provision for losses on loans and guarantees

Parent Bank (NOKm)	1 Jan 24	Change in provision	Net write-offs / recoveries	31 Dec 24
Loans as amortised cost- CM	671	37	–31	677
Loans as amortised cost- RM	43	26	-0	69
Loans at fair value over OCI- RM	137	12	-	149
Loans at fair value over OCI- CM	13	–9	-	4
Provision for expected credit losses on loans and guarantees	**864**	**65**	**–31**	**899**
Presented as				
Provision for loan losses	776	20	–31	765
Other debt- provisons	53	50	-	102
Other comprehensive income - fair value adjustment	36	–4	-	31

Parent Bank (NOKm)	1 Jan 23	Merge Søre Sunnmøre	Change in provision	Net write-offs / recoveries	31 Dec 23
Loans as amortised cost- CM	921	32	–101	–181	671
Loans as amortised cost- RM	35	11	2	–5	43
Loans at fair value over OCI- RM	147	-	–10	-	137
Loans at fair value over OCI- CM	2	-	11	-	13
Provision for expected credit losses on loans and guarantees	**1,106**	**43**	**–99**	**–186**	**864**
Presented as					
Provision for loan losses	999	41	–77	–186	776
Other debt- provisons	67	2	–16	-	53
Other comprehensive income - fair value adjustment	40	-	–5	-	36

Group (NOKm)	1 Jan 24	Change in provision	Net write-offs / recoveries	31 Dec 24
Loans as amortised cost- CM	777	39	–77	739
Loans as amortised cost- RM	68	21	-0	89
Loans at fair value over OCI- RM	137	12	-	149
Loans at fair value over OCI- CM	13	–9	-	4
Provision for expected credit losses on loans and guarantees	**995**	**63**	**–77**	**981**
Presented as				
Provision for loan losses	907	18	–77	848
Other debt- provisons	53	50	-	102
Other comprehensive income - fair value adjustment	36	–4	-	31

Group (NOKm)	1 Jan 23	Merge Søre Sunnmøre	Change in provision	Net write-offs / recoveries	31 Dec 23
Loans as amortised cost- CM	976	32	–44	–186	777
Loans as amortised cost- RM	63	11	–1	–5	68
Loans at fair value over OCI- RM	147	-	–10	-	137
Loans at fair value over OCI- CM	2	-	11	-	13
Provision for expected credit losses on loans and guarantees	**1,188**	**43**	**–44**	**–192**	**995**
Presented as					
Provision for loan losses	1,081	41	–23	–192	907
Other debt- provisons	67	2	–16	-	53
Other comprehensive income - fair value adjustment	40	-	–5	-	36

Parent Bank (NOKm)	31 Dec 2024 Stage 1	Stage 2	Stage 3	Total	31 Dec 2023 Stage 1	Stage 2	Stage 3	Total
Retail market								
Opening balance	38	95	45	179	46	93	42	181
Transfer to (from) stage 1	16	–16	0	0	18	–18	0	0
Transfer to (from) stage 2	–4	5	–1	0	–3	3	0	0
Transfer to (from) stage 3	–1	–9	10	0	0	–8	9	0
Net remeasurement of loss allowances	–16	36	25	45	–26	19	–5	–12
Originations or purchases	14	20	2	36	15	20	3	37
Derecognitions	–12	–26	–5	–42	–14	–31	–4	–49
Changes due to changed input assumptions	1	–3	–4	–6	3	16	8	27
Actual loan losses	-	-	0	0	-	-	–5	–5
Closing balance	36	103	72	211	38	95	45	179
Corporate Market								
Opening balance	160	267	205	633	138	298	421	858
Transfer to (from) stage 1	29	–29	0	0	59	–59	0	0
Transfer to (from) stage 2	–9	11	–2	0	–14	24	–10	0
Transfer to (from) stage 3	–7	–19	26	0	–1	–5	6	0
Net remeasurement of loss allowances	–23	90	–49	18	–58	11	9	–38
Originations or purchases	70	57	3	131	90	35	37	163
Derecognitions	–60	–108	–14	–181	–52	–68	–15	–136
Changes due to changed input assumptions	–7	8	14	15	–2	31	–62	–33
Actual loan losses	-	-	–31	–31	-	-	–181	–181
Closing balance	155	278	152	585	160	267	205	633
Total accrual for loan losses	**191**	**382**	**224**	**796**	**198**	**363**	**251**	**812**

	31 Dec 2024				31 Dec 2023			
Group (NOKm)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Retail market								
Opening balance	46	111	46	204	55	107	47	209
Transfer to (from) stage 1	19	–19	–1	0	21	–20	–1	0
Transfer to (from) stage 2	–5	6	–1	0	–4	5	–1	0
Transfer to (from) stage 3	–1	–11	12	0	–1	–10	11	0
Net remeasurement of loss allowances	–19	41	25	47	–28	25	–6	–9
Originations or purchases	17	23	2	42	19	25	3	47
Derecognitions	–14	–29	–5	–48	–17	–34	–7	–58
Changes due to changed input assumptions	–1	–7	–4	–13	0	14	7	21
Actual loan losses	0	0	0	0	0	0	–5	–5
Closing balance	43	116	73	232	46	111	46	204
Corporate Market								
Opening balance	172	299	268	739	151	311	450	912
Transfer to (from) stage 1	34	–33	0	0	63	–63	0	0
Transfer to (from) stage 2	–10	13	–3	0	–18	28	–10	0
Transfer to (from) stage 3	–7	–20	27	0	–1	–6	7	0
Net remeasurement of loss allowances	–25	98	–46	27	–59	22	60	23
Originations or purchases	75	70	4	149	96	46	38	181
Derecognitions	–62	–112	–14	–188	–54	–70	–16	–140
Changes due to changed input assumptions	–10	–1	9	–2	–5	29	–75	–51
Actual loan losses	0	0	–77	–77	0	0	–186	–186
Closing balance	166	313	168	647	172	299	268	739
Total accrual for loan losses	**209**	**429**	**241**	**879**	**218**	**410**	**314**	**943**

Accrual for losses on guarantees and unused credit lines

	31 Dec 2024				31 Dec 2023			
Parent Bank and Group (NOKm)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance	18	27	8	53	24	34	9	67
Transfer to (from) stage 1	12	–12	0	0	6	–6	0	0
Transfer to (from) stage 2	–1	1	0	0	–2	2	0	0
Transfer to (from) stage 3	0	0	1	0	0	–1	1	0
Net remeasurement of loss allowances	–11	9	44	41	–13	–4	2	–15
Originations or purchases	18	4	2	23	9	4	0	13
Derecognitions	–6	–4	–2	–12	–6	–8	–1	–15
Changes due to changed input assumptions	–3	2	–2	–3	0	5	–3	2
Actual loan losses	0	0	0	0	0	0	0	0
Closing balance	**26**	**26**	**50**	**102**	**18**	**27**	**8**	**53**
Of which								
Retail market				6				1
Corporate Market				96				51

Provision for credit losses specified by industry

	31 Dec 2024				31 Dec 2023			
Parent Bank (NOKm)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Agriculture and forestry	2	49	28	80	3	44	10	57
Fisheries and hunting	9	65	18	92	6	33	0	39
Sea farming industries	7	2	1	9	5	0	0	5
Manufacturing	11	26	14	51	15	31	13	59
Construction, power and water supply	28	37	43	108	46	25	28	99
Retail trade, hotels and restaurants	14	34	14	63	8	13	1	23
Maritime sector	3	2	25	30	7	54	103	164
Property management	41	86	28	156	44	92	22	159
Business services	22	22	2	46	17	16	24	57
Transport and other services	22	7	3	32	10	6	13	29
Public administration	0	0	0	0	0	0	0	0
Other sectors	1	0	0	1	1	0	0	1
Wage earners	1	50	48	99	1	47	35	83
Total provision for losses on loans	160	382	224	765	163	363	251	776
Loan loss allowance on loans at FVOCI	31	0	0	31	36	0	0	36
Total loan loss allowance	**191**	**382**	**224**	**796**	**198**	**363**	**251**	**812**

Group (NOKm)	31 Dec 2024 Stage 1	Stage 2	Stage 3	Total	31 Dec 2023 Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	3	51	29	83	4	46	10	60
Fisheries and hunting	9	65	18	92	6	33	0	39
Sea farming industries	8	2	2	11	6	0	0	6
Manufacturing	13	31	17	61	18	36	13	68
Construction, power and water supply	28	55	45	129	46	42	33	121
Retail trade, hotels and restaurants	17	36	14	67	11	15	2	28
Maritime sector	3	2	25	30	7	54	103	164
Property management	41	87	28	156	45	93	22	160
Business services	24	24	10	58	19	18	78	114
Transport and other services	25	13	4	42	12	11	16	39
Public administration	0	0	0	0	0	0	0	0
Other sectors	1	0	0	1	1	0	0	1
Wage earners	7	62	49	117	8	62	36	106
Total provision for losses on loans	178	429	241	848	183	410	314	907
Loan loss allowance on loans at FVOCI	31	0	0	31	36	0	0	36
Total loan loss allowance	**209**	**429**	**241**	**879**	**218**	**410**	**314**	**943**

	31 Dec 2024				31 Dec 2023			
Parent Bank (NOKm)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Retail Market								
Opening balance	90,901	4,553	725	96,178	80,994	3,962	527	85,484
Transfer to stage 1	986	–955	–32	0	895	–868	–27	-
Transfer to stage 2	–1,808	1,852	–44	0	–1,538	1,557	–18	-
Transfer to stage 3	–125	–211	336	0	–38	–156	194	-
Net increase/decrease amount existing loans	–2,207	–94	–37	–2,337	–2,305	–95	–6	–2,406
New loans	44,893	1,607	360	46,860	42,690	1,549	222	44,460
Derecognitions	–41,895	–2,003	–320	–44,218	–29,797	–1,395	–149	–31,342
Financial assets with actual loan losses	0	0	–1	–1	0	0	–18	–18
Closing balance	90,744	4,749	988	96,481	90,901	4,553	725	96,178
Corporate Market								
Opening balance	47,327	6,988	1,165	55,480	43,127	5,883	1,346	50,356
Transfer to stage 1	1,259	–1,258	–1	0	1,026	–1,021	–5	-
Transfer to stage 2	–2,487	2,631	–144	0	–2,669	2,670	–1	-
Transfer to stage 3	–44	–342	386	0	–72	–44	116	-
Net increase/decrease amount existing loans	–1,780	–253	0	–2,033	–1099	–485	–10	–1594
New loans	19,037	971	272	20,281	17,922	816	351	19,089
Derecognitions	–10,827	–2,202	–627	–13,655	–10,901	–828	–335	–12,064
Financial assets with actual loan losses	0	0	–46	–46	–7	–2	–298	–307
Closing balance	52,484	6,536	1,006	60,026	47,327	6,988	1,165	55,480
Fixed interest loans at FV	10,570	-	-	10,570	5,582	-	-	5,582
Total gross loans at the end of the period	**153,797**	**11,286**	**1,994**	**167,077**	**143,809**	**11,541**	**1,890**	**157,240**

	31 Dec 2024				31 Dec 2023			
Group (NOKm)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Retail Market								
Opening balance	96,963	5,474	825	103,263	86,972	4,901	635	92,508
Transfer to stage 1	1,229	–1,193	–36	0	1,138	–1,108	–30	-
Transfer to stage 2	–2,267	2,322	–55	0	–1,955	1,978	–23	-
Transfer to stage 3	–152	–267	419	0	–59	–219	277	-
Net increase/decrease amount existing loans	–2,191	–170	–52	–2,414	–2,272	–165	–20	–2,457
New loans	47,975	1,825	371	50,171	45,658	1,781	231	47,670
Derecognitions	–44,637	–2,293	–364	–47,294	–32,519	–1,694	–227	–34,440
Financial assets with actual loan losses	0	0	–1	–1	0	0	–18	–18
Closing balance	96,920	5,698	1,107	103,725	96,963	5,474	825	103,263
Corporate Market								
Opening balance	51,327	8,533	1,259	61,119	47,621	6,460	1,410	55,491
Transfer to stage 1	1,419	–1,412	–6	0	1,207	–1,199	–8	-
Transfer to stage 2	–2,835	2,995	–161	0	–3,639	3,655	–17	-
Transfer to stage 3	–79	–378	458	0	–101	–80	180	-
Net increase/decrease amount existing loans	–1,867	–286	–14	–2,167	–1103	–692	–23	–1,818
New loans	20,250	1,664	304	22,218	19,159	1,339	368	20,866
Derecognitions	–11,953	–2,591	–670	–15,214	–11,811	–949	–354	–13,114
Financial assets with actual loan losses	0	0	–46	–46	–7	–2	–297	–306
Closing balance	56,263	8,524	1,123	65,910	51,327	8,533	1,259	61,119
Fixed interest loans at FV	10,467	-	-	10,467	5,480	-	-	5,480
Total gross loans at the end of the period	**163,649**	**14,222**	**2,231**	**180,102**	**153,770**	**14,007**	**2,085**	**169,862**

Note 11 - Credit risk exposure for each internal risk rating

The Bank uses a special classification system for monitoring credit risk in the portfolio. Risk classification is based on each individual exposure's probability of default. In the table below this classification is collated with corresponding rating classes at Moody's.

Historical default data are Parent Bank figures showing the default ratio (DR) per credit quality step. The figures are an unweighted average of customers with normal scores in the period 2015-2024.

Collateral cover represents the expected realisation value (RE value) of underlying collaterals. The value are determined using fixed models, and actual realisation value are validated to test their reliability of the model. In accordance with the capital requirements regulations the estimates are downturn estimates. Based on the collateral cover (RE value / EAD) the exposure is classified to one of seven classes, the best of which has a collateral cover above 120 per cent, and the lowest has a collateral cover below 20 per cent.

	Probability of default					Collateral cover		
Credit quality step	**From**	**To**	**Moody's**	**Historical default**	**Default 2024**	**Collateral class**	**Lower limit**	**Upper limit**
A	0.00%	0.10%	Aaa-A3	0.02%	0.06%	1	120	
B	0.10%	0.25%	Baa1-Baa2	0.04%	0.05%	2	100	120
C	0.25%	0.50%	Baa3	0.09%	0.10%	3	80	100
D	0.50%	0.75%	Ba1	0.30%	0.27%	4	60	80
E	0.75%	1.25%	Ba2	0.65%	0.81%	5	40	60
F	1.25%	2.50%		1.49%	2.97%	6	20	40
G	2.50%	5.00%	Ba2-B1	2.29%	3.72%	7	0	20
H	5.00%	10.00%	B1-B2	4.88%	5.93%			
I	10.00%	99.99%	B3-Caa3	14.99%	18.19%			
J	Default							
K	Problem loans							

The Bank's exposures are classified into risk Groups based on credit quality step.

Credit quality step	Risk Groups
A - C	Lowest risk
D - E	Low risk
F - G	Medium risk
H	High risk
I	Highest risk
J - K	Default and credit impaired

Parent Bank (NOK million)	Averaged unhedged exposure 31 Dec 2024	Total exposure 31 Dec 2024	Averaged unhedged exposure 31 Dec 2023	Total exposure 31 Dec 2023
Lowest risk	0.7 %	133,132	1.1 %	128,796
Low risk	1.5 %	32,244	2.4 %	25,369
Medium risk	2.4 %	23,089	3.5 %	22,533
High risk	2.5 %	2,985	2.1 %	2,389
Highest risk	3.4 %	2,653	3.5 %	2,305
Default and/or problem loans	6.1 %	2,174	5.7 %	2,090
Total		**196,277**		**183,481**

Group (NOK million)	Averaged unhedged exposure 31 Dec 2024	Total exposure 31 Dec 2024	Averaged unhedged exposure 31 Dec 2023	Total exposure 31 Dec 2023
Lowest risk	0.8 %	133,247	1.2 %	129,031
Low risk	1.4 %	34,906	2.2 %	28,025
Medium risk	1.8 %	31,436	2.6 %	30,362
High risk	1.8 %	4,184	1.4 %	3,743
Highest risk	2.6 %	3,496	2.6 %	3,069
Default and/or problem loans	5.5 %	2,410	5.3 %	2,284
Total		**209,680**		**196,514**

The realisation value of furnished collateral is determined such that they, on a conservative assessment, reflect the presumed realisation value in an economic downturn.

Note 12 - Maximum credit risk exposure

The table below shows maximum exposure to credit risk for balance sheet components, including derivatives. Exposures are shown on a gross basis before collateral and permitted set-offs.

For disclosure of classes of financial instruments where this is not spesified in the table below, see note 24 Categories of financial assets and financial liabilities.

Parent Bank

31 Dec 24 (NOK million)	Maximum exposure to credit risk, gross	Provision for expected credit losses	Collateral in property	Collateral in securities	Other collateral and netting agreements*)	Maximum exposure to credit risk, net
Assets						
Balances with central banks	651	0	0	0	0	651
Loans and advances to credit institutions	19,785	0	0	0	0	19,785
Loans and advances to customers at fair value through profit or loss	10,570	0	10,333	25	40	172
Loans and advances to customers at amortised cost	63,645	641	38,022	2,730	22,253	0
Loans and advances to customers at fair value through OCI	92,863	348	91,489	80	509	436
Securities and bonds	36,649	0	0	0	14,911	21,738
Derivatives	7,231	0	0	0	4,754	2,477
Earned income, not yet recieved	187	0	0	0	0	187
Accounts receivable, securities	221	0	0	0	0	221
Total assets	**231,802**	**989**	**139,844**	**2,836**	**43,790**	**45,667**
Liabilities						
Guarantee commitments and documentary credits	6,169	62	0	0	0	6,108
Unutilised credits and Loan approvals	25,224	40	2,265	30	301	22,588
Other exposures	6,181	0	0	0	0	6,181
Total liabilities	**37,575**	**102**	**2,265**	**30**	**301**	**34,877**
Total credit risk exposure	**269,377**					**80,544**

31 Dec 23 (NOK million)	Maximum exposure to credit risk, gross	Provision for expected credit losses	Collateral in property	Collateral in securities	Other collateral and netting agreements*)	Maximum exposure to credit risk, net
Assets						
Balances with central banks	1,147	0	0	0	0	1,147
Loans and advances to credit institutions	19,241	0	0	0	0	19,241
Loans and advances to customers at fair value through profit or loss	5,582	0	5,387	26	30	139
Loans and advances to customers at amortised cost	59,281	659	32,438	2,912	20,313	2,959
Loans and advances to customers at fair value through OCI	92,377	117	91,080	71	471	638
Securities and bonds	34,163	0	0	0	11,884	22,278
Derivatives	6,659	0	0	0	3,849	2,810
Earned income, not yet recieved	136	0	0	0	0	136
Accounts receivable, securities	66	0	0	0	0	66
Total assets	**218,651**	**776**	**128,904**	**3,010**	**36,548**	**49,413**
Liabilities						
Guarantee commitments and documentary credits	5,972	19	0	0	0	5,953
Unutilised credits and loan approvals	22,592	34	3,030	448	424	18,656
Other exposures	5,354	0	0	0	0	5,354
Total liabilities	**33,919**	**53**	**3,030**	**448**	**424**	**29,964**
Total credit risk exposure	**252,570**					**79,377**

Group

31 Dec 24 (NOK million)	Maximum exposure to credit risk, gross	Provision for expected credit losses	Collateral in property	Collateral in securities	Other collateral and netting agreements*)	Maximum exposure to credit risk, net
Assets						
Balances with central banks	651	0	0	0	0	651
Loans and advances to credit institutions	9,166	0	0	0	0	9,166
Loans and advances to customers at fair value through profit or loss	10,467	0	10,333	25	40	69
Loans and advances to customers at amortised cost	76,772	559	38,022	2,730	35,401	60
Loans and advances to customers at fair value through OCI	92,863	348	91,489	80	509	436
Securities and bonds	36,650	0	0	0	14,911	21,739
Derivatives	7,231	0	0	0	4,754	2,477
Earned income, not yet recieved	211	0	0	0	0	211
Accounts receivable, securities	221	0	0	0	0	221
Total assets	**234,233**	**907**	**139,844**	**2,836**	**55,616**	**35,030**
Liabilities						
Guarantee commitments and documentary credits	6,169	62	0	0	0	6,108
Unutilised credits and loan approvals	25,604	40	2,265	30	301	22,968
Other exposures	6,235	0	0	0	0	6,235
Total liabilities	**38,008**	**102**	**2,265**	**30**	**301**	**35,310**
Total credit risk exposure	**272,241**					**70,341**

31 Dec 23 (NOK million)	Maximum exposure to credit risk, gross	Provision for expected credit losses	Collateral in property	Collateral in securities	Other collateral and netting agreements*)	Maximum exposure to credit risk, net
Assets						
Balances with central banks	1,147	0	0	0	0	1,147
Loans and advances to credit institutions	8,746	0	0	0	0	8,746
Loans and advances to customers at fair value through profit or loss	5,480	0	5,387	26	30	37
Loans and advances to customers at amortised cost	72,004	531	32,438	2,912	33,065	3,059
Loans and advances to customers at fair value through OCI	92,377	117	91,080	71	471	638
Securities and bonds	34,163	0	0	0	11,884	22,279
Derivatives	6,659	0	0	0	3,849	2,810
Earned income, not yet recieved	153	0	0	0	0	153
Accounts receivable, securities	66	0	0	0	0	66
Total assets	**220,796**	**648**	**128,904**	**3,010**	**49,300**	**38,934**
Liabilities						
Guarantee commitments and documentary credits	5,972	19	0	0	0	5,953
Unutilised credits and loan approvals	23,003	34	3,030	448	424	19,067
Other exposures	5,404	0	0	0	0	5,404
Total liabilities	**34,380**	**53**	**3,030**	**448**	**424**	**30,425**
Total credit risk exposure	**255,176**					**69,359**

*) *Other collateral includes cash, movables, ship and guarantees received. For covered bonds the cover pool comprises loans to customers in the company that has issued the bond. For derivatives, cash has been provided as collateral, in addition to bilateral ISDA agreements on netting of derivatives.*

The Bank’s maximum credit exposure is shown in the above table. SpareBank 1 SMN provides wholesale banking services to BN Bank and the Samspar banks. In this connection a guarantee agreement has been established which assures full settlement for exposures connected to these agreements.

For retail and corporate customers, use is made of framework agreements requiring provision of collateral. Customers furnish cash deposits and/or assets as collateral for their trade in power and salmon derivatives at NASDAQ OMX Oslo ASA and Fish Pool ASA.

SpareBank 1 SMN enters into standardised and mainly bilateral ISDA agreements on netting of derivatives with financial institutions as counterparties. Additionally the Bank has entered into supplementary agreements on provision of collateral (CSA) with the most central counterparties. As of 31 December 2024 the Bank has about 37 (40) active ISDA agreements. As from 1 March 2017 the Bank was required under EMIR to have in place a CSA with daily exchange of margin collateral etc. with all financial counterparties with which the bank deals domiciled (inter alia) in an EU meber state. The Bank only enters into agreements with cash as collateral. The Bank has delegated responsibility for handling these agreements to SEB Prime Collateral Services which handles margin requirements on behalf of the Bank. More about collateral and encumbrances in note 37 Other debt and liabilities.

The collateral is measured at fair value, limited to maximum credit exposure for the individual counterparty.

The Group has NOK 603 million exposures in stage 3 where no impairment charge has been made due to value of collateral, for 2023 the same amount was NOK 230 million.

Note 13 - Credit quality per class of financial assets

The Bank handles the credit quality of financial assets by means of its internal guidlines for credit ratings. See section entitled credit risk under Note 6 Risk factors.

The table below shows credit quality per class of assets for loan-related assets in the balance sheet, based on the Bank's own credit rating system. The entire loan exposure is included when parts of the exposure are defaulted. Non-performance is defined in the note as default of payment of NOK 1,000 or more for more than 90 days.

Parent Bank

		Neither defaulted nor written down						
31 Dec 2024 (NOK million)	**Notes**	**Lowest risk**	**Low risk**	**Medium risk**	**High risk**	**Highest risk**	**Defaulted or credit impaired**	**Total**
Loans to and claims on credit institutions	**7**	**19,785**	**-**	**-**	**-**	**-**	**-**	**19,785**
Loans to and claims on customers	**8**							
Retail market		89,315	10,932	3,445	849	1,555	1,011	107,107
Corporate market		25,528	15,231	15,375	1,903	930	1,004	59,970
Total		**114,843**	**26,163**	**18,819**	**2,752**	**2,485**	**2,015**	**167,077**
Financial investments	**27**							
Quoted government and government guaranteed bonds		8,836	-	-	-	-	-	8,836
Quoted other bonds		19,031	690	2	-	-	-	19,723
Unquoted government and government guaranteed bonds		5,645	-	-	-	-	-	5,645
Unquoted other bonds		2,446	-	-	-	-	-	2,446
Total		**35,957**	**690**	**2**	**-**	**-**	**-**	**36,649**
Total		**170,585**	**26,853**	**18,821**	**2,752**	**2,485**	**2,015**	**223,512**

31 Dec 2023 (NOK million)	Notes	Neither defaulted nor written down					Defaulted or credit impaired	Total
		Lowest risk	Low risk	Medium risk	High risk	Highest risk		
Loans to and claims on credit institutions	**7**	**19,241**	**-**	**-**	**-**	**-**	**-**	**19,241**
Loans to and claims on customers	**8**							
Retail market		86,802	8,718	3,501	820	1,198	733	101,772
Corporate market		25,144	11,735	15,069	1,369	988	1,164	55,469
Total		**111,946**	**20,452**	**18,570**	**2,189**	**2,186**	**1,897**	**157,240**
Financial investments	**27**							
Quoted government and government guaranteed bonds		8,546	-	-	-	-	-	8,546
Quoted other bonds		16,566	440	5	-	-	-	17,011
Unquoted government and government guaranteed bonds		5,323	-	-	-	-	-	5,323
Unquoted other bonds		3,282	-	-	-	-	-	3,282
Total		**33,717**	**440**	**5**	**-**	**-**	**-**	**34,163**
Total		**164,904**	**20,893**	**18,575**	**2,189**	**2,186**	**1,897**	**210,644**

Group

		Neither defaulted nor written down						
31 Dec 2024 (NOK million)	**Notes**	**Lowest risk**	**Low risk**	**Medium risk**	**High risk**	**Highest risk**	**Defaulted or credit impaired**	**Total**
Loans to and claims on credit institutions	**7**	**9,166**	**-**	**-**	**-**	**-**	**-**	**9,166**
Loans to and claims on customers	**8**							
Retail market		89,318	12,362	8,474	1,170	1,935	1,091	114,350
Corporate market		25,640	16,463	18,313	2,782	1,393	1,160	65,751
Total		**114,958**	**28,825**	**26,787**	**3,952**	**3,328**	**2,251**	**180,102**
Financial investments	**27**							
Quoted government and government guaranteed bonds		8,836	-	-	-	-	-	8,836
Quoted other bonds		19,031	690	2	-	-	-	19,723
Unquoted government and government guaranteed bonds		5,645	-	-	-	-	-	5,645
Unquoted other bonds		2,447	-	-	-	-	-	2,447
Total		**35,958**	**690**	**2**	**-**	**-**	**-**	**36,650**
Total		**160,082**	**29,515**	**26,789**	**3,952**	**3,328**	**2,251**	**225,918**

31 Dec 2023 (NOK million)	Notes	Neither defaulted nor written down						
		Lowest risk	**Low risk**	**Medium risk**	**High risk**	**Highest risk**	**Defaulted or credit impaired**	**Total**
Loans to and claims on credit institutions	**7**	**8,746**	**-**	**-**	**-**	**-**	**-**	**8,746**
Loans to and claims on customers	**8**							
Retail market		86,803	10,270	8,043	1,309	1,598	833	108,856
Corporate market		25,377	12,838	17,945	2,234	1,354	1,258	61,006
Total		**112,181**	**23,108**	**25,988**	**3,544**	**2,951**	**2,091**	**169,862**
Financial investments	**27**							
Quoted government and government guaranteed bonds		8,546	-	-	-	-	-	8,546
Quoted other bonds		16,566	440	5	-	-	-	17,011
Unquoted government and government guaranteed bonds		5,323	-	-	-	-	-	5,323
Unquoted other bonds		3,283	-	-	-	-	-	3,283
Total		**33,718**	**440**	**5**	**-**	**-**	**-**	**34,163**
Total		**154,644**	**23,548**	**25,993**	**3,544**	**2,951**	**2,091**	**212,771**

Note 14 - Market risk related to interest rate risk

This note is a sensitivity analysis based on relevant balance sheet items as of 31 December and thereafter for the year concerned. The Bank's interest rate risk is calculated by simulating a parallel interest rate shift for the entire interest rate curve of two percentage point on all balance sheet items.

For further details regarding interest rate risk, see Note 6 Risk Factors.

	Interest rate risk, change 2 percentage point	
Basis risk Group (NOK million)	**2024**	**2023**
Currency		
NOK	– 87	– 64
EUR	7	13
USD	– 7	– 2
CHF	– 1	– 1
GBP	– 1	0
Other	0	0
Total interest rate risk, effect on result before tax	**– 89**	**– 53**

Total interest rate risk suggest that the Bank will have losses from an increase in the interest rate in 2024.

The table below shows the effect of an interest rate curve shift on various time intervals and the associated gains or losses within the respective maturities.

	Interest rate risk, change 2 percentage point	
Interest rate curve risk, Group (NOK million)	**2024**	**2023**
Maturity		
0 - 2 month	10	16
2 - 3 months	–81	–60
3 - 6 months	–14	–26
6 - 12 months	0	12
1 - 2 years	2	–8
2 - 3 years	–5	10
3 - 4 years	1	–8
4 - 5 years	–2	–6
5 - 8 years	1	4
8 - 15 years	–1	14
Total interest rate risk, effect on result before tax	**–89**	**–53**

Note 15 - Market risk related to currency exposure

Foreign exchange risk arises when there are differences between the Group's assets and liabilities in a given currency. Currency trading must at all times be conducted within adopted limits and authorisations. The Group's limits define quantitative measures for maximum net foreign currency exposure, measured in Norwegian kroner.

The Group has established limits for net exposure (expressed as the highest of the sum of long and short positions). Overnight exchange rate risk for spot trading in foreign currency must not, exceed NOK 150 million on an aggregate basis.

Foreign exchange risk has been low throughout the year. For further details see note 6 on risk factors.

Parent Bank		Net foreign exchange exposure NOK	Group	
2023	**2024**	(NOK million)	**2024**	**2023**
20	–8	EUR	–8	20
2	0	USD	0	2
5	0	SEK	0	5
–1	2	GBP	2	–1
0	0	Other	0	0
26	**–4**	**Total**	**–4**	**26**
0.9	0.4	Result effect of 3% change	0.4	0.9

Note 16 - Liquidity risk

Liquidity risk is the risk that the Group will be unable to refinance its debt or unable to finance increases in its assets. See note 6 on risk factors for a detailed description.

Group

At 31 Dec 2024 (NOKm)	On demand	Below 3 months	3-12 months	1 - 5 yrs	Above 5 yrs	Total
Cash flows related to liabilities [2)]						
Deposits from credit institutions	9,064	3,432	127	1,569	15	14,208
Deposits from and debt to customers	99,386	26,319	10,742	4,449	-	140,897
Debt created by issue of securities	-	194	10,621	42,481	1,600	54,896
Derivatives - contractual cash flow out	-	641	13,693	29,303	1,254	44,891
Other liabilities	-	986	1,595	625	269	3,475
Subordinated loan capital [1)]	-	44	132	3,174	-	3,350
Total cash flow, liabilities	**108,451**	**31,618**	**36,910**	**81,600**	**3,138**	**261,717**
Derivatives net cash flows						
Contractual cash flows out	-	641	13,693	29,303	1,254	44,891
Contractual cash flows in	-	–224	–13,023	–28,721	–1,344	–43,311
Net contractual cash flows	**-**	**417**	**671**	**582**	**–90**	**1,580**

Does not include value adjustments for financial instruments at fair value.

1) For subordinated debt the call date is used for cash settlement

2) Contractual cash-flows include calculated interest and the total amount therefore deviate from recognised liabilities

Group						
At 31 Dec 2023 (NOKm)	**On demand**	**Below 3 months**	**3-12 months**	**1 - 5 yrs**	**Above 5 yrs**	**Total**
Cash flows related to liabilities [2)]						
Debt to credit institutions	10,399	90	344	1,938	20	12,792
Deposits from and debt to customers	89,914	23,961	10,120	8,894	-	132,888
Debt created by issuance of securities	-	3164	2,513	44,528	1,295	51,499
Derivatives - contractual cash flow out	-	1130	4,101	26,309	1,397	32,937
Other liabilities	-	1,004	1207	551	269	3,031
Subordinated loan capital [1)]	-	38	505	2,180	-	2,723
Total cash flow, liabilities	**100,313**	**29,386**	**18,790**	**84,401**	**2,981**	**235,871**
Derivatives net cash flows						
Contractual cash flows out	-	1130	4,101	26,309	1,397	32,937
Contractual cash flows in	-	–805	–3,331	–24,630	–1,360	–30,126
Net contractual cash flows	**-**	**325**	**770**	**1,679**	**37**	**2,811**

Does not include value adjustments for financial instruments at fair value.

1) For subordinated debt the call date is used for cash settlement

2) Contractual cash-flows include calculated interest and the total amount therefore deviate from recognised liabilities

Note 17 - Net interest income

Accounting policy

Interest income and expenses related to assets and liabilities which are measured at amortised cost or fair value over OCI are recognised in profit/loss on an ongoing basis using the effective interest rate method. Charges connected to interest-bearing funding and lending are included in the computation of effective interest rate and are amortised over expected lifetime. For debt instruments assets at amortised cost which have been written down as a result of objective evidence of loss, interest is recognised as income based on the net capitalised amount. In the case of interest-bearing instruments measured at fair value in profit or loss, the market value will be classified as income from other financial investments. For interest-bearing instruments at amortised costs that are not included in hedging relationships, premiums/underpayments are amortised as interest income over the term of the contract.

Parent Bank			Group	
2023	**2024**	(NOKm)	**2024**	**2023**
887	1,045	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	443	380
4,716	5,621	Interest income from loans to and claims on customers (amortised cost)	6,763	5,701
3,616	4,456	Interest income from loans to and claims on customers (Fair value over OCI)	4,456	3,616
165	269	Interest income from loans to and claims on customers (Fair value over Profit and loss)	269	165
1,482	1,614	Interest income from money market instruments, bonds and other fixed income securities (Fair value over Profit and loss)	1,606	1,477
-	-	Other interest income	24	24
10,866	**13,005**	**Total interest income**	**13,560**	**11,362**
559	628	Interest expenses on liabilities to credit institutions	628	559
3,780	4,949	Interest expenses relating to deposits from and liabilities to customers	4,900	3,748
2,056	2,324	Interest expenses related to the issuance of securities	2,324	2,057
129	175	Interest expenses on subordinated debt	180	132
9	12	Other interest expenses	62	45
90	93	Guarantee fund levy	93	90
6,622	**8,180**	**Total interest expense**	**8,187**	**6,631**
4,244	**4,824**	**Net interest income**	**5,373**	**4,732**

Note 18 - Net commission income and other income

Accounting policy

Commission income and expenses are generally accrued in step with the provision of the service. Charges related to interest-bearing instruments are not entered as commission, but are included in the calculation of effective interest and recognised in profit/loss accordingly. Consultancy fees accrue in accordance with a consultancy agreement, usually in step with the provision of the service. The same applies to ongoing management services. Fees and charges in connection with the sale or mediation of financial instruments, property or other investment objects which do not generate balance sheet items in the Bank's accounts are recognised in profit/loss when the transaction is completed. The Bank receives commission from SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt corresponding to the difference between the interest on the loan and the funding cost achieved by SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. This shows as commission income in the Bank's accounts.

Parent Bank			Group	
2023	**2024**	(NOK million)	**2024**	**2023**
		Commission income		
68	73	Guarantee commission	73	68
-	-	Broker commission	304	265
47	62	Portfolio commission, savings products	62	47
155	272	Commission from SpareBank 1 Boligkreditt	272	155
15	14	Commission from SpareBank 1 Næringskreditt	14	15
496	550	Payment transmission services	546	493
253	263	Commission from insurance services	263	253
87	80	Other commission income	76	78
1,121	**1,315**	**Total commission income**	**1,611**	**1,374**
		Commission expenses		
102	120	Payment transmission services	121	102
12	15	Other commission expenses	103	96
114	**135**	**Total commission expenses**	**224**	**199**
		Other operating income		
11	11	Operating income real property	13	12
-	-	Property administration and sale of property	241	207
-	-	Securities trading	-	-
-	-	Accountant's fees	733	661
59	55	Other operating income	19	30
69	**65**	**Total other operating income**	**1,006**	**910**
1,076	**1,245**	**Total net commision income and other operating income**	**2,392**	**2,085**

Note 19 - Net return on financial investments

Parent Bank			Group	
2023	2024	(NOKm)	2024	2023
		Valued at fair value through profit/loss		
-83	-291	Value change in interest rate instruments	-293	-83
		Value change in derivatives/hedging		
2	8	Net value change in hedged bonds and derivatives*)	8	2
5	27	Net value change in hedged fixed rate loans and derivatives	27	5
-118	142	Other derivatives	142	-118
		Income from equity instruments		
-	-	Income from owner interests	1,254	297
693	318	Dividend from owner instruments	-	-
412	1	Value change and gain/loss on owner instruments	1	409
18	43	Dividend from equity instruments	33	26
41	60	Value change and gain/loss on equity instruments	87	55
969	**308**	**Total net income from financial assets and liabilities at fair value through profit/(loss)**	**1,259**	**593**
		Valued at amortised cost		
-2	-2	Value change in interest rate instruments held to maturity	-2	-2
-2	**-2**	**Total net income from financial assets and liabilities at amortised cost**	**-2**	**-2**
108	**99**	**Total net gain from currency trading**	**100**	**108**
1,076	**406**	**Total net return on financial investments**	**1,357**	**699**

		*) **Fair value hedging**		
896	513	Changes in fair value on hedging instrument	513	896
-894	-505	Changes in fair value on hedging item	-505	-894
2	**8**	**Net Gain or Loss from hedge accounting**	**8**	**2**

Note 20 - Personnel expenses

Parent bank			Group	
2023	**2024**	**(NOK million)**	**2024**	**2023**
722	870	Wages	1,715	1,455
67	83	Pension costs (Note 22)	143	117
60	58	Social costs	123	119
849	**1,012**	**Total personnel expenses**	**1,981**	**1,691**
776	880	Average number of employees	1,807	1,618
798	841	Number of man-labour years as at 31 December	1,660	1,545
863	896	Number of employees as at 31 December	1,876	1,737

For detailed information on emoluments to top management 2024, please see the Report on remuneration and emoluments to senior personell on smn.no

Remuneration of Directors

(figures in NOK thousands)

		Fixed remuneration						
Name of director, position	**Year**	**Base salary 1)**	**Fringe benefits 2)**	**Extra-ordinary items 3)**	**Pension expense 4)**	**Total remuneration**	**Loan 5)**	**No. of ECs6)**
Jan-Frode Janson, Group CEO	2024	5,571	284		1,402	7,257	-	49,493
	2023	5,300	317		1,241	6,859	-	49,166
Trond Søraas, Executive director - Finance and Strategy	2024	2,650	219		358	3,226	5,774	10,494
	2023	2,387	193	100	314	2,994	3,323	10,267
Nelly Maske, Executive director - Retail Banking 7)	2024	2,835	256		412	3,503	6,728	22,203
	2023	2,797	204		382	3,383	5,898	21,876
Monica Haftorn Iversen, Executive director - Corporate Bank 8)	2024	1,933	229		212	2,374	14,444	494
	2023							
Vegard Helland, Executive director - Corporate Banking	2024	3,041	191		385	3,617	250	36,529
	2023	2,927	193		355	3,475	100	36,202
Stig Brautaset, Executive director - Sunnmøre og Fjordane regions 9)	2024	2,739	210		542	3,491	2,776	2,292
	2023	1,771	144		435	2,351	-	1,407

Astrid Undheim, Executive director - Technology and Development	2024	2,489	256		362	3,107	8,354	1,071
	2023	2,385	220		362	2,968	5,787	744
Ola Neråsen, Executive director - Risk Management	2024	2,524	202		301	3,026	2,795	50,138
	2023	2,439	171		274	2,884	-	43,764
Rolf Jarle Brøske, Executive director - Communications and Brand	2024	2,407	270		299	2,976	20,313	16,040
	2023	2,281	208	150	274	2,912	9,771	15,713
Arne Nypan, CEO SpareBank 1 Regnskapshuset SMN [10)]	2024	2,755	246	350	295	3,646	4,433	36,959
	2023	2,594	235		254	3,083	4,903	33,948
Kjetil Reinsberg, CEO EiendomsMegler 1 Midt-Norge [11)]	2024	3,054	360	255	420	4,089	4,671	32,635
	2023	3,076	468		391	3,934	10,995	29,141

1) *None of the directors receive variable remuneration, only fixed remuneration. Fixed remuneration equals base salary, salary for vacation, deduction from salary for vacation, pension compenasation, additional pension, tax compenasation for 12G-pension and other fixed additions.*

2) *Fringe benefits includes compensation for electronic communications, fixed car allowance, company car, mileage allowance, accident-/ treatment-/ occupational-/other injury-/ travel and Group life insurance, as well as the benefit of low-interest loans. Additionally, this includes reported benefits for issued equity certificates at a discount in a voluntary saving plan which senior employees participate on the same conditions as all the employees.*

3) *Extraordinary items are paid out in special cases to senior employees who have had an extraordinary workload. For 2024, the payout also includes compensation related to the harmonization of pension schemes.*

4) *Pension expense inkludes occupational pension and pension account for salaries over 12G*

5) *Loan includes loan to directors and loan to their related persons. All directors has the same loan conditions as all the employees.*

6) *Number of equity capital sertificates also inkludes certificates owned by related persons and companies in wich one has significant influence*

7) *Nelly Maske resigned from her position as Executive Director, Retail Market, on November 1, 2024*

8) *Monica Haftorn Iversen assumed her position as Executive Director, Retail Market, on November 1, 2024*

9) *Stig Brautaset was the CEO of SpareBank 1 Sunnmøre, which merged with SpareBank 1 SMN May 2nd 2023. After the merge he took up his position as Executive director Sunnmøre and Fjordane regions. Pension expense is related to the comany-owned pension account for salaries over 12G and regular occupational pension.*

10) *Arne Nypan is CEO SpareBank 1 Regnskapshuset SMN (SB1 RH) - total remuneration and pension expense is related to SB1 RH*

11) *Kjetil Reinsberg is CEO EiendomsMegler 1 Midt-Norge (EM1) - total remunertaion and pension expense is retaled to EM1*

Emoluments to the Board of Directors

(figures in NOK thousands)

Name	Title	Year	Fee	Fees to nomination-/ audit-/ risk and remuneration committee	Other benefits	Loans as of 31 December	No. of ECs 5)
Kjell Bjordal	Board chairman	2024	668	44	2	-	130,000
		2023	595	40	19	-	130,000
Christian Stav	Deputy chair	2024	315	160	2	-	35,000
		2023	313	129	4	-	35,000
Mette Kamsvåg	Board member	2024	286	95	3	3,758	5,600
		2023	273	134	15	3,951	5,600
Kristian Sætre	Board member	2024	286	33	1	585	300
		2023	206	20	1	1,421	-
Ingrid Finboe Svendsen	Board member	2024	286	177	0	-	850
		2023	206	106	0	-	1,150
Freddy Aursø	Board member	2024	286	24	0	-	-
		2023	273	20	64	-	-
Nina Olufsen 1)	Board member	2024	218	93	-	-	-
		2023					
Christina Straub 2)	Board member, employee representative 2)	2024	286	0	1,060	5,547	1,171
		2023	273	0	925	5,620	1,083
Inge Lindseth 2)	Board member, employee representative 2)	2024	286	33	1,143	4,041	13,240
		2023	273	27	965	3,956	10,913
Tonje Eskeland Foss 3)	Board member	2024	69	12	-	-	-
		2023	273	47	11	12,606	-
Morten Loktu 4)	Board member	2023	66	6,750	15	-	15,000

1) Joined the board in 2024

2) Other compensations include salary in employment relationships

3) Resigned from the board in 2024

4) Resigned from the board in 2023

5) The number of equity certificates is stated in whole numbers

Fees to the Supervicory Board

(figures in NOK thousands)

Name	Year	Fee
Knut Solberg, Supervisory Board Chair	2024	100
	2023	95
Other members	2024	297
	2023	270

Note 21 - Other operating expenses

Parent Bank			Group	
2023	**2024**	**(NOK million)**	**2024**	**2023**
404	338	IT costs	410	461
12	11	Postage and transport of valuables	13	15
71	84	Marketing	104	93
111	138	Ordinary depreciation (note 31, 32 and 33)	183	154
50	51	Operating expenses, real properties	48	57
222	252	Purchased services	298	254
251	211	Other operating expense	262	294
1,121	**1,084**	**Total other operating expenses**	**1,319**	**1,327**
		Audit fees (NOK 1000)		
3,362	2,188	Financial audit	6,213	4,905
1,191	1,659	Other attestations	1,834	1,339
-	-	Tax advice	31	29
1,075	1,076	Other non-audit services	1,238	1,075
5,627	**4,922**	**Total incl. value added tax**	**9,317**	**7,348**

Note 22 - Pension

Defined benefit scheme

The SpareBank 1 SMN Group has a pension scheme for its staff that meet the requirements set for mandatory occupational pensions. SpareBank 1 SMN had a defined benefit scheme previously. This pension scheme is administered by a pension fund conferring entitlement to specific future pension benefits from age 67. The schemes include children's pension and disability pension under further rules. The Group's defined benefit pension scheme assures the majority of employees a pension of 68 percent of final salary up to 12G. This arrangement was terminated from 1 January 2017. Employees on this scheme was transferred to the defined contribution scheme and received a paid-up policy showing rights accumulated under the defined benefit scheme. The termination resulted in reduced pension obligations, which has been treated as a settlement gain and reduced the pension expense for 2016.

Paid-up policies are managed by the pension fund, which becomes a paid-up pension fund as from 1 January 2017. A framework agreement has been established between SpareBank 1 SMN and the pension fund which covers funding, asset management etc. In view of the responsibility still held by SpareBank 1 SMN, future liabilities will need to be incorporated in the accounts. The board of the pension fund is required to be composed of representatives from the Group and participants in the pension schemes in accordance with the articles of association of the pension fund. In addition to the pension obligations covered by the pension fund, the Group has unfunded pension liabilities which can not be funded by the assets in the collective arrangements. The obligations entails employees not registered as member of the pension fund, additional pensions above 12 G, early retirement pension schemes and contractual early retirement schemes in new arrangement (AFP Subsidies Act).

Defined contribution scheme

Under a defined contribution pension scheme the Group does not provide a future pension of a given size; instead the Group pays an annual contribution to the employees' collective pension savings. The future pension will depend on the size of the contribution and the annual return on the pension savings. The Group has no further obligations related to employees' labour contribution after the annual contribution has been paid. There is no allocation for accrued pension obligations under such schemes. Defined contribution schemes are directly expensed. Any pre-paid contributions are recognised as an asset (pension assets) to the extent the contribution can be refunded or reduce future inpayments. The contributions are made to the pension fund for full-time employees, and the contribution is from 7 per cent from 0-7,1 G and 15 per cent from 7.1 – 12 G. The premium is expensed as incurred.

Early retirement pension scheme ("AFP")

The banking and financial industry has established an agreement on an early retirement pension scheme ("AFP"). The scheme covers early retirement pension from age 62 to 67. The Bank pays 100 per cent of the pension paid from age 62 to 64 and 60 per cent of the pension paid from age 65 to age 67. Admission of new retirees ceased with effect from 31 December 2010. The Act on state subsidies in respect of employees who take out contractual pension in the private sector (AFP Subsidies Act) entered into force on 19 February 2010. Employees who take out AFP with effect in 2011 or later will receive benefits under the new scheme. The new AFP scheme represents a lifelong add-on to National Insurance and can be taken out from age 62. Employees accumulate AFP entitlement at an annual rate of 0.314 per cent of pensionable income capped at 7.1G up to age 62. Accumulation under the new scheme is calculated with reference to the employee's lifetime income, such that all previous working years are included in the qualifying basis.

For accounting purposes the new AFP scheme is regarded as a defined benefit multi-employer scheme. This entails that each employer accounts for its pro rata share of the scheme's pension obligation, pension assets and pension cost. If no calculations of the individual components of the scheme and a consistent and reliable basis for allocation are available, the new AFP scheme will be accounted for as a defined-contribution scheme. At the present time no such basis exists, and the new AFP scheme is accordingly accounted for as a defined-contribution scheme. The new AFP scheme will only be accounted for as a defined-benefit scheme once reliable measurement and allocation can be undertaken. Under the new scheme, one-third of the pension expenses will be funded by the State, two-thirds by the employers. The employers' premium will be fixed as a percentage of salary payments between 1G and 7.1G.

In keeping with the recommendation of the Norwegian Accounting Standards Board, no provision was made for the Group's de facto AFP obligation in the accounting year. This is because the office that coordinates the schemes run by the main employer and trade union organisations has yet to perform the necessary calculations.

	2024		2023	
Actuarial assumptions	**Costs**	**Commitment**	**Costs**	**Commitment**
Discount rate	3.20%	3.90%	3.00%	3.20%
Expected rate of return on plan assets	3.20%	3.90%	3.00%	3.20%
Expected future wage and salary growth	3.25%	4.00%	3.25%	3.25%
Expected adjustment of basic amount (G)	3.25%	3.75%	3.25%	3.25%
Expected increase in current pension	0%/2,0%	0%/2,0%	0%/2,0%	0%/2,0%
Employers contribution	19.10%	19.10%	19.10%	19.10%
Expected voluntary exit before/ after 50 yrs	2/0 %	2/0 %	2/0 %	2/0 %
Estimated early retirement outtake at age 62/64	25/50 %	25/50 %	25/50 %	25/50 %
Mortality base table	K2013BE			
Disability	IR73			

Parent Bank			Group	
2023	**2024**	**Net pension liability in the balance sheet (NOK million). Financial position 1 Jan.**	**2024**	**2023**
577	558	Net present value of pension liabilities in funded schemes	558	577
-812	-776	Estimated value of pension assets	-776	-812
-235	-217	Net pension liability in funded schemes	-217	-235
1	1	Employer's contribution	1	1
-234	**-217**	**Net pension liability in the balance sheet**	**-217**	**-234**

Distribution of liability between unfunded and funded pension scheme, Group 1.1.2024

Group	**2024**			**2023**		
	Funded	**Un-funded**	**Total**	**Funded**	**Un-funded**	**Total**
Present value of pension liability in funded schemes	555	3	558	572	5	577
Fair value of pension assets	-776	-	-776	-812	-	-812
Net pension liability in the balance sheet before employer's contribution	-221	3	-217	-240	5	-235
Employer's contribution	-	1	1	-	1	1
Net pension liability in the balance sheet after employer's contribution	**-221**	**4**	**-217**	**-240**	**6**	**-234**

Parent Bank			Group	
2023	**2024**	**Pension cost for the year**	**2024**	**2023**
-	-	Present value of pension accumulated in the year	-	-
-7	-7	Interest cost of pension liabilities	-7	-7
-	-		-	-
-7	-7	Net defined-benefit pension cost without employer's contribution	-7	-7
0	0	Employer's contribution - subject to accrual accounting	0	0
-7	-7	Net pension cost related to defined benefit plans *	-7	-7
10	14	Early retirement pension scheme, new arrangement	23	17
64	76	Cost of defined contribution pension	127	107
67	**83**	**Total pension cost**	**143**	**117**

	2024			2023		
Other comprehensive income for the period	**Un-funded**	**Funded**	**Total**	**Un-funded**	**Funded**	**Total**
Change in discount rate	-	-43	-43	-0	-13	-13
Changing other factors, DBO	-1	13	13	0	11	11
Change in other factors, pension assets	-	40	40	-	29	29
Other comprehensive income for the period	**-1**	**10**	**10**	**0**	**26**	**27**

Parent Bank			Group	
2023	**2024**	**Movement in net pension liability in the balance sheet**	**2024**	**2023**
-234	-217	Net pension liability in the balance sheet 1.1	-217	-234
27	-70	Actuarial gains and losses for the year	-70	27
-7	-7	Net defined-benefit costs in profit and loss account incl. Curtailment/settlement	-7	-7
-3	-1	Paid-in pension premium, defined-benefit schemes	-1	-3
-217	**-294**	**Net pension liability in the balance sheet 31.12**	**-294**	**-217**

2023	**2024**	**Financial status 31.12**	**2024**	**2023**
558	512	Pension liability	512	558
-776	-806	Value of pension assets	-806	-776
-217	-294	Net pension liability before employer's contribution	-294	-217
1	0	Employer's contribution	0	1
-217	**-294**	**Net pension liability after employer's contribution *)**	**-294**	**-217**

**) Presented gross in the Group accounts*

Distribution of financial status between unfunded and funded pension scheme

Group	**31/12/2024**			**31/12/2023**		
	Fund-ed	**Un-funded**	**Total**	**Fund-ed**	**Un-funded**	**Total**
Pension liability	510	2	512	555	3	558
Value of pension assets	-806	-	-806	-776	-	-776
Net pension liability before employer's contribution	**-296**	**2**	**-294**	**-221**	**3**	**-217**
Employer's contribution	-	0	0	-	1	1
Net pension liability after employer's contribution	**-296**	**3**	**-294**	**-221**	**4**	**-217**

Fair value of pension liability, Group	**31/12/2024**	**31/12/2023**
OB pension liability (PBO)	558	577
Present value of pension accumulated in the year	-	-
Payout/release from scheme	-33	–33
Interes costs of pension liability	16	17
Curtailment/ Settlement	-	-
Actuarial gain or loss	-30	–2
CB pension liability (PBO)	**512**	**558**

Fair value of pension assets, Group	**31/12/2024**	**31/12/2023**
OB pension assets	776	812
Paid in	0	2
Payout/release from fund	-33	–33
Expected return	23	24
Curtailment / Settlement	-	-
Actuarial changes	40	–29
CB market value of pension assets	**806**	**776**

	Discount rate		Salary adjustment		Pension adjustment
Sensitivity, Group	**+ 1 pp**	**- 1 pp**	**+ 1 pp**	**- 1 pp**	**+ 1 pp**
2024					
Change in accumulated pension rights in course of year	-	-	-	-	-
Change in pension liability	-50	59	-	-	61
2023					
Change in accumulated pension rights in course of year	-	-	-	-	-
Change in pension liability	-58	70	-	-	72

Parent Bank			Group	
2023	**2024**	**Members**	**2024**	**2023**
741	721	Numbers of persons included in pension scheme	721	741
230	212	of which active	212	230
511	509	of which retirees and disabled	509	511

Investment and pension assets in the pension fund	**2024**	**2023**
Current	61%	55%
Money market	3%	14%
Equities	30%	25%
Real estate	6%	6%
Total	**100%**	**100%**

The pension scheme arrangement is located in its own pension fund, which has a long-term horizon on the management of its capital. The pension fund seeks to achieve as high a rate of return as possible by composing an investment portfolio that provides the maximum risk-adjusted return. The pension fund seeks to spread its investments on various issuers and asset classes in order to reduce company-specific and market-specific risk. The portfolio thus comprises equity investments in Norwegian and foreign shares. The bond portfolio is essentially invested in Norwegian bonds. Bank deposits are placed in Norwegian Banks.

Note 23 - Income tax

Accounting policy

Tax recorded in the income statement comprises tax in the period (payable tax) and deferred tax. Period tax is tax calculated on the taxable profit for the year. Deferred tax is accounted for by the liability method under IAS 12. Calculation of deferred tax is done using the tax rate in effect at any time. Liabilities or assets are calculated on temporary differences i.e. the difference between balance-sheet value and tax-related value of assets and liabilities. However, liabilities or assets are not calculated in the case of deferred tax on goodwill for which there is no deduction for tax purposes, nor on first-time-recognised items which affect neither the accounting nor the taxable profit.

A deferred tax asset is calculated on a tax loss carry forward. Deferred tax assets are recognised only to the extent that there is expectation of future taxable profits that enable use of the tax asset. Withholding tax is presented as period tax. Wealth tax is presented as an operating expense in the Group accounts under IAS 12.

Parent Bank			Group	
2023	**2024**	(NOK million)	**2024**	**2023**
4,498	4,223	Result before tax	5,548	3,688
-1,099	-255	+/- permanent differences	95	-632
-216	-97	+/- change in temporary differences as per specification	-217	-227
-	-	+ deficit carried forward	-	-
3,183	**3,872**	**Year's tax base/taxable income**	**5,426**	**2,829**
803	968	Tax payable on profit for the year	1,047	885
-30	-32	Taxes on interest hybrid capital	-35	-31
8	22	Excess/too little tax accrued previous year	30	14
781	**958**	**Total taxes payable in statement of financial position**	**1,042**	**868**
803	968	Tax payable on profit for the year	1,047	885
47	7	+/- change in deferred tax	43	50
-30	-33	Taxes on interest hybrid capital	-36	-31
820	**940**	**Tax charge for the year**	**1,054**	**904**
		Change in net deferred tax liability		
47	7	Deferred tax shown through profit/loss	43	50
7	17	Deferred tax shown through equity	17	7
41	-	Change in deferred tax arising from business combination	-	41
11	-	Too little taxes accrued previous year *	-	-9
106	**24**	**Total change in net deferred tax liability**	**61**	**89**

** Due to changes in temporary differences between annual accounts and final tax papers.*

Parent Bank			Group	
2023	2024	**Composition of deferred tax carried in the balance sheet**	2024	2023
		Temporary differences:		
13	8	- Business assets	39	44
-	-	- Leasing items	417	310
212	288	- Pension liability	298	216
544	554	- Securities	554	544
1,337	802	- Hedge derivatives	802	1,337
128	112	- Other temporary differences	112	128
2,233	**1,763**	**Total tax-increasing temporary differences**	**2,221**	**2,578**
558	**441**	**Deferred tax**	**554**	**644**
		Temporary differences:		
-	-	- Business assets	-0	-12
-	-	- Pension liability	-	-
-48	23	- Securities	23	-48
-1,471	-977	- Hedge derivatives	-977	-1,471
-2	-1	- Other temporary differences	-16	-117
-	-	- Deficit carried forward	-92	-
-1,521	**-955**	**Total tax-decreasing temporary differences**	**-1,061**	**-1,648**
-380	**-239**	**Deferred tax asset**	**-265**	**-411**
178	**202**	**Net deferred tax (-asset)**	**289**	**231**

The above table comprises temporary differences from all consolidated companies shown gross. At the company level tax-increasing and tax-reducing temporary differences are shown net. At the Group-level recognition is on a gross basis in conformity with IAS 12 with each company being presented separately in the calculation of the Group's tax benefit and deferred tax:

	2024	2023
Tax benefit recorded 31 Dec	1	6
Deferred tax recorded 31 Dec	-290	-236

2023	2024	Reconciliation of tax charge for the period recognised against profit and loss to profit before tax	2024	2023
1,125	1,056	25 % of profit before tax	1,175	1,190
-275	-64	Non-taxable profit and loss items (permanent differences)	-75	-257
-30	-51	Tax effect of costs reflected in equity	-48	-31
-	-	Too little taxes accrued previous year	2	2
820	**941**	**Tax for the period recognised in the income statement**	**1,054**	**718**
20%	**22%**	**Effective tax rate**	**19%**	**21%**

Note 24 - Categories of financial assets and financial liabilities

Accounting policy

Shares, sertificates, bonds and derivatives are classified at fair value through profit/loss.

All financial instruments classified at fair value through profit/loss are measured at fair value, and any change in value from the opening balance is recognised as gain or losses from other financial investments. Financial assets held for trading purposes are characterised by the fact that instruments in the portfolio are traded frequently and that positions are established with the aim of short-term gain. Other such financial assets at fair value through profit or loss are investments which, on initial recognition, are designated at fair value through profit or loss

Financial derivatives are presented as assets when fair value is positive, and as liabilities when fair value is negative.

Group	**Financial instruments at fair value through profit or loss**					
31 Dec 2024 (NOKm)	**Designated as such upon initial recognition**	**Mandatorily**	**Held for trading**	**Financial instruments at fair value through other comprehensive income**	**Financial instruments measured at amortised cost**	**Total**
Assets						
Cash and receivables from central banks	0	0	0	0	654	654
Deposits with and loans to credit institutions	0	0	0	0	9,166	9,166
Loans to and receivables from customers	10,468	0	0	92,738	76,047	179,254
Shares, units and other equity interests	0	770	280	-	-	1,050
Fixed-income CDs and bonds	0	-	36,650	-	-	36,650
Derivatives	1271	-	5,960	-	-	7,231
Earned income not yet received	0	-	-	-	211	211
Accounts receivable, securities	0	-	-	-	221	221
Total financial assets	**11,739**	**770**	**42,890**	**92,738**	**86,300**	**234,437**
Liabilities						
Deposits from credit institutions	-	-	-	-	13,941	13,941
Deposits from and debt to customers	-	-	-	-	140,897	140,897
Debt created by issue of securities	-	-	-	-	36,570	36,570
Derivatives	1,236	-	4,916	-	-	6,152
Subordinated loan capital	-	-	-	-	2,735	2,735
Equity instruments	-	-	6,152	-	-	6,152
Lease liabilities	-	-	-	-	403	403
Debt from securities	**-**	**-**	**-**	**-**	**251**	**251**
Total financial liabilities	**1,236**	**-**	**11,068**	**-**	**194,797**	**207,101**

Group	Financial instruments at fair value through profit or loss					
31 Dec 2023 (NOKm)	**Designated as such upon initial recognition**	**Mandatorily**	**Held for trading**	**Financial instruments at fair value through other comprehensive income**	**Financial instruments measured at amortised cost**	**Total**
Assets						
Cash and receivables from central banks	-	-	-	-	1,172	1,172
Deposits with and loans to credit institutions	-	-	-	-	8,746	8,746
Loans to and receivables from customers	5,582	-	-	92,263	71,110	168,955
Shares, units and other equity interests	-	774	363	-	-	1,137
Fixed-income CDs and bonds	-	0	34,163	-	-	34,163
Derivatives	744	-	5,915	-	-	6,659
Earned income not yet received	-	-	-	-	153	153
Accounts receivable, securities	-	-	-	-	66	66
Total financial assets	**6,326**	**774**	**40,441**	**92,263**	**81,247**	**221,051**
Liabilities						
Deposits from credit institutions	-	-	-	-	13,160	13,160
Deposits from and debt to customers	-	-	-	-	132,888	132,888
Debt created by issue of securities	-	-	-	-	45,830	45,830
Derivatives	1,630	-	5,359	-	-	6,989
Subordinated loan capital	-	-	-	-	2,247	2,247
Lease liabilities	-	-	-	-	403	403
Debt from securities	-	-	-	-	–15	–15
Total financial liabilities	**1,630**	**-**	**5,359**	**-**	**194,512**	**201,501**

Note 25 - Measurement of fair value of financial instruments

Financial instruments at fair value are classified at various levels.

Level 1: Valuation based on quoted prices in an active market
Fair value of financial instruments that are traded in the active markets is based on market price on the balance sheet date. A market is considered active if market prices are easily and regularly available from a stock exchange, dealer, broker, industry Group, price-setting service or regulatory authority, and these prices represent actual and regularly occurring market transactions at an arm's length. This category also includes quoted shares and Treasury bills.

Level 2: Valuation based on observable market data
Level 2 consists of instruments that are valued by the use of information that does not consist in quoted prices, but where the prices are directly or indirectly observable for the assets or liabilities concerned, and which also include quoted prices in non-active markets.

Level 3: Valuation based on other than observable data
If valuation data are not available for level 1 and 2, valuation methods are applied that are based on non-observable information.

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2024:

Assets (NOKm)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit/loss				
- Derivatives	-	7,231	-	7,231
- Bonds and money market certificates	2,680	33,971	-	36,650
- Equity instruments	280	107	663	1,050
- Fixed interest loans	-	-	10,468	10,468
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	92,738	92,738
Total assets	**2,959**	**41,309**	**103,870**	**148,137**

Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities through profit/loss				
- Derivatives	-	6,152	-	6,152
Total liabilities	**-**	**6,152**	**-**	**6,152**

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2023:

Assets (NOKm)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit/loss				
- Derivatives	-	6,659	-	6,659
- Bonds and money market certificates	2,879	31,284	-	34,163
- Equity instruments	363	152	622	1,137
- Fixed interest loans	-	102	5,480	5,582
Financial assets through other comprehensive income				
- Loans at fair value through other comprehensive income	-	-	92,263	92,263
Total assets	**3,242**	**38,197**	**98,365**	**139,804**

Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities through profit/loss				
- Derivatives	-	6,989	-	6,989
Total liabilities	**-**	**6,989**	**-**	**6,989**

The following table presents the changes in the instruments classified in level 3 as at 31 December 2024:

(NOKm)	Equity instruments through profit/loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January 2024	622	5,480	92,263	98,365
Investment in the period	38	5,995	40,293	46,327
Disposals in the period	-4	-814	-39,808	-40,626
Expected credit loss	-	-	-6	-6
Gain or loss on financial instruments	7	-194	-4	-192
Closing balance 31 December 2024	**662**	**10,468**	**92,738**	**103,870**

The following table presents the changes in the instruments classified in level 3 as at 31 December 2023:

(NOKm)	Equity instruments through profit/loss	Fixed interest loans	Loans at fair value through OCI	Total
Opening balance 1 January 2023	570	4,630	81,901	87,101
Investment in the period	38	1,814	40,578	42,430
Disposals in the period	-25	-977	-30,210	-31,212
Expected credit loss	-	-	2	2
Gain or loss on financial instruments	38	14	-7	45
Closing balance 31 December 2023	**622**	**5,480**	**92,263**	**98,366**

Valuation method

The valuation method applied is adapted to each financial instrument, and is intended to utilise as much of the information that is available in the market as possible.

The method for valuation of financial instruments in level 2 and 3 is described in the following:

Fixed interest loans to customers (level 3)
The loans consist for the most part of fixed interest loans denominated in Norwegian kroner. The value of the fixed interest loans is determined such that agreed interest flows are discounted over the term of the loan by a discount factor that is adjusted for margin requirements. The discount factor is raised by 10 points when calculating sensitivity.

Loans at fair value through other comprehensive income (level 3)
Property Loans at floating interest classified at fair value over other comprehensive income is valued based on nominal amount reduced by expected credit loss. Loans with no significant credit risk detoriation since first recognition is assessed at nominal amount. For loans with a significant increase in credit risk since first recognition or objective evidence of loss, the calculation of expected credit losses over the life of the asset is in line with loan losses for loans at amortised cost. Estimated fair value is the nominal amount reduced by expected lifetime credit loss. If the likelihood of the worst case scenario in the model is doubled, fair value is reduced by NOK 3 million.

Short-term paper and bonds (level 2 and 3)
Valuation on level 2 is based for the most part on observable market information in the form of interest rate curves, exchange rates and credit margins for the individual credit and the bond's or certificate's characteristics. For paper valued under level 3 the valuation is based on indicative prices from a third party or comparable paper.

Equity instruments (level 3)
Shares that are classified to level 3 include essentially investments in unquoted shares. Among other a total of NOK 589 million in Private Equity investments, property funds, hedge funds and unquoted shares through the company SpareBank SMN 1 Invest. The valuations are in all essentials based on reporting from managers of the funds who utilise cash flow based models or multiples when determining fair value. The Group does not have full access to information on all the elements in these valuations and is therefore unable to determine alternative assumptions.

Financial derivatives (level 2)
Financial derivatives at level 2 include for the most part currency futures and interest rate and exchange rate swaps. Valuation is based on observable interest rate curves. In addition the item includes derivatives related to FRAs. These are valued with a basis in observable prices in the market. Derivatives classified to level 2 also include equity derivatives related to SpareBank 1 Markets' market-making activities. The bulk of these derivatives refer to the most sold shares on Oslo Børs, and the valuation is based on the price of the actual/underlying share and observable or calculated volatility.

Sensitivity analyses, level 3 as at 31 December 2024:

(NOKm)	Book value	Effect from change in reasonable possible alternative assumtions
Fixed interest loans	10,468	-25
Equity instruments through profit/loss *)	662	-
Loans at fair value through other comprehensive income	92,738	-3

*) *As described above, the information to perform alternative calculations are not available*

Note 26 - Fair value of financial instruments at amortised cost

Financial instruments measured at amortised cost

Financial instruments that are not measured at fair value are recognised at amortised cost or are in a hedging relationship. Amortised cost entails valuing balance sheet items after initially agreed cash flows, adjusted for impairment. Amortised cost will not always be equal to the values that are in line with the market assessment of the same financial instruments. This is due to different perceptions of market conditions, risk and discount rates.

Methods underlying the determination of fair value of financial instruments that are measured at amortised cost are described below:

Loans to and claims on customers

Current-rate loans are exposed to competition in the market, indicating that possible excess value in the portfolio will not be maintained over a long period. Fair value of current-rate loans is therefore set to amortised cost. The effect of changes in credit quality in the portfolio is accounted for through collectively assessed impairment write-downs, therefore giving a good expression of fair value in that part of the portfolio where individual write-down assessments have not been made.

Individual write-downs are determined through an assessment of future cash flow, discounted by effective interest rate. Hence the discounted value gives a good expression of the fair value of these loans.

Loans to and claims on credit institutions, Earned income not received, Debt to credit institutions and deposits from customers and debt from securities

For loans to and claims on credit institutions, as well as debt to credit institutions and deposits from customers, fair value is estimated equal to amortised cost.

Securities debt and subordinated debt

The calculation of fair value in level 2 is based on observable market values such as on interest rate and spread curves where available.

Parent Bank

(NOKm)	Level 1)	31 Dec 2024 Book value	31 Dec 2024 Fair Value	31 Dec 2023 Book value	31 Dec 2023 Fair Value
Assets					
Loans to and claims on credit institutions	2	19,785	19,785	19,241	19,241
Loans to and claims on customers at amortised cost	2	63,004	63,164	58,522	58,685
Earned income not yet received	2	187	187	136	136
Accounts receivable, securities	2	221	221	66	66
Total financial assets at amortised cost		**83,198**	**83,358**	**77,965**	**78,128**
Liabilities					
Debt to credit institutions	2	13,940	13,940	13,160	13,160
Deposits from and debt to customers	2	141,485	141,485	133,462	133,462
Securities debt at amortised cost	2	11,177	11,174	13,260	13,182
Securities debt, hedging	2	38,746	38,744	32,637	32,639
Subordinated debt at amortised cost	2	2,656	2,671	2,169	2,168
Subordinated debt, hedging	2	-	-	-	-
Lease liabilities	2	307	307	260	260
Debt from securities	2	251	251	-15	-15
Total financial liabilities at amortised cost		**208,563**	**208,574**	**194,933**	**194,857**

1) Fair value is determined by using different methods in three levels. See note 25 for a definition of the levels.

Group

(NOKm)	Level 1)	31 Dec 2024 Book value	31 Dec 2024 Fair Value	31 Dec 2023 Book value	31 Dec 2023 Fair Value
Assets					
Loans to and claims on credit institutions	2	9,166	9,166	8,746	8,746
Loans to and claims on customers at amortised cost	2	76,049	76,227	71,115	71,298
Earned income not yet received	2	211	211	153	153
Accounts receivable, securities	2	221	221	66	66
Total financial assets at amortised cost		**85,648**	**85,826**	**80,080**	**80,263**
Liabilities					
Debt to credit institutions	2	13,941	13,941	13,160	13,160
Deposits from and debt to customers	2	140,897	140,897	132,888	132,888
Securities debt at amortised cost	2	11,177	11,174	13,260	13,182
Securities debt, hedging	2	38,746	38,744	32,637	32,639
Subordinated debt at amortised cost	2	2,735	2,750	2,247	2,246
Subordinated debt, hedging	2	-	-	-	-
Lease liabilities	2	460	460	403	403
Debt from securities	2	251	251	-15	-15
Total financial liabilities at amortised cost		**208,207**	**208,218**	**194,580**	**194,504**

1) Fair value is determined by using different methods in three levels. See note 25 for a definition of the levels

Note 27 - Money market certificates and bonds

Bonds and money market instruments are classified at fair value through profit/loss at 31 December 2024.

Parent Bank			Group	
31 Dec 2023	**31 Dec 2024**	Money market certificates and bonds by issuer sector (NOKm)	**31 Dec 2024**	**31 Dec 2023**
		State		
7,972	5,710	Nominal value	5,710	7,972
7,823	5,482	Book value	5,482	7,823
		Other public sector		
12,614	12,489	Nominal value	12,489	12,614
12,630	12,478	Book value	12,478	12,630
		Financial enterprises		
13,026	18,373	Nominal value	18,373	13,026
13,483	18,419	Book value	18,419	13,483
		Non-financial enterprises		
7	18	Nominal value	18	7
7	18	Book value	19	8
33,620	**36,589**	**Total fixed income securities, nominal value**	**36,589**	**33,620**
218	253	Accrued interest	253	218
34,163	**36,649**	**Total fixed income securities, booked value**	**36,650**	**34,163**

Note 28 - Financial derivatives

All derivatives are booked at fair value through profit and loss. Gains are carried as assets and losses as liabilities in the case of all interest rate derivatives. This applies both to derivatives used for hedging purposes and held for trading purposes. The Bank does not employ cash flow hedging.

The contract amount shows absolute values for all contracts. For at description of counterparty risk and market risk, see note 6 on risk factors. For further details concerning market risk linked to interest rate risk, see note 14 on market risk related to interest rate risk, and for market risk related to currency exposure, see note 15 on market risk related to currency exposure.

Parent Bank

Fair value through profit and loss (NOKm)	31 Dec 2024			31 Dec 2023		
	Contract amount	Fair value		Contract amount	Fair value	
Currency instruments		Assets	Liabilities		Assets	Liabilities
Foreign exchange derivatives (forwards)	14,784	218	3	14,863	72	-241
Currency swaps	26,800	253	-247	36,719	556	-116
FX-options	262	-4	4	326	-3	3
Total currency instruments	**41,846**	**467**	**-241**	**51,907**	**625**	**-354**
Interest rate instruments						
Interest rate swaps (including cross currency)	254,490	5,101	-4,117	245,023	4,919	-4,478
Short-term interest rate swaps (FRA)	0	0	0	0	4	-2
Total interest rate instruments	**254,490**	**5,101**	**-4,117**	**245,023**	**4,923**	**-4,480**
Commodity-related contracts						
Stock-exchange-traded standardised forwards and futures contracts	1,534	135	-135	2,091	158	-158
Total commodity-related contracts	**1,534**	**135**	**-135**	**2,091**	**158**	**-158**
Hedging						
Interest rate instruments						
Interest rate swaps (including cross currency)	45,489	1,271	-1,236	34,643	744	-1,630
Total interest rate instruments	**45,489**	**1,271**	**-1,236**	**34,643**	**744**	**-1,630**
Total						
Total interest rate instruments	**299,978**	**6,373**	**-5,353**	**279,666**	**5,666**	**-6,110**
Total currency instruments	41,846	467	-241	51,907	625	-354
Total commodity-related contracts	1,534	135	-135	2,091	158	-158
Accrued interest	0	256	-423	0	211	-367
Total financial derivatives	**343,359**	**7,231**	**-6,152**	**333,664**	**6,659**	**-6,989**

Group

Fair value through profit and loss (NOKm)	31 Dec 2024			31 Dec 2023		
	Contract amount	Fair value		Contract amount	Fair value	
Currency instruments		Assets	Liabilities		Assets	Liabilities
Foreign exchange derivatives (forwards)	14,784	218	3	14,863	72	-241
Currency swaps	26,800	253	-247	36,719	556	-116
FX-options	262	-4	4	326	-3	3
Total currency instruments	**41,846**	**467**	**-241**	**51,907**	**625**	**-354**
Interest rate instruments						
Interest rate swaps (including cross currency)	254,490	5,101	-4,117	245,023	4,919	-4,478
Short-term interest rate swaps (FRA)	0	0	0	0	4	-2
Total interest rate instruments	**254,490**	**5,101**	**-4,117**	**245,023**	**4,923**	**-4,480**
Commodity-related contracts						
Stock-exchange-traded standardised forwards and futures contracts	1,534	135	-135	2,091	158	-158
Total commodity-related contracts	**1,534**	**135**	**-135**	**2,091**	**158**	**-158**
Hedging						
Interest rate instruments						
Interest rate swaps (including cross currency)	45,489	1,271	-1,236	34,643	744	-1,630
Total interest rate instruments	**45,489**	**1,271**	**-1,236**	**34,643**	**744**	**-1,630**
Total						
Total interest rate instruments	299,978	6,373	-5,353	279,666	5,666	-6,110
Total currency instruments	41,846	467	-241	51,907	625	-354
Total commodity-related contracts	1,534	135	-135	2,091	158	-158
Accrued interest	0	256	-423	0	211	-367
Total financial derivatives	**343,359**	**7,231**	**-6,152**	**333,664**	**6,659**	**-6,989**

Note 29 - Hedge Accounting for Debt created by issue of securities

Accounting policy

The Bank evaluates and documents the effectiveness of a hedge in accordance with IAS 39. The Bank employs fair value hedging to manage its interest rate risk. In its hedging operations the Bank protects against movements in the market interest rate. Changes in credit spread are not taken to account when measuring hedge effectiveness. In the case of fair value hedging, both the hedging instrument and the hedged object are recorded at fair value, and changes in these values from the opening balance are recognised in profit/loss.

The Bank has established hedge accounting in order to achieve accounting treatment that reflects how interest rate risk and foreign exchange risk are managed in the case of large long-term borrowings. See note 6 Risk factors for more information. The hedged objects consist exclusively of debt created by the issuance of financial instruments and are implemented in conformity with IFRS 9 by fair value hedging. For those debt instruments that are included in the hedging portfolio, separate interest rate and exchange rate swaps are entered into with corresponding principle and maturity structure. Inefficiency may nonetheless arise as a result of random market variations in the evaluation of object and instrument.

The hedging instruments (interest rate and exchange rate swaps) are recognised at fair value, whereas the hedged objects are recognised at fair value in respect of the risks that are hedged (interest rate risk and exchange rate risk). Hedge inefficiency, defined as the difference between the value adjustment of the hedging instruments and the value adjustment of the hedged risks in the objects is recognised through profit/loss on an ongoing basis.

	Nominal amount 31 Dec 2024			Nominal amount 31 Dec 2023		
Group (NOK million)	**Hedging instrument**	**Hedging object**	**Ineffectivity**	**Hedging instrument**	**Hedging object**	**Ineffectivity**
Accounting line in Balance Sheet	Derivatives	Debt created by issuance of securities		Derivatives	Debt created by issuance of securities	
Debt at fixed interest	*Interest swap*			*Interest swap*		
Nominal NOK	10,010	10,010	0	13,079	12,164	−915
	Interest and currency swap			*Interest and currency swap*		
Debt in currency at fixed interest						
Nominal EUR	37,817	37,817	0	19,327	19,011	−315
Nominal JPY	2,170	2,170	0	719	719	0
Nominal CHF	2,195	2,195	0	2,118	2,118	0
	Book value 31 Dec 2024			**Book value 31 Dec 2023**		
	Hedging instrument	**Hedging object**	**Ineffectivity in PL**	**Hedging instrument**	**Hedging object**	**Ineffectivity in PL**
Recorded amount Assets	1,271			744		
Recorded amount Liabilities	1,236	38,746		1,630	29,624	
Accumulated value changes ending balance	1,410	1,399		−1,259	−1,251	
Accumulated value changes opening balance	896	894		−2,155	−2,145	
Change in fair value	**513**	**505**	**8**	**896**	**894**	**2**
Accounting line in profit and loss			Net return on financial investments			Net return on financial investments

IBOR reform

In recent years, reform of and alternatives to IBOR rates have become a priority area for governments across the world. However, there is uncertainty as to the timing and method for any changes. All SpareBank 1 SMN's interest rate derivatives have IBOR rates as their benchmark, and thus could be affected by changes. The most significant positions are held in EURIBOR and NIBOR. The bank follows market developments closely, and participates in several projects in order to monitor and facilitate any changes. The table below shows exposure and nominal amount for derivatives in hedge relationships that may be affected by the IBOR reform, split on the IBOR rate in question.

	Nominal amount		
Interest- and currency instrument	**Hedging object**	**Hedging instrument**	**Net Exposure**
EURIBOR 3M	0	15,382	–15,382
EURIBOR 6M	0	307	–307
OIBOR 3M	0	22,713	–22,713
Total	**0**	**38,402**	**–38,402**

Note 30 - Shares, units and other equity interest

Parent Bank			Group	
31 Dec 2023	**31 Dec 2024**	Shares and units (NOK million)	**31 Dec 2024**	**31 Dec 2023**
454	**354**	**At fair value through profit or loss**	**942**	**985**
363	280	Listed	280	363
92	74	Unlisted	663	623
454	**354**	**Total shares and units**	**942**	**985**
		Subordinated bond		
220	59	Listed	59	96
56	175	Unlisted	49	56
276	**234**	**Total subordinated bond**	**107**	**152**
		Business held for sale - of which shares		
98	98	Unlisted	190	112
98	**98**	**Total shares held for sale (see note 39)**	**190**	**112**
583	338	Total listed companies	338	459
246	347	Total unlisted companies	902	791

Specification of Parent Bank

Listed companies	Org.no	Stake over 10 per cent	Holding (no.)	Acquisition cost (NOK 1000)	Market value/book value (NOK 1000)
Visa Inc. C-shares			63,536	6,750	226,980
Havila Shipping AS Ord.	882811972		25,098,138	11,986	42,667
Total quoted shares				**18,737**	**269,647**
SpareBank 1 Nordmøre	937899408		69,423	7,455	9,991
Total quoted credit institutions				**7,455**	**9,991**
Unlisted companies					
Eksportfinans	816521432		2,153	8,493	32,932
VN Norge AS - billion shares	821083052		28,688,772	37,338	13,733
Eiendomskreditt AS	979391285		44,000	4,502	9,329
Visa C preference shares			1,298	1,304	6,739
Sparebank 1 Bank og Regnskap AS	917143501		308	2,487	3,388
Runde Miljøbygg AS	989736027		40,000	2,500	2,500
Other companies				2,925	5,355
Total unquoted shares and units				**59,549**	**73,976**
Sparebank 1 Sør-Norge	937895321			17,592	17,458
DNB Bank	984851006			12,825	12,572
Sparebank 1 Østlandet	920426530			10,598	10,566
Skagerrak Sparebank	937891245			5,219	5,216
SpareBank 1 Boligkreditt AS	988738387			4,013	4,014
Other				8,943	8,960
Total quoted subordinated bonds				**59,190**	**58,785**
SpareBank 1 Finans Midt-Norge	938521549			124,300	126,452
SpareBank 1 Gruppen	975966372			48,750	48,562
Total unquoted subordinated bonds				**173,050**	**175,014**
Total shares, units and equity capital certificates, parent bank				**317,981**	**587,414**

Specification of Group

Unlisted companies	Org.no	Stake over 10 per cent	Holding (no.)	Acquisition cost (NOK 1000)	Market value/book value (NOK 1000)
Signord AS (former Viking Venture III)	992229667	16.80%	955,039	34,745	274,507
Salvesen & Thams AS	999104428		31,923	70,423	195,880
Sintef Venture V	920749984		146,910	19,432	18,978
Proventure Seed III AS	924111895		22,129,413	18,810	15,702
Sonoclear AS	917956146	12.40%	1,517,982	7,988	15,180
Sintef Venture IV	912844889		51,465	12,000	14,175
Signord Klasse E	992229667		46,476	4,704	10,773
Proventure Seed II AS	913391136		16,148,568	11,750	9,088
Vectron Biosolutions AS	992779837		220,000	6,000	6,140
Novela Kapital AS	922061017		624,000	6,240	4,917
Sintef Venture IV B	927177021		65,700	4,621	4,391
Other companies				61,287	19,032
Total unquoted shares and units				**257,998**	**588,763**
Elimination of subordinated bond SpareBank 1 Finans Midt-Norge				–124,300	–126,452
Total shares, units and equity capital certificates, Group				**451,679**	**1,049,724**

Note 31 - Intangible assets

Accounting policy

Intangible assets mainly comprise goodwill in the SpareBank 1 SMN Group. Other intangible assets will be recognised once the conditions for entry in the balance sheet are present. Goodwill arises as the difference between the fair value of the consideration upon purchase of a business and the fair value of identifiable assets and liabilities; see description under Consolidation. Goodwill is not amortised, but is subject to an annual depreciation test with a view to revealing any impairment, in keeping with IAS 36. Testing for value impairment is done at the lowest level at which cash flows can be identified.

Intangible assets acquired separately are carried at cost. Useful economic life is either finite or infinite. Intangible assets with a finite economic life are depreciated over their economic life and tested for impairment upon any indication of impairment. The depreciation method and period are assessed at least once each year.

Amounts recorded on the Bank's assets are reviewed on the balance sheet date for any indications of value impairment. Should such indications be present, an estimate is made of the asset's recoverable amount. Each year on the balance sheet date recoverable amounts on goodwill, assets with unlimited useful lifetime, and intangible assets not yet available for use, are computed. Write-downs are undertaken when the recorded value of an asset or cash-flow-generating entity exceeds the recoverable amount. Write-downs are recognised in profit/loss. Write-down of goodwill is not reversed. In the case of other assets, write-downs are reversed where there is a change in the estimates used to compute the recoverable amount.

2024

Parent Bank				Group		
Other intangible assets	**Goodwill**	**Total**	**(NOK million)**	**Total**	**Goodwill**	**Other intangible assets**
182	665	847	Cost of acquisition at 1 January	1,372	1,112	260
13	-	13	Additions	362	13	19
-5	-	-5	Disposals	-5	-	-5
190	665	855	Cost of acquisition at 31 December	1,399	1,125	274
35	-	35	Accumulated depreciation and write-downs as at 1 January	144	34	110
28	-	28	Current period's depreciation	30	-	30
-5	-	-5	Disposals	-5	-	-5
58	-	58	Accumulated depreciation and write-down as at 31 December	170	34	136
131	**665**	**797**	**Book value as at 31 December**	**1,230**	**1,091**	**138**

2023

Parent Bank				Group		
Other intangible assets	**Goodwill**	**Total**	**(NOK million)**	**Total**	**Goodwill**	**Other intangible assets**
38	447	485	Cost of acquisition at 1 January	796	680	116
12	-	12	Additions	176	31	145
133	219	352	Additions as a result of business combinations *)	219	219	0
–1	-	–1	Disposals	–1	-	–1
-	-	-	Disposal subsidiary **)	183	183	-
182	665	847	Cost of acquisition at 31 December	1,373	1,113	260
18	-	18	Accumulated depreciation and write-downs as at 1 January	125	34	91
18	-	18	Current period's depreciation	20	-	20
–1	-	–1	Disposals	–1	-	–1
35	-	35	Accumulated depreciation and write-down as at 31 December	144	34	110
147	**665**	**812**	**Book value as at 31 December**	**1,229**	**1,079**	**150**

***)** *Additions as a result of business combinations shows the effect of the merger with SpareBank 1 Søre Sunnmøre*

****)** *As from fourth quarter 2022 the subsidiary SpareBank 1 Markets have been reclassified to investment held for sale. The effect has been presented as disposals.*

Note 32 - Property, plant and equipment

Accounting policy

Property, plant and equipment along with property used by the owner are accounted for under IAS 16. The investment is initially recognised at its acquisition cost and is thereafter depreciated on a linear basis over its expected useful life. When establishing a depreciation plan, the individual assets are to the necessary extent split up into components with differing useful life, with account being taken of estimated residual value. Property, plant and equipment items which individually are of little significance, for example computers and other office equipment, are not individually assessed for residual value, useful lifetime or value loss, but are assessed on a Group basis. Property used by the owner, according to the definition in IAS 40, is property that is mainly used by the Bank or its subsidiary for its own use.

Property, plant and equipment which are depreciated are subject to a depreciation test in accordance with IAS 36 when circumstances so indicate. Property held in order to earn rentals or for capital appreciation is classified as investment property and is measured at fair value in accordance with IAS 40. The Group has no investment properties.

2024

Parent Bank				Group		
Buildings and other real property	**Machinery, inventory and vehicles**	**Total**	(NOK million)	**Total**	**Machinery, inventory and vehicles**	**Buildings and other real property**
200	186	386	Cost of acquisition at 1 January	676	276	400
32	32	64	Additions	68	34	33
-40	-10	-51	Disposals	-53	-13	-40
192	208	400	Cost of acquisition at 31 December	691	298	393
107	113	219	Accumulated depreciation and write-downs as at 1 January	401	191	210
12	23	35	Current period's depreciation	45	27	18
-0	-0	-0	Current period's write-down	-0	-0	-0
-33	-10	-43	Disposals	-45	-12	-33
86	126	211	Accumulated depreciation and write-down as at 31 December	401	206	195
106	**82**	**188**	**Book value as at 31 December**	**290**	**92**	**198**

2023

Parent Bank				Group		
Buildings and other real property	Machinery, inventory and vehicles	Total	(NOK million)	Total	Machinery, inventory and vehicles	Buildings and other real property
122	160	282	Cost of acquisition at 1 January	563	243	320
23	23	46	Additions	50	25	25
65	21	86	Additions as a result of business combinations*	87	22	65
–10	–18	–28	Disposals	–28	–18	–10
200	186	386	Cost of acquisition at 31 December	672	272	400
73	92	165	Accumulated depreciation and write-downs as at 1 January	332	162	170
31	19	50	Accumulated depreciations as a result of business combinations *	50	19	31
12	19	31	Current period’s depreciation	41	22	19
–1	-	–1	Current period’s write-down	–1	-	–1
–9	–17	–26	Disposals	–26	–17	–9
107	113	219	Accumulated depreciation and write-down as at 31 December	396	186	210
93	**74**	**167**	**Book value as at 31 December**	**276**	**86**	**190**

** Additions as a result of business combinations shows the effect of the fusion with Sparebank1 Søre Sunnmøre*

Depreciation

With a basis in acquisition cost less any residual value, assets are depreciated on a straight-line basis over expected lifetime as followsr:

- Machinery 3-5 years
- Fixtures 5-10 years
- Technical installations 5-10 years
- Means of transport 10 years
- Buildings and other real property 25 years

Collateral

The Group has not provided security or accepted any other infringements on its right of disposal of its fixed tangible assets.

Acquisition cost of depreciated assets

The acquisition cost of fully depreciated assets still in use in the Bank in 2024 is NOK 178 million (NOK 138 million).

Gross value of non-current assets temporarily out of operation

The Group has no significant non-current assets out of operation as at 31 December 2024.

Note 33 - Leases

Accounting policy

Identifying a lease
At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Separating components in the lease contract
For contracts that constitute, or contain a lease, the Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

Recognition of leases and exemptions
At the lease commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities
The lease liability is recognised at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognises these variable lease expenses in profit or loss. The Group presents its lease liabilities as separate line items in the statement of financial position.

Right-of-use assets
The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognised
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group
- An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified..

The Group as a lessor

Separating components in the lease contract

For a contract that contains a lease component and one or more additional lease or non-lease components, The Group allocates the consideration in the contract applying the principles in IFRS 15 Revenue from Contracts with Customers.

Recognition of leases and income

For contracts where the Group acts as a lessor, it classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The Group as a lessor does not have any finance leases.

Operating leases

For operating leases, the Group recognises lease payments as other income, mainly on a straight-line basis, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Group recognises costs incurred in earning the lease income in other operating expenses. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the rental income.

Recognition and discount rate

IFRS 16 refers to two different methods of determining the discount rate for lease payments:

- The rate implicit in the lease
- The lessee's incremental rate of borrowing, if the implicit rate is not readily determined

Lease contracts covered by IFRS 16 vary as regards term and option structure. Moreover, assumptions must be made as to the opening value of the underlying assets. Both of these items make an implicit interest calculation more complicated than an incremental borrowing rate calculation.

SpareBank 1 SMN has a framework for transfer pricing that is designed to provide as correct a picture as possible of how various balance sheet items, business lines, segments or regions in the bank contribute to the bank's profitability. The starting point for the transfer pricing rates is the bank's historical cost of funding. The Group's cost of funding can be split up into a cost related to senior unsecured debt and a cost related to capital (hybrid capital and subordinated loan capital). The latter cost of funding shall, like other equity, be distributed on assets based on risk weights. The cost related to own funds (hybrid capital and subordinated loan capital) then appears as a further transfer price addition to the loan accounts.

The bank also has indirect liquidity costs related to liquidity reserves. These are reserves that the bank is required to hold by the authorities along with reserves of surplus liquidity held by the bank for shorter periods. The liquidity reserves have a substantial negative return measured against the bank's cost of funding. This cost is distributed on balance sheet items that create a need for liquidity reserves, and appear as a reduction from the transfer price interest for deposits and an addition as regards loans.

Transfer pricing rate= Cost of Funding + addition for liquidity reserve cost + addition for cost of capital

In the transfer pricing the bank's liquidity cost or cost of funding is distributed on assets and liabilities, and is actively utilised in the internal account. The transfer price is accordingly a well-established tool in the governance of the bank, and is regularly updated.

The transfer price interest rate for an asset with the corresponding underlying, in this case commercial property, will therefore be a good representation of the incremental borrowing rate. This discount rate will include the material additions to the cost of funding, giving a more correct picture of the opportunity cost for the bank. This interest rate have been used as the discount rate for the Group's leases coming under IFRS 16. A discount rate of 5.65 per cent has been used in 2024.

Right-of-use assets are classified as non-current assets in the balance sheet whereas the lease liability is classified as other debt.

The Group's lease liability relates in all essentials to lease agreements for offices.

Right-of-use assets

Parent Bank			Group	
2023	**2024**	**Right-of-use assets**	**2024**	**2023**
417	507	Acquisition cost 1 January	784	627
57	85	Addition of right-of-use assets	124	136
0	0	Disposals	12	–17
33	26	Transfers and reclassifications	27	40
507	618	Acquisition cost 31 December	947	786
194	256	Accumulated depreciation and impairment 1 January	401	307
61	67	Depreciation	101	92
0	–2	Disposals	–2	–3
256	321	Accumulated depreciation and impairment 31 December	501	396
251	**297**	**Carrying amount of right-of-use assets 31 December**	**447**	**390**

Lease liabilities

2023	**2024**	**Undiscounted lease liabilities and maturity of cash outflows**	**2024**	**2023**
41	47	Less than 1 year	88	82
39	47	1-2 years	79	71
38	45	2-3 years	71	64
35	41	3-4 years	63	58
31	38	4-5 years	62	55
124	121	More than 5 years	209	211
308	**338**	**Total undiscounted lease liabilities at 31 December**	**571**	**541**

Parent Bank			Group	
2023	**2024**	**Summary of the lease liabilities**	**2024**	**2023**
233	260	At initial application 01 January	406	336
84	110	New lease liabilities recognised in the year	128	123
–56	–65	Cash payments for the principal portion of the lease liability	–99	–83
–9	–13	Cash payments for the interest portion of the lease liability	–18	–12
9	13	Interest expense on lease liabilities	18	12
0	0	Other changes	25	28
260	**304**	**Total lease liabilities at 31 December**	**461**	**403**
54	67	Current lease liabilities (note 37)	82	59
207	240	Non-current lease liabilities (note 37)	378	344
–56	–65	Total cash outflows for leases	–116	–97

2023	2024	Summary of other lease expenses recognised in profit or loss	2024	2023
14	14	Variable lease payments expensed in the period	17	17
1	1	Operating expenses in the period related to short-term leases (including short-term low value assets)	4	5
0	0	Operating expenses in the period related to low value assets (excluding short-term leases included above)	0	0
15	**15**	**Total lease expenses included in other operating expenses**	**21**	**23**

Note 34 - Other assets

Parent Bank			Group	
31 Dec 2023	**31 Dec 2024**	(NOK million)	**31 Dec 2024**	**31 Dec 2023**
-	-	Deferred tax asset	1	6
167	188	Fixed assets	290	276
251	297	Right to use assets	447	390
136	187	Earned income not yet received	211	153
66	221	Accounts receivable, securities	221	66
221	296	Pensions	296	221
479	408	Other assets	722	737
1,321	**1,599**	**Total other assets**	**2,189**	**1,849**

Note 35 - Deposits from and liabilities to customers

Accounting policy

Customer deposits are recognised at amortised cost

Parent Bank			Group	
31 Dec 2023	**31 Dec 2024**	**Deposits from and liabilities to customers (NOKm)**	**31 Dec 2024**	**31 Dec 2023**
87,652	97,280	Deposits from and liabilities to customers without agreed maturity	96,694	87,081
45,810	44,206	Deposits from and liabilities to customers with agreed maturity	44,204	45,808
133,462	**141,485**	**Total deposits from and liabilities to customers**	**140,897**	**132,888**
2.9 %	3.6 %	Average interest rate	3.6 %	2.9 %

Fixed interest deposits account for 5.9 per cent (7.1 per cent) of total deposits

31 Dec 2023	31 Dec 2024	Deposits specified by sector and industry	31 Dec 2024	31 Dec 2023
57,874	62,581	Wage earners	62,581	57,874
19,437	16,535	Public administration	16,535	19,437
2,460	2,638	Agriculture and forestry	2,638	2,460
1,588	1,658	Fisheries and hunting	1,658	1,588
1,157	1,538	Sea farming industries	1,538	1,157
2,671	3,041	Manufacturing	3,041	2,671
5,251	3,833	Construction, power and water supply	3,833	5,251
5,996	5,707	Retail trade, hotels and restaurants	5,707	5,996
1,132	1,373	Maritime sector	1,373	1,132
5,867	7,503	Property management	7,413	5,787
13,413	13,004	Business services	13,004	13,413
11,164	14,119	Transport and other services provision	13,641	10,698
5,452	7,954	Other sectors	7,933	5,425
133,462	**141,485**	**Total deposits from customers broken down by sector and industry**	**140,897**	**132,888**

31 Dec 2023	31 Dec 2024	Deposits specified by geographic area	31 Dec 2024	31 Dec 2023
79,421	84,392	Trøndelag	83,804	78,847
26,081	26,966	Møre og Romsdal	26,966	26,081
1,336	1,020	Nordland	1,020	1,336
11,431	11,941	Oslo	11,941	11,431
12,561	15,919	Other counties	15,919	12,561
2,633	1,247	Abroad	1,247	2,633
133,462	**141,485**	**Total deposits broken down by geographic area**	**140,897**	**132,888**

Note 36 - Debt securities in issue

Accounting policy

Issued securities debt (senior loans) are measured at amortised cost or as financial liabilities specifically accounted for at fair value with changes in value recognised in profit or loss. As a general rule, hedge accounting (fair value hedging) is used when issuing bond debt with a fixed interest rate. In hedging, there is a clear, direct and documented connection between changes in the value of the hedged item (loan) and the hedging instrument (interest rate derivative). For the hedged item, changes in fair value related to the hedged risk are accounted for as a addition or deduction in capitalised securities debt and are recognised in the income statement under «Net return on financial investments». The hedging instruments are measured at fair value and the changes in fair value are recognised in the income statement on the same profit line as the hedging objects. Debt when issuing securities is presented including accrued interest. See note 29 for a more detailed description of hedge accounting.

Parent Bank			Group	
31 Dec 2023	**31 Dec 2024**	(NOK million)	**31 Dec 2024**	**31 Dec 2023**
33,417	36,570	Bond debt	36,570	33,417
12,412	13,352	Senior non preferred	13,352	12,412
45,830	**49,922**	**Total debt securities in issue**	**49,922**	**45,830**
2.10%	2.37%	Average interest, bond debt	2.37%	2.10%
4.50%	4.65%	Average interest, senior non preferred	4.65%	4.50%

Parent Bank			Group	
31 Dec 2023	**31 Dec 2024**	**Securities debt specified by maturity 1)**	**31 Dec 2024**	**31 Dec 2023**
3,438	0	2024	0	3,438
9,648	8,050	2025	8,050	9,648
11,520	12,713	2026	12,713	11,520
8,068	6,995	2027	6,995	8,068
10,722	11,304	2028	11,304	10,722
2513	8,870	2029	8,870	2513
113	841	2030	841	113
338	354	2031	354	338
281	295	2032	295	281
338	354	2033	354	338
169	177	2034	177	169
0	307	2035	307	0
0	330	2043	330	0
–134	–102	Currency agio	–102	–134
–1,490	–943	Premium and discount, market value of structured bonds	–943	–1,490
306	377	Accrued interest	377	306
45,830	**49,922**	**Total securities debt**	**49,922**	**45,830**

1) Maturity is final maturity, not call date

31 Dec 2023	31 Dec 2024	Securities debt distributed on significant currencies	31 Dec 2024	31 Dec 2023
24,231	21,027	NOK	21,027	24,231
18,784	25,229	EUR	25,229	18,784
2,814	3,666	Other	3,666	2,814
45,830	**49,922**	**Total securities debt**	**49,922**	**45,830**

Parent Bank and Group

Change in securities debt	31 Dec 2024	Issued	Fallen due/ redeemed	Other changes	31 Dec 2023
Bond debt	37,204	5,880	4,425	982	34,767
Adjustments	–878	-	-	645	-1,522
Accrued interest	244	-	-	71	173
Total	**36,570**	**5,880**	**4,425**	**1,697**	**33,417**

Change in senior non-preferred debt	31 Dec 2024	Issued	Fallen due/ redeemed	Other changes	31 Dec 2023
Senior non preferred	13,386	1,709	686	18	12,344
Adjustments	–167	-	-	-102	-65
Accrued interest	134	-	-	-3	136
Total	**13,352**	**1,709**	**686**	**-86**	**12,415**

Change in securities debt	31 Dec 2023	Issued	Fallen due/ redeemed	Other changes	31 Dec 2022
Bond debt	34,767	0	10,291	2,526	42,532
Adjustments	–1,522	0	0	829	–2,352
Accrued interest	173	0	0	–39	212
Total	**33,417**	**0**	**10,291**	**3,316**	**40,392**

Change in senior non-preferred debt	31 Dec 2023	Issued	Fallen due/ redeemed	Other changes	31 Dec 2022
Senior non preferred	12,344	5,280	0	–36	7,100
Adjustments	–65	0	0	21	–86
Accrued interest	136	0	0	68	68
Total	**12,415**	**5,280**	**0**	**53**	**7,082**

Note 37 - Other debt and liabilities

Parent Bank			Group	
31 Dec 23	31 Dec 24	Other debt and recognised liabilities (NOK million)	31 Dec 24	31 Dec 23
178	202	Deferred tax	290	236
793	958	Payable tax	1,042	880
22	30	Capital tax	30	22
140	178	Accruals	541	442
533	378	Provisions	378	533
52	101	Loss provision guarantees	101	52
9	8	Pension liabilities	8	9
260	307	Lease liabilities	460	403
9	1	Drawing debt	1	9
132	76	Creditors	149	191
-15	251	Debt from securities	251	-15
148	183	Other	276	243
2,262	**2,673**	**Total other debt and recognised liabilities**	**3,527**	**3,005**
		Other liabilities, not recognised		
5,354	6,181	Credit limits, trading	6,181	5,354
-	-	Other commitments	54	50
5,354	**6,181**	**Total other commitments**	**6,235**	**5,404**
7,616	**8,854**	**Total commitments**	**9,762**	**8,410**

Collateral

As from 1 March 2017 the bank is required under the European market infrastructure regulation (EMIR) to have in place a CSA with daily exchange of margin collateral etc. with all financial counterparties with which the bank deals domiciled (inter alia) in an EU member state.

The Emir regulation regulates OTC derivatives and entails inter alia that SpareBank 1 SMN will be entitled to clear certain derivatives transactions through a central counterparty. This mainly applies to interest rate derivatives in euro and Norwegian kroner. Derivatives are cleared through London Clearing House as central counterparty where cash is the only collateral at present. SpareBank 1 SMN is not a direct member of London Clearing House, but has entered an agreement with Commerzbank and SEB as clearing broker. The liabilities are presented gross in the table below.

SpareBank 1 SMN is registered as a GCM member of NASDAQ OMX Clearing AB. The bank offers customers clearing representation related to their trade in electricity and salmon derivatives on NASDAQ OMX Oslo ASA and Fish Pool ASA. Clearing representation entails that the bank substitutes itself in the place of the client as counterparty to NASDAQ OMX Clearing AB and takes on the obligation towards NASDAQ to furnish margin collateral and to execute settlement of contracts and pay charges. For the bank's exposure as a GCM, clients will furnish collateral in the form of a deposit of cash and/or encumbrance of other assets.

Parent Bank				Group		
Cash deposit	Securi-ties	Total	Securities pledged	Total	Securi-ties	Cash de-posit
749	-	749	Securities pledged 31 December 2024	749	-	749
2,406	-	2,406	Relevant liabilities 31 December 2024	2,406	-	2,406
1,268	-	1,268	Securities pledged 31 December 2023	1,268	-	1,268
1,685	-	1,685	Relevant liabilities 31 December 2023	1,685	-	1,685

Ongoing lawsuits

The Group is not involved in legal disputes that are considered to be of substantial significance for the Group's financial position. SpareBank 1 SMN is indirectly in dispute with Tieto Evry regarding remuneration for deliveries. The case has been appealed to the court of appeal after the district court's decision in Tieto Evry's disfavor. No loss provision has been made as at 31 December 2024.

Provisions

The group has made provisions for pension liabilities, see note 22, specified losses on guarantees, see note 10, restructuring and gifts. The provision for restructuring is made based on the downsizing plan. Provision on gifts is the part of previous year's profit to be allocated to non-profit causes. More on this topic in the section Community dividend in the Report of the Board of Directors.

Parent Bank/Group (NOK million)	Pension liabilities	Restructuring provision	Gifts
Provisions at 1 January 2024	**4**	**2**	**456**
Additional provisions in the period	-	-	250
Amounts used in the period	-0	-2	-335
Amounts unused reversed in the period	-	-	-
The increase during the period in the discounted amount that occurs over time, and the effect of any changes in the discount rate	-	-	-
Other	-1	-	-
Provisions at 31 December 2024	**3**	**-**	**372**

Parent Bank/Group (NOK million)	Pension liabilities	Restructuring provision	Gifts
Provisions at 1 January 2023	**6**	**1**	**425**
Additional provisions in the period	-	-	230
Amounts used in the period	-3	0	-198
Amounts unused reversed in the period	-	-	-
The increase during the period in the discounted amount that occurs over time, and the effect of any changes in the discount rate	-	-	-
Other	0	-	-
Provisions at 31 December 2023	**4**	**2**	**456**

Note 38 - Subordinated debt and hybrid capital issue

Accounting policy

Subordinated debt are measured at amortised cost like other long-term loans. Subordinated debt ranks behind all other debt. Hybrid capital denotes bonds with a nominal interest rate, but the Bank is not obliged to pay interest in a period in which no dividend is paid, nor does the investor subsequently have a right to interest that has not been paid, i.e. the interest does not accumulate. Hybrid Capital have been classified as equity since these do not satisfy the definition of a financial liabiltiy in IAS 32. The bond is perpetual and SpareBank 1 SMN has the right to not pay interest to the investors. The interest will not be presented as an interest expense in the income statement, but as a reduction to equity. See also Note 3 for a closer description. The treatment of subordinated debt and hybrid capital in the calculation of the group's capital adequacy is described in Note 5 Capital adequacy and capital management.

Parent Bank			Group	
31 Dec 2023	31 Dec 2024	(NOKm)	31 Dec 2024	31 Dec 2023
		Dated subordinated debt		
-	-	2026 SpareBank 1 Finans Midt-Norge 23/34	78	76
250	-	2029 floating rate NOK (Call 2024)	-	250
150	-	2029 floating rate NOK (Call 2024)	-	150
1,000	1,000	2032 floating rate NOK (Call 2025)	1,000	1,000
750	750	2033 floating rate NOK (Call 2025)	750	750
-	500	2034 floating rate NOK (Call 2025)	500	-
-	400	2035 floating rate NOK (Call 2025)	400	-
19	6	Accrued interest	7	21
2,169	**2,656**	**Total dated subordinated debt**	**2,735**	**2,247**
5.80%	6.70%	Average rate NOK	6.70%	5.80%
		Additional Tier 1 Capital		
-	-	5/99 SpareBank 1 Finans Midt-Norge floating rate NOK (Call 2025)	96	103
250	-	5/99 floating rate NOK (Call 2024)	-	250
500	500	5/99 floating rate NOK (Call 2025)	500	500
50	50	5/99 floating rate NOK (Call 2025)	50	50
300	300	5/99 floating rate NOK (Call 2025)	300	300
150	150	5/99 floating rate NOK (Call 2025)	150	150
-	450	5/99 floating rate NOK (Call 2030)	450	-
200	143	7/99 fixed rate 5,0 % NOK (Call 2025) *)	143	200
200	200	7/99 fixed rate 7,12 % NOK (Call 2027) *)	200	200
150	150	7/99 fixed rate 7,04 % NOK (Call 2029) *)	150	150
1,800	**1,943**	**Total additional Tier 1 Capital**	**2,039**	**1,903**
7.40%	7.40%	Average rate NOK	7.40%	7.40%

**) Fixed rate funding changed to floating rate by means of interest rate swaps*

Group

Changes in subordinated debt and hybrid equity issue	31 Dec 2024	Issued	Fallen due/ redeemed	Otherchanges	31 Dec 2023
Ordinary subordinated debt, NOK	2,728	902	400	-	2,226
Accrued interest	7	-	-	-14	21
Total subordinated debt and hybrid equity issue	**2,735**	**902**	**400**	**-14**	**2,247**

Changes in additional Tier 1 Capital	31 Dec 2024	Issued	Fallen due/ redeemed	Otherchanges	31 Dec 2023
Additional Tier 1 Capital, NOK	2,039	442	307	-	1,903
Total subordinated debt and hybrid equity issue	**2,039**	**442**	**307**	**-**	**1,903**

Changes in subordinated debt and hybrid equity issue	31 Dec 2023	Issued	Fallen due/ redeemed	Otherchanges	31 Dec 2022
Ordinary subordinated debt, NOK	2,226	934	750	-	2,043
Accrued interest	21	-	-	5	16
Total subordinated debt and hybrid equity issue	**2,247**	**934**	**750**	**5**	**2,058**

Changes in additional Tier 1 Capital	31 Dec 2023	Issued	Fallen due/ redeemed	Otherchanges	31 Dec 2022
Additional Tier 1 Capital, NOK	1,903	711	576	-	1,769
Total subordinated debt and hybrid equity issue	**1,903**	**711**	**576**	**-**	**1,769**

Note 39 - Investments in owner interests

Accounting policy

Associated companies

Associates are companies in which the Bank has substantial influence. As a rule, influence is substantial where the Bank has an ownership interest of 20 per cent or more. Associates are accounted for by the equity method in the consolidated accounts. The investment is initially recognised at acquisition cost and subsequently adjusted for the change in the Bank's share of the associated undertaking's net assets. The Bank recognises its share of the profit of the associated undertaking in its income statement. Associates are accounted for in the parent bank accounts by the cost method.

Joint arrangements

Under IFRS 11 investments in Joint arrangements shall be classified as Joint operations or joint ventures depending on the right and obligations in the contractual arrangement for each investor. SpareBank 1 SMN has assessed its joint arrangements and concluded that they are joint ventures. Jointly controlled ventures are accounted for using the equity method in the group and the cost method in the parent bank.

When the equity method is used joint ventures are recognised at their original acquisition cost. The carrying amount is thereafter adjusted to recognise the share of the results after the acquisition and the share of comprehensive income. When the group's share of a loss in a joint venture exceeds the capitalized amount (including other long-term investments that are in reality part of the group's net investment in the venture), no further loss is recognized unless liabilities have been assumed or payments have been made on behalf of the joint venture. Unrealized gains on transactions between the group and its joint ventures are eliminated according to the ownership interest in the business. Unrealized losses are also eliminated unless the transaction gives evidence of a fall in value on the transferred asset. Amounts reported from joint ventures are, if necessary, restated to ensure they correspond with the accounting policies of the group.

Non-current assets held for sale and discontinued operations

Assets which the board of directors of the bank has decided to sell are dealt with under IFRS 5 if it is highly likely that the asset will be sold within 12 months. This type of asset comprises for the most part assets taken over in connection with bad loans, and investments in subsidiaries held for sale. In the case of depreciable assets, depreciation ceases when a decision is taken to sell, and the asset is measured at fair value in accordance with IFRS 5. The result of such activity and appurtenant assets and liabilities are presented on a separate line as held for sale.

Subsidiaries, associates, joint ventures and companies held for sale

Company	Company number	Registered office	Stake in per cent
Investment in significant subsidiaries			
EiendomsMegler 1 Midt-Norge	936159419	Trondheim	92.4
SpareBank 1 Regnskapshuset SMN	936285066	Trondheim	93.3
SpareBank 1 Invest	990961867	Trondheim	100
SpareBank 1 Finans Midt-Norge	938521549	Trondheim	57.3
SpareBank 1 SMN Kvartalet	990283443	Trondheim	100
SpareBank 1 Bygget Steinkjer	934352718	Trondheim	100
St. Olavs Plass	999263380	Trondheim	100
Sparebank 1 Mobilitet Holding 2	833039342	Trondheim	56.5
SpareBank 1 Bilplan	979945108	Trondheim	100
Shares owned by subsidiaries and sub-subsidiaries			
GMA Invest	994469096	Trondheim	100
Sentrumsgården	975856828	Leksvik	35.3
Aqua Venture	891165102	Trondheim	37.6
Omega-3 Invest	996814262	Namsos	33.6
Tjeldbergodden Utvikling	979615361	Aure	23.0
Grilstad Marina	991340475	Trondheim	35.0
GMN 6	994254707	Trondheim	35.0
GMN 51	996534316	Trondheim	30.0
GMN 52	996534413	Trondheim	30.0
GMN 53	996534502	Trondheim	30.0
Grilstad N8	926281070	Trondheim	35.0
Brauten Eiendom	917066221	Trondheim	100
Leksvik Regnskapskontor	980491064	Leksvik	50.0
SpareBank 1 Mobilitet Holding	927249960	Hamar	30.7
Investment in joint ventures			
SpareBank 1 Gruppen	975966372	Tromsø	19.5
SpareBank 1 Utvikling	986401598	Oslo	18.0
Investment in associates			
SpareBank 1 Boligkreditt	988738387	Stavanger	23.2
BN Bank	914864445	Trondheim	35.0
SpareBank 1 Næringskreditt	894111232	Stavanger	12.7
SpareBank 1 Kreditt	975966453	Trondheim	17.9
SpareBank 1 Betaling	919116749	Oslo	21.9
SpareBank 1 Gjeldsinformasjon	924911719	Oslo	18.1
SpareBank 1 Forvaltning	925239690	Oslo	21.5
SpareBank 1 Markets	992999101	Oslo	39.9
Investment in companies held for sale			
Mavi XV	890899552	Trondheim	100
Mavi XXIX	827074462	Trondheim	100
Byscenen Kongensgt 19	992237899	Trondheim	94.0
Bjerkeløkkja	998534976	Oppdal	95.0

Shares in subsidiaries, Parent Bank

Recorded at acquisition cost in the Parent Bank. Full consolidation in the Group accounts. Total costs include tax charge. The booked value of subsidiaries in the tables below is the Parent Bank's booked value. The profit or loss column shows the company's profit of the year.

2024 (NOK million)	Company's share capital (NOK 1000's)	No. Of shares	Nominal value (NOK 1000's)	Assets	Liabilities	Equity	NCI of equity *)	Total income	Total expenses	Profit or loss	NCI of profit or loss *)	Book value 31.12
SpareBank 1 Finans Midt-Norge	1,350,000	77,288	10	13,159	11,160	1,999	769	464	236	228	98	889
Total investments in credit institutions												**889**
EiendomsMegler 1 Midt-Norge	105,960	4,788	22	442	176	266	20	512	457	55	4	201
SpareBank 1 SMN Kvartalet	30,200	30,200	1	110	18	92	-	26	15	10	-	126
SpareBank 1 Regnskapshuset SMN	20,349	211	96	754	289	465	31	694	633	61	4	368
SpareBank 1 Invest	457,280	914,560	1	859	23	836	-	37	4	33	-	540
SpareBank 1 Bygget Steinkjer	1,000	100	10	35	1	34	-	1	1	–1	-	40
St. Olavs Plass	1,000	100,000	0	53	1	52	-	4	4	0	-	50
SpareBank 1 Bilplan	5,769	41,206	0	8	0	8	-	0	0	0	-	9
SpareBank1 Mobilitet Holding 2	700	565	0	1	-	1	0	0	0	0	-	0
Total investments in other subsidiaries												**1,335**
Total investments in Group companies, Parent Bank												**2,225**

*) *Non-controlling interests*

2023 (NOK million)	Company's share capital (NOK 1000's)	No. Of shares	Nominal value (NOK 1000's)	Assets	Liabilities	Equity	NCI of equity *)	Total income	Total expenses	Profit or loss	NCI of profit or loss *)	Book value 31.12
SpareBank 1 Finans Midt-Norge	1,200,000	57,015	21	12,636	10,987	1,648	618	404	380	24	28	792
Total investments in credit institutions												**792**
EiendomsMegler 1 Midt-Norge	105,960	4,788	22	409	166	242	18	435	403	32	3	201
SpareBank 1 SMN Kvartalet	30,200	30,200	1	110	18	92	-	25	15	10	-	126
SpareBank 1 Regnskapshuset SMN	20,349	211	96	708	260	448	30	633	549	84	7	331
SpareBank 1 Invest	457,280	914,560	1	811	24	787	-	69	3	66	-	540
SpareBank 1 Bygget Steinkjer	1,000	100	10	37	1	36	-	0	–1	1	-	40
St. Olavs Plass	1,000	100,000	0	53	2	51	-	4	4	0	-	50
SpareBank 1 Bilplan	5,769	41,206	0	8	0	8	-	0	0	0	-	9
Total investments in other subsidiaries												**1,298**
Total investments in Group companies, Parent Bank												**2,090**

*) *Non-controlling interests*

Dividends from subsidiaries

(NOK million)	2024	2023
SpareBank 1 Finans Midt-Norge	-	78
EiendomsMegler 1 Midt-Norge	28	40
SpareBank 1 Markets *)	-	108
SpareBank 1 Regnskapshuset SMN	78	70
SpareBank 1 SMN Invest	-	-
SpareBank 1 SMN Kvartalet	10	4
St. Olavs Plass 1 SMN	-	1
Sparebank 1 Bygget Steinkjer	1	1
Total dividends	**117**	**302**

*) *SpareBank 1 Markets is associated company in 2024*

Shares in associates and joint ventures

Associates and joint ventures are recorded at acquisition cost in the Parent Bank. Group figures are presented by the equity method.

Parent Bank			Group	
2023	**2024**	(NOK million)	**2024**	**2023**
5,063	6,270	As at 1 January	8,695	8,075
916	519	Acquisition/sale	518	760
-20	-	Write-down	-	-23
312	-	Equity capital changes	-182	-22
-	-	Profit share	1,254	297
-	-	Dividend paid	-201	-391
6,270	**6,789**	**Book value as at 31 December**	**10,084**	**8,695**

Specification of year's change, Group	Additions / disposal	Equity change
SpareBank 1 Gruppen	-	-13
SpareBank 1 Boligkreditt	440	-155
SpareBank 1 Næringskreditt	-43	-0
SpareBank 1 Kreditt	119	-1
Sparebank 1 Betaling	-	4
BN Bank	-	7
SpareBank 1 Forvaltning	1	-1
SpareBank 1 Markets	-	-
Other companies	0	-22
Sum	**518**	**-182**

Dividends from investments in associates and joint ventures

(NOK million)	2024	2023
SpareBank 1 Gruppen	-	287
SpareBank 1 Boligkreditt	100	-
BN Bank	-	70
SpareBank 1 Næringskreditt	10	3
SpareBank 1 Kreditt	-	-
Sparebank 1 Markets	61	-
SpareBank 1 Forvaltning	29	31
Total dividend from associates and joint ventures	**201**	**391**

Company information on the Group's stakes in associates and joint ventures

The tables below contain company or Group accounting figures on a 100 per cent share basis, except for profit share which is stated as the SMN Group's share. Badwill and amortisation effects related to acquisitions are included in the profit share. Booked value is the consolidated value in the SMN Group.

2024 (NOK million)	Assets	Liabilities	Total income	Total costs	Profit share	Book value 31.12	No. of shares
SpareBank 1 Gruppen	166,903	144,915	24,361	22,128	678	2,402	420,498
SpareBank 1 Boligkreditt	357,386	342,603	846	232	129	3,123	21,531,278
SpareBank 1 Næringskreditt	10,515	8,387	133	35	14	270	2,062,045
SpareBank 1 Kreditt	12,177	9,598	594	648	-10	461	1,310,189
Sparebank 1 Betaling	1,264	0	-	2	-19	261	6,849,205
BN Bank	52,518	45,408	1,504	601	302	2,306	4,943,072
SpareBank 1 Forvaltning	1,693	430	1,076	829	54	272	988,156
Sparebank 1 Markets	3,002	1,111	1,186	961	89	754	2,137,142
Other companies					16	236	
Total					**1,254**	**10,084**	

2023 (NOK million)	Assets	Liabilities	Total income	Total costs	Profit share	Book value 31.12	No. of shares
SpareBank 1 Gruppen	132,113	119,812	17,648	17,402	-34	1,737	420,498
SpareBank 1 Boligkreditt	320,465	307,788	680	201	98	2,809	18,595,136
SpareBank 1 Næringskreditt	10,634	8,547	111	54	10	309	2,402,572
SpareBank 1 Kreditt	9,746	7,903	493	562	-13	354	975,378
Sparebank 1 Betaling	1,256	0	-	2	-37	275	6,849,205
BN Bank	47,961	41,933	1,347	583	257	1,997	4,943,072
SpareBank 1 Forvaltning	1,718	570	890	722	35	247	985,722
Other companies					-18	242	
Total					**297**	**7,970**	

Companies held for sale

SpareBank 1 SMN's strategy is that ownership duse to defaulted exposures should at the outset be of brief duration, normally not longer than one year. Investments are recorded at fair value in the Parent Bank's accounts, and is classified as investment held for sale.

2024 (NOK Million)	Assets	Liabilities	Revenue	Expenses	Profit	Ownership
Mavi XV Group	190	2	13	15	–2	100%
Total Held for sale	**190**	**2**	**13**	**15**	**–2**	

2023 (NOK Million)	Assets	Liabilities	Revenue	Expenses	Profit	Ownership
Mavi XV Group	80	26	15	15	1	100%
Total Held for sale	**80**	**26**	**15**	**15**	**1**	

Note 40 - Business acquisitions/business combinations

Accounting policy

Upon acquisition of businesses a purchase price analysis is prepared in accordance with IFRS 3 where identifiable assets and liabilities are recognised at fair value on the acquisition date.

Acquisition of accounting firms

SpareBank 1 Regnskapshuset SMN has in 2024 aquired the shares in SR-Rekneskap AS and Meese Regnskap AS. The companies will be merged and fully integrated into SpareBank 1 Regnskapshuset SMN AS in 2025.

Askus AS, Kvidal Regnskap AS and Brattberg Regnskap AS has been integrated into SpareBank 1 Regnskapshuset SMN AS in 2024.

Purchase price allocations have been prepared in accordance with IFRS 3 in which identifiable assets and liabilities are recognised at fair value on the acquisition date. The difference between the group's acquisition cost and book value of net assets is allocated to goodwill.

Note 41 - Significant transactions with related companies

In this context 'related parties' means subsidiaries, associated companies, joint ventures and companies held for sale over which the Bank exercises substantial influence, as well as SpareBank 1 SMN Pensjonskasse (pension fund) and companies owned by the Bank's personal related parties. The opening balance may differ from the previous year's closing balance as the opening balance includes companies that during the fiscal year have been classified as related partied of the Bank.

	Subsidiaries		Other related companies	
Loans (NOK million)	**2024**	**2023**	**2024**	**2023**
Outstanding loans as at 1.1	10,559	10,350	705	4,526
Loans issued in the period	126	207	-1,901	-4,577
Repayments	-2	-2	-1,201	-776
Outstanding loans as at 31.12	**10,687**	**10,559**	**5**	**725**
Interest rate income	614	518	36	23
Bonds and subordinated loans as at 31.12	230	226	928	1,018
Deposits (NOK million)				
Deposits as at 1.1	1,040	1,263	1,289	1,831
Contribution received during the period	31,281	27,411	959,260	344,438
Withdrawals	30,993	27,634	957,649	344,966
Deposits as at 31.12	**1,328**	**1,040**	**2,900**	**1,303**
Interest rate expenses	65	45	158	60
Securities trading	223	203	-	-
Commission income SpareBank 1 Boligkreditt	-	-	-23	154
Commission income SpareBank 1 Næringskreditt	-	-	14	16
Issued guarantees and amount guaranteed	-	-	26	26

Loans and deposits

All loans and deposits for related parties are booked in the Parent Bank.

Securities trading

SpareBank 1 SMN's treasury department and Sparebank 1 Markets, through outsourced business, carry out a large number of transactions with the Bank's related companies. Transactions are executed on a ongoing basis in the fixed income and forex area, payments transmission, bond trading etc. These transactions are part of ordinary bank operations and all agreements are contracted on market terms. Numbers above includes net investmens in derivatives, bond transactions and deposits.

Other transactions

SpareBank 1 SMN has signed supply agreements with several related companies in order to safeguard ordinary banking operations and further development of the SpareBank 1 Alliance. This includes development of data-technical solutions for alliance collaboration, commission from insurance and savings and investment products, administrative services, leasing of premises etc. The agreements are considered to be on market terms. In addition the Bank participates in increases of capital in related companies; see note 39 on investment in owner interests.

Note 42 - ECC capital and ownership structure

ECC capital

The Bank's ECC capital totals NOK 2,884,311,800 distributed on 144,215,590 equity capital certificates (ECCs), each with a face value of NOK 20. As of 31 December 2024 there was 17,348 ECC holders (17,348 as of 31. desember 2023).

ECC capital has been raised by the following means:

Year	Change	Change in ECC capital (NOK)	Total ECC capital (NOK)	No. of ECCs
1991	Placing	525,000,000	525,000,000	5,250,000
1992	Placing	75,000,000	600,000,000	6,000,000
2000	Employee placing	5,309,900	605,309,900	6,053,099
2001	Employee placing	4,633,300	609,943,200	6,099,432
2002	Employee placing	4,862,800	614,806,000	6,148,060
2004	Bonus Issue	153,701,500	768,507,500	7,685,075
2005	Placing	217,424,200	985,931,700	9,859,317
2005	Employee placing	23,850,000	1,009,781,700	10,097,817
2005	Split	-	1,009,781,700	40,391,268
2005	Rights issue	252,445,425	1,262,227,125	50,489,085
2007	Dividend issue	81,752,950	1,343,980,075	53,752,203
2007	Employee placing	5,420,000	1,349,400,075	53,976,003
2008	Dividend issue	90,693,625	1,440,093,700	57,603,748
2008	Employee placing	6,451,450	1,446,545,150	57,861,806
2009	Bonus issue	289,309,025	1,735,854,175	69,434,167
2010	Employee placing	12,695,300	1,748,549,475	69,941,979
2010	Rights issue	624,082,675	2,372,632,150	94,905,286
2011	Rights issue	625,000	2,373,257,150	94,930,286
2012	Reduction in nominal value	–474,651,430	1,898,605,720	94,930,286
2012	Rights issue	569,543,400	2,468,149,120	123,407,456
2012	Employee placing	16,220,200	2,484,369,320	124,218,466
2012	Placing	112,359,540	2,596,728,860	129,836,443
2023	Fusion	287,582,940	2,884,311,800	144,215,590

20 largest ECC holders at 31 December 2024	No. Of ECCs	Holding
Sparebankstiftinga Søre Sunnmøre	10,471,224	7.26%
Sparebankstiftelsen SMN	6,470,110	4.49%
Kommunal Landspensjonskasse Gjensidige	4,742,748	3.29%
Pareto Aksje Norge Verdipapirfond	3,439,508	2.38%
State Street Bank and Trust Comp	3,279,004	2.27%
VPF Eika Egenskapitalbevis	3,214,737	2.23%
J.P. Morgan SE	3,031,665	2.10%
Verdipapirfondet Alfred Berg Gambak	3,015,315	2.09%
Skandinaviska Enskilda Banken AB	2,988,362	2.07%
JPMorgan Chase Bank, N.A., London	2,798,670	1.94%
J.P. Morgan SE	2,320,446	1.61%
The Northern Trust Comp, London Br	2,308,400	1.60%
State Street Bank and Trust Comp	2,178,766	1.51%
Verdipapirfondet Holberg Norge	2,110,000	1.46%
Forsvaret Personellservice	2,018,446	1.40%
Verdipapirfond Odin Norge	1,997,177	1.38%
Spesialfondet Bordea Utbytte	1,832,102	1.27%
RBC Investor Services Trust	1,808,265	1.25%
MP Pensjon PK	1,412,140	0.98%
VPF DNB AM Norska Aksjer	1,357,169	0.94%
The 20 largest ECC holders in total	**62,794,254**	**43.54%**
Others	81,421,336	56.46%
Total issued ECCs	**144,215,590**	**100.00%**

Dividend policy

SpareBank 1 SMN aims to manage the Group's resources in such a way as to provide equity certificate holders with a good, stable and competitive return in the form of dividend and a rising value of the bank's equity certificate.

The net profit for the year will be distributed between the owner capital (the equity certificate holders) and the ownerless capital in accordance with their respective shares of the bank's total equity capital.

SpareBank 1 SMN's intention is that around one half of the owner capital's share of the net profit for the year should be disbursed in dividends and, similarly, that around one half of the owner capital's share of the net profit for the year should be disbursed as gifts or transferred to a foundation. This is on the assumption that capital adequacy is at a satisfactory level. When determining dividend payout, account will be taken of the profit trend expected in a normalised market situation, external framework conditions and the need for tier 1 capital.

Note 43 - Earnings per ECC

ECC owners share of profit have been calculated based on net profit allocated in accordance to the average number of certificates outstanding in the period. There is no option agreements in relation to the Equity Capital certificates, diluted net profit is therefore equivalent to Net profit per ECC.

(NOKm)	2024	2023
Adjusted Net Profit to allocate between ECC owners and Savings Bank Reserve **1)**	4,339	3,489
Allocated to ECC Owners **2)**	2,899	2,329
Issues Equity Captial Certificates adjusted for own certificates	144,187,578	138,106,331
Earnings per Equity Captial Certificate	**20.10**	**16.87**

1) Adjusted Net Profit	**2024**	**2023**
Net Profit for the group	4,591	3,688
adjusted for non-controlling interests share of net profit	-106	-74
Adjusted for Tier 1 capital holders share of net profit	-146	-125
Adjusted Net Profit	**4,339**	**3,489**

2) Equity capital certificate ratio (parent bank) (NOKm)	**2024**	**2023**
ECC capital	2,884	2,884
Dividend equalisation reserve	8,721	8,482
Premium reserve	2,422	2,422
Unrealised gains reserve	164	71
Other equity capital	2,478	-
A. The equity capital certificate owners' capital	**16,669**	**13,859**
Ownerless capital	6,984	6,865
Unrealised gains reserve	81	35
Other equity capital	1,231	-
B. The saving bank reserve	**8,297**	**6,900**
To be disbursed from gift fund	896	860
Dividend declared	1,803	1,730
Equity ex. profit	**27,664**	**23,350**
Equity capital certificate ratio A/(A+B)	**66.8 %**	**66.8%**
Equity capital certificate ratio for distribution	**66.8%**	**66.8%**

Note 44 - Events after the balance sheet date

Accounting policy

The annual accounts are regarded as approved for publication once they have been considered by the board of directors. The supervisory board and regulatory authorities can thereafter refuse to approve the accounts, but not to change them. Events up to the time at which the accounts are approved for publication, and which relate to circumstances already known on the balance sheet date, will be included in the information base for accounting estimates and thus be fully reflected in the accounts. Events concerning circumstances that were not known on the closing date will be illuminated if significant.

The accounts are presented on the going-concern assumption. In the view of the Board of Directors this assumption was met at the time the accounts were approved for presentation.

Financial summary (Group)

Income statement NOKm 1)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Interest income	13,560	11,262	5,927	6,315	4,197	4,626	4,057	3,825	3,597	4,031
Interest expenses	8,187	6,631	2,588	2,977	1,439	1,939	1,655	1,600	1,714	2,159
Net interest and credit comissionincome	5,373	4,632	3,339	3,339	2,759	2,687	2,403	2,225	1,883	1,872
Commision and fee income	2,392	2,084	2,042	2,042	2,572	2,290	2,177	2,005	1,674	1,545
Income from investment in relatedcompanies	1,254	297	442	442	681	879	423	443	423	448
Return on financial investements	103	502	–61	–61	269	322	334	317	521	11
Total income	**9,123**	**7,515**	**5,760**	**5,760**	**6,281**	**6,178**	**5,337**	**4,989**	**4,502**	**3,876**
Salaries, fees and otherpersonnel costs	1,981	1,691	1,406	1,406	1,883	1,699	1,584	1,426	1,159	1,093
Other operating expenses	1,319	1,326	1,038	1,038	1,069	1,098	1,040	943	844	838
Total costs	**3,300**	**3,017**	**2,443**	**2,443**	**2,952**	**2,797**	**2,624**	**2,369**	**2,003**	**1,931**
Operating profit before losses	**5,823**	**4,498**	**3,317**	**3,317**	**3,329**	**3,380**	**2,713**	**2,621**	**2,499**	**1,945**
Losses on loans and guarantees	176	14	–7	–7	951	299	263	341	516	169
Operating profit	**5,647**	**4,484**	**3,324**	**3,324**	**2,378**	**3,081**	**2,450**	**2,279**	**1,983**	**1,776**
Taxes	1,054	904	718	718	400	518	509	450	341	370
Result investment Held for sale	-2	108	179	179	1	0	149	–1	4	–1
Profit of the year	**4,591**	**3,688**	**2,785**	**2,785**	**1,978**	**2,563**	**2,090**	**1,828**	**1,647**	**1,406**
Dividend	**1,803**	**1,730**	**840**	**840**	**569**	**840**	**661**	**571**	**389**	**292**

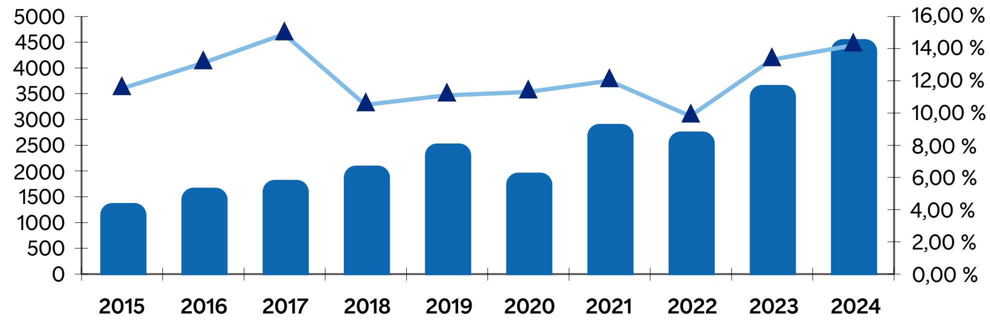
Balance sheet NOKm	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Cash and loans to and claims on credit institutions	9,821	9,917	12,834	5,956	7,856	2,871	5,957	7,527	4,207	5,677
CDs, bonds and other interest-bearing securities	55,015	50,655	53,792	44,024	43,522	35,508	32,438	31,672	29,489	30,282
Loans before loss provisions	180,102	169,862	152,629	147,301	134,648	126,277	120,473	112,071	102,325	93,974
- Loan loss provisions	848	907	1,081	1,410	1,517	998	744	1,113	971	559
Other assets	3,609	3,189	5,137	2,974	3,403	3,004	2,581	3,096	3,030	2,540
Total assets	**247,699**	**232,717**	**223,312**	**198,845**	**187,912**	**166,662**	**160,705**	**153,254**	**138,080**	**131,914**
Debt to credit institutions	13,941	13,160	14,636	15,063	13,095	8,853	9,214	9,607	10,509	8,155
Deposits from and debt to customers	140,897	132,888	122,010	111,286	97,529	85,917	80,615	76,476	67,168	64,090
Debt created by issuance of securities	56,074	52,818	55,781	44,241	51,098	46,541	47,251	45,537	40,390	40,569
Other debt and accrued expences etc.	3,528	3,007	3,818	3,217	3,085	2,841	2,671	1,924	1,532	1,734
Subordinated debt	2,735	2,247	2,058	1,796	1,795	2,090	2,268	2,201	3,182	3,463
Total equity	30,523	28,597	25,009	23,241	21,310	20,420	18,686	17,510	15,299	13,904
Total liabilities and equity	**247,699**	**232,717**	**223,312**	**198,845**	**187,912**	**166,662**	**160,705**	**153,254**	**138,080**	**131,914**

Key figures										
Total assets	247,699	232,717	223,312	198,845	187,912	166,662	160,704	153,254	138,080	131,914
Average total assets	241,090	235,303	213,112	196,229	183,428	165,154	156,992	145,948	137,060	128,355
Profit as a percentage of total assets	1.85%	1.60%	1.20%	1.40%	1.10%	1.50%	1.30%	1.20%	1.20%	1.10%
Gross loans to customers	180,102	169,862	152,629	147,301	134,648	126,277	120,473	112,071	102,325	93,974
Gross loans to customers incl. SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt	249,350	236,329	211,244	195,353	182,801	167,777	160,317	148,784	137,535	127,378
Gross loans in retail market	167,159	159,777	141,833	132,894	124,461	115,036	108,131	98,697	89,402	80,725
Gross loans in corporate market	82,191	76,553	69,411	62,458	58,340	52,740	52,186	50,087	48,133	46,653
Deposits from and debt to customers	140,897	132,888	122,010	111,286	97,529	85,917	80,615	76,476	67,168	64,090
Deposits from retail market	62,581	57,874	48,316	44,589	40,600	35,664	33,055	31,797	29,769	28,336
Deposits from corporate market	78,316	75,015	73,693	66,697	56,928	50,253	47,561	44,678	37,398	35,754
Ordinary lending financed by ordinary deposits	78%	78%	80%	76%	72%	68%	67%	68%	66%	68%
Ordinary lending incl. SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt financed by ordinary deposits	57%	56%	58%	57%	53%	51%	50%	51%	49%	50%

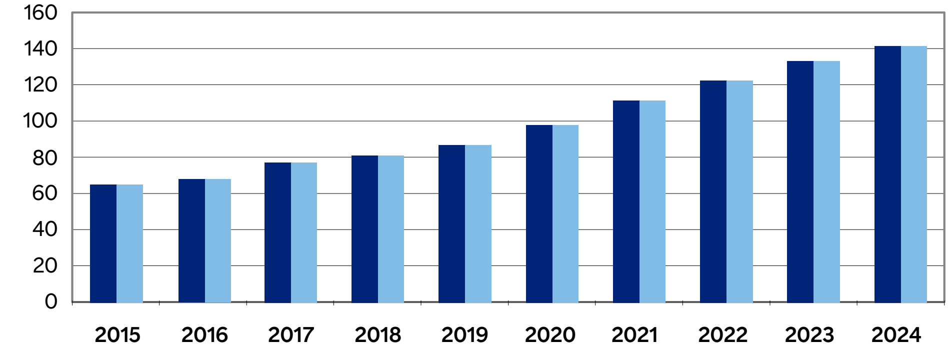
Capital adequacy	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
CET 1 Capital	22,409	21,589	19,776	17,790	17,041	15,830	14,727	13,820	13,229	12,192
Core capital	24,769	23,793	21,835	19,322	18,636	17,742	16,472	15,707	15,069	13,988
Primary capital	28,004	26,399	24,147	21,333	20,759	19,854	18,743	17,629	17,185	16,378
Risk weighted volume	122,622	114,633	104,716	98,664	93,096	91,956	101,168	94,807	88,788	89,465
CET 1 Ratio	18.3 %	18.80%	18.90%	18.00%	18.30%	17.20%	14.60%	14.60%	14.90%	13.63%
Core capital ratio	20.2 %	20.80%	20.90%	19.60%	20.00%	19.30%	16.30%	16.60%	16.90%	15.60%
Capital ratio	22.8 %	23.00%	23.10%	21.60%	22.30%	21.60%	18.50%	18.60%	19.40%	18.30%
Leverage ratio	7.0 %	7.20%	7.10%	6.90%	7.10%	7.50%	7.40%	7.20%	7.40%	6.70%
Cost/income ratio	46%	45%	42%	45%	47%	45%	49%	47%	44%	50%
Losses on loans	0.05%	0.01%	0.00%	0.09%	0.54%	0.18%	0.17%	0.23%	0.39%	0.14%
ROE	16.6 %	14.40%	12.30%	13.50%	10.00%	13.70%	12.20%	11.50%	11.30%	10.70%
Growth in lending (gross)	5.5 %	11.90%	8.10%	6.90%	9.00%	4.70%	7.80%	8.20%	8.00%	5.80%
Growth in deposits	6.0 %	8.90%	9.60%	14.10%	13.50%	6.60%	5.40%	13.90%	4.80%	5.60%
Number of staff **1)**	1,832	1,737	1,498	1,449	1,653	1,634	1,588	1,482	1,328	1,298
Number of FTEs **1)**	1,660	1,545	1,432	1,432	1,560	1,509	1,493	1,403	1,254	1,208
Number of branches	47	46	40	40	45	46	48	48	48	49

***1)** Comparable figures for 2021 have been restated due to the reclassification of the subsidiary SpareBank 1 Markets to held for sale from Q4 2022. See further information in note 3. Prior year figures have not been restated.*

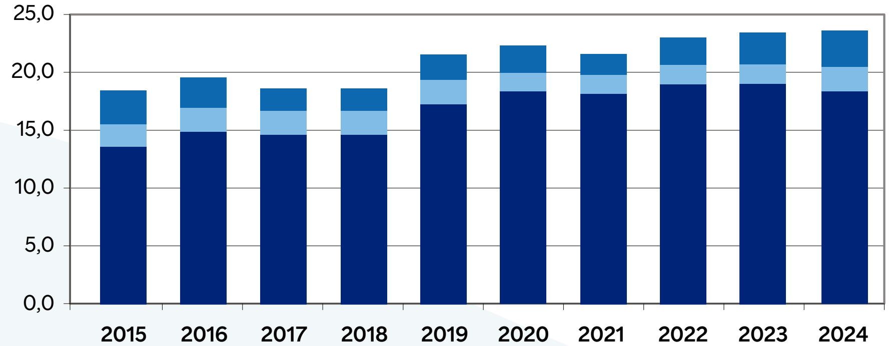
Net profit and return on equity



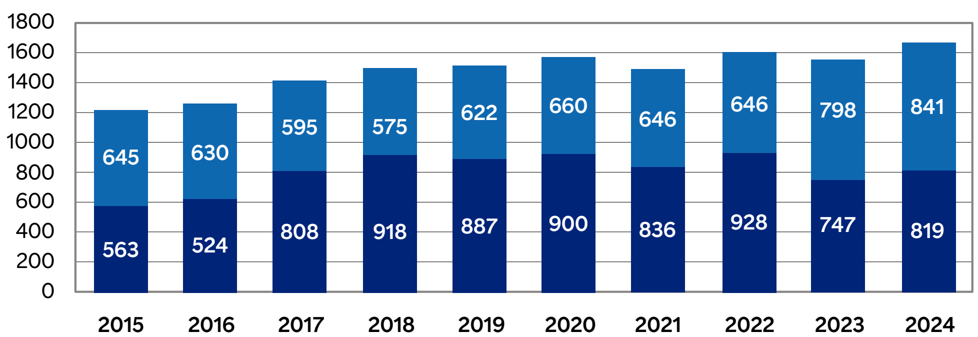
Loans and deposits (NOKbn)



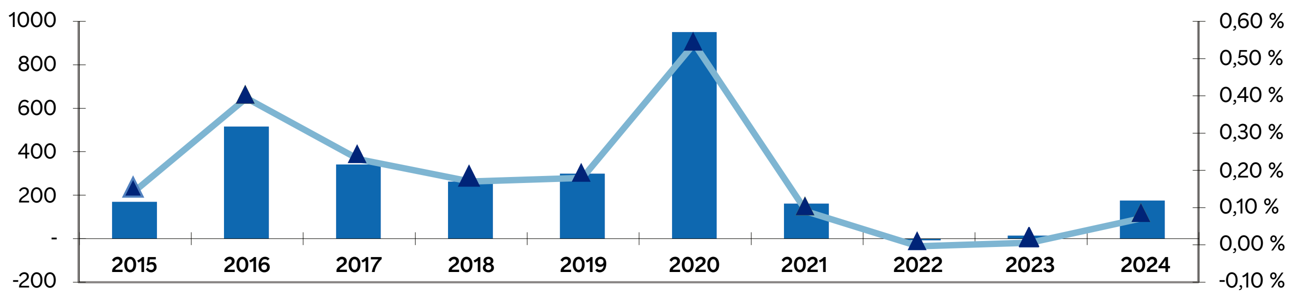
Capital ratio



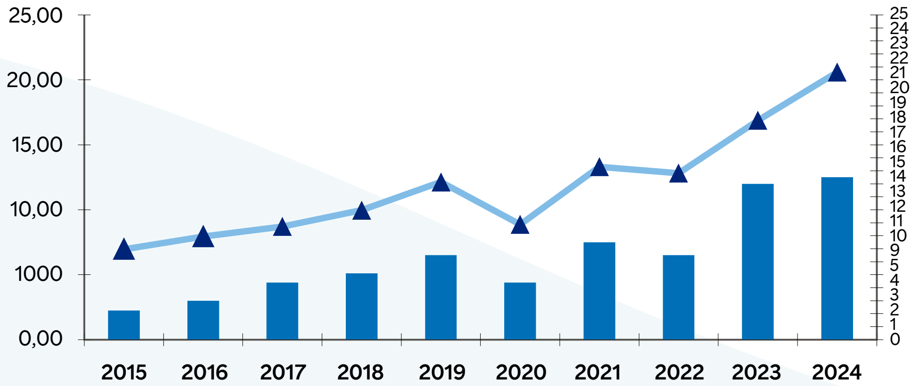
FTEs



Loan losses



Dividend and profit per ECC (NOK)



Equity capital certificate

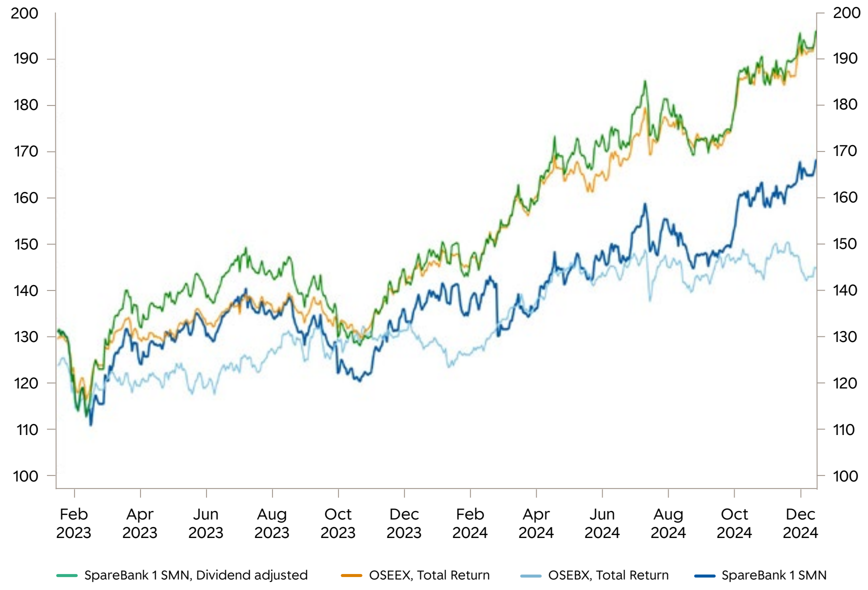
At end-2024 the market price of SpareBank 1 SMN's EC (MING) was NOK 171,3. At year-end 2023 it was NOK 141,8.

At the end of 2024 SpareBank 1 SMN's equity certificate (EC) capital totalled NOK 2,884m distributed on 144,215.590 ECs with a nominal value of NOK 20 each. At the turn of the year the group had a treasury holding of ECs totalling 7,830 ECs.

Equity Certificates (EC)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Quoted price	171.3	141.8	127.4	149	97.6	100.2	84.2	82.25	64.75	50.5
No. of ECs issued, million	144.2	144.2	129.29	129.39	129.39	129.3	129.62	129.38	129.83	129.83
Market value (NOKm)	24,706	20,448	16,471	19,279	12,629	12,956	10,914	10,679	8,407	6,556
Dividend per EC	12.5	12	6.5	7.5	4.4	5	5.1	4.4	3	2.25
Book value per EC	128.09	120.48	109.86	103.48	94.71	90.75	83.87	78.81	73.26	67.65
Profit per EC	20.60	16.88	12.82	13.31	8.87	12.14	9.97	8.71	7.91	7.02
Price-Earnings Ratio	8.3	8.4	9.94	11.19	11.01	8.26	8.44	9.44	8.19	7.19
Price-Book Value Ratio	1.34	1.18	1.16	1.44	1.03	1.1	1	1.04	0.88	0.75
Payout ratio	61%	71%	50.70%	56.30%	50%	54%	51%	50%	38%	25%
EC fraction	66.80%	66.80%	64.00%	64.00%	64.00%	64.00%	64.00%	64%	64.00%	64.00%

Stock price compared with OSEBX and OSEEX

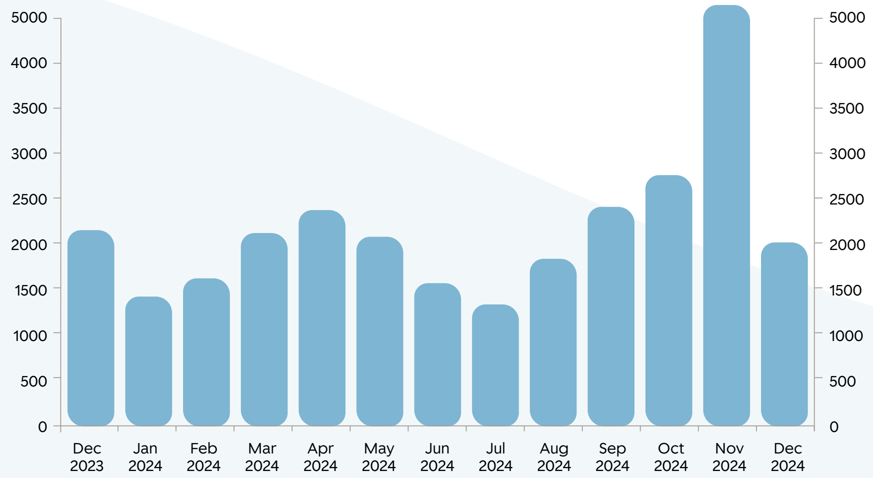
1. jan 2023 to 31. dec 2024



OSEBX = Oslo Stock Exchange Benchmark Index
OSEEX = Oslo Stock Exchange ECC Index

Trading statistics

1. dec 2023 til 31. dec 2024



Total number of ECs traded (1000)

20 largest ECC holders	**No. Of ECCs**	**Holding**
Sparebankstiftinga Søre Sunnmøre	10,471,224	7.26%
Sparebankstiftelsen SMN	6,470,110	4.49%
KLP	4,742,748	3.29%
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VPF Alfred Berg Gamba	2,320,446	1.61%
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Others	81,421,336	56.46%
Total issued ECCs	**144,215,590**	**100%**

Dividend policy

SpareBank 1 SMN aims to manage the Group's resources in such a way as to provide equity certificate holders with a good, stable and competitive return in the form of dividend and a rising value of the bank's equity certificate.

The net profit for the year will be distributed between the owner capital (the equity certificate holders) and the ownerless capital in accordance with their respective shares of the bank's total equity capital.

SpareBank 1 SMN's intention is that up to one half of the owner capital's share of the net profit for the year should be disbursed in dividends and, similarly, that up to one half of the owner capital's share of the net profit for the year should be disbursed as gifts or transferred to a foundation. This is on the assumption that capital adequacy is at a satisfactory level. When determining dividend payout, account will be taken of the profit trend expected in a normalised market situation, external framework conditions and the need for tier 1 capital.

Statement in compliance with the securities trading act, section 5-5

Statement by the Board of Directors and the Group CEO

We hereby declare that to the best of our knowledge:

- The financial statements have been prepared in conformity with applicable accounting standards and that the accounting information gives a true and fair view of the assets, liabilities, financial position and profit/loss of the Parent Bank and the Group taken as a whole, and
- the Directors' report gives a fair review of developments, profit/loss and position of the Parent Bank and the Group, together with a description of the principal risks and uncertainties facing the Group and
- the Directors' report, where required, has been prepared in accordance with standards for sustainability reporting which have been established in accordance with the Accounting Act § 2-6, and in accordance with rules established in accordance with the taxonomy regulation article 8 no. 4

Trondheim, 25. february 2025

Board of Directors of SpareBank 1 SMN

Kjell Bjordal Chair	Christian Stav Deputy chair	Mette Kamsvåg
Freddy Aursø	Nina Olufsen	Ingrid Finboe Svendsen
Kristian Sætre	Inge Lindseth Employee rep	Christina Straub Employee rep
		Jan-Frode Janson Group CEO

To the Supervisory Board of SpareBank 1 SMN

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SpareBank 1 SMN, which comprise:

- the financial statements of the parent company SpareBank 1 SMN (the Company), which comprise the statement of financial position as at 31 December 2024, the income statement, comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of SpareBank 1 SMN and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, the income statement, total comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of SpareBank 1 SMN for 6 years from the election by the Supervisory Board on 22 November 2018 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matter
The value of loans to customers	
Loans to customers represent a considerable part of total assets. The assessment of loan loss provisions is a model-based framework which includes assessments with elements of management judgment. The framework, is complex, includes considerable volumes of data and judgmental parameters.	In our audit of expected loss allowance, we evaluated and tested the design and effectiveness of controls for quality assurance relating to the applied assumptions and models used in the calculations. Furthermore, we tested the input used in the model-based calculation of allowances as well as the individually calculated allowances.
We focused on this area due to the significance of the impairment considerations for the value of loans, and the fact that the use of judgement has a potential to affect the profit for the period. Furthermore, there is an inherent risk of errors because of the complexity and quantity of data involved in the modelling.	For loans considered on a collective basis the calculation is based on a framework model. We tested the model and considered the relevance and the reasonableness of important assumptions used in the calculation.
The use of models to determine expected credit losses entails judgement, specifically with respect to: • Classification of the various credit portfolios by risk and asset type; • Identification of loans with a significant increase in credit risk; • The categorization of loans into stages; and • The parameters such as the probability of default, loss given default and loss scenarios.	We obtained a detailed understanding of the process and tested relevant controls directed at ensuring: • Calculations and the applied method; • That the applied model is designed according to the framework, and working as planned; • The reliability and accuracy of the data used in the model. Our controls testing gave no indication of material misstatements in the model, or deviations from IFRS 9.
In the case of loans where there is objective evidence of impairment, an individual allowance for credit loss is recognized. The assessments require management to use judgement.	We also discussed the impact of the macroeconomic situation on the size of loss provisions and the value of collateral with the management.
Please refer to note 3, 6, 8 and 10 in the annual report for a description of the company's impairment model and how the company estimates their expected credit losses using IFRS 9.	Our work included tests of the company's financial reporting systems relevant to financial reporting. The company uses external service providers to operate some of the important IT systems. The auditor at the relevant service organization are used to evaluate the design and efficiency of the established control systems, and tests the controls designed to ensure the integrity of the IT system that are relevant to financial reporting. The auditor have issued a report that included testing of whether central calculations performed by core systems were performed according to expectations, hereunder interest calculations and mortifications. The testing included the integrity of data, changes of and access to the systems.

To assess whether we could rely on the work performed by other auditors, we satisfied ourselves regarding the auditors' competence and objectivity and examined the reports received and assessed potential weaknesses and remediation initiatives. Our assessments showed that we could rely on the data handled and calculations performed within the IT systems that are relevant to financial reporting.

For loans with objective evidence of impairment and where the impairment amounts were individually calculated, we tested a sample by assessing the estimated future cash flows used by management to substantiate the impairment calculation. We challenged management's assumptions by interviewing key credit personnel and management both to assess the information received from customers and to assess how the reliability of the information were evaluated. We compared the assumptions made by management to external documentation when available. The result of the testing showed that management's assumptions in the calculation of impairment amounts were reasonable.

We have read the notes and found that the information provided was sufficient.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of SpareBank 1 SMN, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name SB1SMN-2024-12-31-nb, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Trondheim, 25 February 2025
PricewaterhouseCoopers AS

Rune Kenneth S. Lædre
State Authorised Public Accountant
Note: This translation from Norwegian has been prepared for information purposes only.

Sunndalsøra, Møre og Romsdal

Attachments

TCFD-index

The table below presents SpareBank 1 SMN's 2024 disclosures in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

	Recommendation	ESRS	Description in annual report
MANAGEMENT			
Describe the company's management of climate-related risks and opportunities			
a)	Board of directors' involvement in climate-related risks and opportunities	E1-9	**Climate Change - Note 8** Management
b)	Management of climate-related risks and opportunities	E1-9	**Climate Change - Note 8** Management
STRATEGY			
Describe the actual and potential impact that climate-related risks and opportunities could have on the company's business areas, strategy, and financial planning			
a)	Climate-related risks and opportunities in the short, medium and long term	E1 SBM-3	Climate-related risks and opportunities
b)	Consequences for operations, strategy and financial planning	E1-9 E1 SBM-3	**Climate change - Note 8** Strategy Climate-related risks and opportunities
c)	Climate scenarios' potential impact on operations, strategy and financial planning	E1-9 E1 SBM-3	**Climate change - Note 8** Strategy Climate-related risks and opportunities

RISK MANAGEMENT

Describe how the company identifies, assesses, and manages climate-related risks			
a)	Identifying climate risk	E1-9 E1 SBM-3	**Climate change - Note 8** Risk management Climate-related risks and opportunities
b)	Managing climate risk	E1-9 E1 SBM-3	**Climate change - Note 8** Risk management Climate-related risks and opportunities
c)	Integrating climate risk into the risk management framework	E1-9 E1 SBM-3	**Climate change - Note 8** Risk management Climate-related risks and opportunities

GOALS AND METHOD

Describe the goals and methods used in the assessment and management of significant climate-related risks and opportunities			
a)	Methods used to assess climate-related risks and opportunities, in line with strategy and risk management processes	E1-9	**Climate change - Note 8** Goals and method
b)	Reporting of greenhouse gas emissions scope 1, 2 and 3	E1-5 E1-6	**Climate change - Note 1-6**
c)	Goal of the work on managing climate-related risks and opportunities	E1-9	**Climate change - Note 8** Goals and method

Norwegian Code of Practice for Corporate Governance

This statement describes how SpareBank 1 SMN complies with the 15 recommendations set out in the Norwegian Code of Practice for Corporate Governance (NUES).

The statement has been prepared in conformity with the Accounting Act section 2-9 [1] and the Norwegian Code of Practice for Corporate Governance as published on 14 October 2021. The Code of Practice is available at nues.no. There are no significant deviations from the Code of Practice.

SpareBank 1 SMN abides by provisions of the Financial Institutions Act (Finansforetaksloven) [2] regulating the governance of financial institutions with appurtenant regulations and the issuer rules of Euronext Growth Oslo Rule Book II.

SpareBank 1 SMN reports its compliance for each point of the Code of Practice. Where the Code of Practice is not followed, a justification for the deviation is given and the institution's arrangements are explained. Deviations are accounted for under points 6 and 7.

Point 1: Report on corporate governance

The Board of Directors of SpareBank 1 SMN has adopted a policy for corporate governance and explains the company's corporate governance through this document. SpareBank 1 SMN adheres to the Norwegian Code of Practice for Corporate Governance. This document also meets the requirements of the Accounting Act section 2-9

Through its corporate governance, the group aims to ensure sound asset management and increase confidence that its stated goals and strategies will be realized. Good corporate governance encompasses the values, goals, and overarching principles by which the bank is governed and controlled to safeguard the interests of EC holders, customers, and other stakeholder groups.

The bank places special emphasis on the following corporate governance principles:

- A structure ensuring targeted and independent management and control
- Systems ensuring measurement and accountability
- Effective risk management
- Full disclosure and effective communication
- Equal treatment of EC holders and a balanced relationship with other stakeholders
- Compliance with laws, regulations, and ethical standards

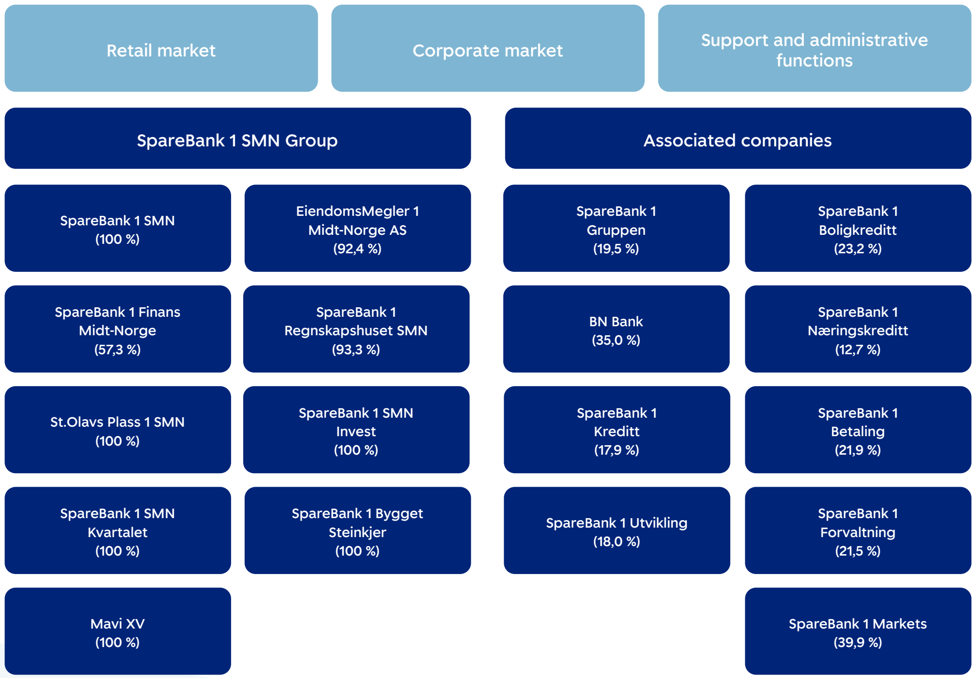
Deviations from point 1 of the Code of Practice: *None*

Point 2: Operations

SpareBank 1 SMN is a financial services group and part of the SpareBank 1 Alliance. SpareBank 1 SMN has enshrined its business purpose in Article 1 of its Articles of Association, which states: *"to operate as a bank and otherwise engage in and participate in activities that the savings bank is entitled to conduct under licenses held and applicable legislation at any given time."*

The group is structured with subsidiaries and affiliated companies, as illustrated below.

Organisational Structure



1 *The Accounting Act (Regnskapsloven) – Chapter 3: Annual Financial Statements and Annual Report.*
2 *Lov om finansforetak og finanskonsern (finansforetaksloven)*

Vision, strategy, goals and risk profile

SpareBank 1 SMN's vision is "Together we make things happen." This vision is about creating energy, results, change, and development in collaboration with employees, customers, suppliers, partners, and local communities. SpareBank 1 SMN's values are: wholehearted, responsible, approachable, and skilled.

SpareBank 1 SMN's strategy is detailed in the annual report, which also describes the strategic priorities.

The group aims to be among the best-performing banks in the Nordic region, with an overarching financial goal of delivering a return on equity of 13% over time. The long-term CET1 capital ratio target is 16.3%, and the goal is to maintain a cost-to-income ratio below 40%.

The Board of Directors determines the group's risk appetite

Sustainability and corporate social responsibility

Corporate social responsibility is part of the group's DNA, and sustainability is a highly important aspect of the group's corporate responsibility.

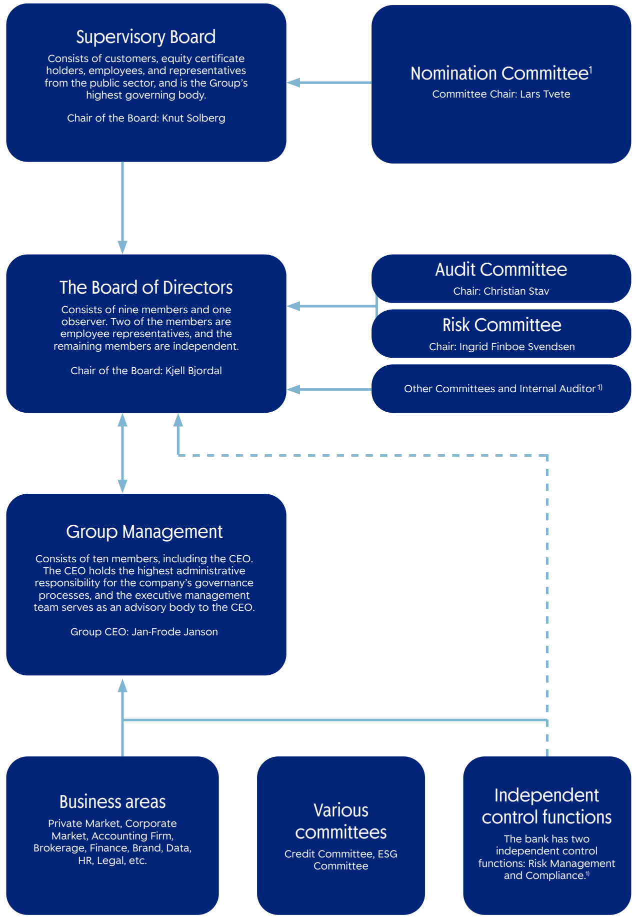
SpareBank 1 SMN works across the entire spectrum of the UN Sustainable Development Goals (SDGs) and ESG (Environmental, Social, and Governance). The Group has endorsed the Science-Based Targets Initiative as a follow-up to its strategic goal of achieving net-zero emissions by 2050.

Further information about the Group's sustainability work can be found in the Sustainability Library at smn.no. The Group's sustainability reporting is included in the Board of Directors' report and is available at smn.no.

The Board of Directors evaluates goals, strategies, and risk profiles annually.

Styringsstruktur

The group's governance structure is illustrated in the model to the right. Risk management and compliance have the opportunity to report directly to the board of directors when necessary.



Deviations from point 2 of the Code of Practice: *None*

Point 3: EC capital and dividends

The board of directors assesses the capital situation in light of the group's goals, strategy, and desired risk profile. As of 31 December 2024, SpareBank 1 SMN's CET1 capital ratio was 18.3%, and its total capital ratio was 22.8%.

For detailed information on capital adequacy, see the relevant note in the annual report. For further details on the rules governing capital adequacy and the principles used to assess capital needs, refer to the Pillar 3 report available at smn.no.

Dividend

SpareBank 1 SMN aims to provide EC holders with a good return through dividends and price appreciation. The annual profit is distributed between EC capital and the primary capital fund according to their respective shares of the bank's total equity. About half of the profit is paid out as dividends, while the remainder is allocated to non-profit causes or transferred to the Sparebankstiftelsen SMN. The dividend payout is determined by the bank's supervisory board, considering expected profit trends, external framework conditions, and core capital requirements.

The dividend policy is published on the bank's website.

Acquisition of treasury equity certificates

The Board of Directors is authorized to buy treasury ECs for up to 5% of the bank's EC capital. Such purchases shall be made through the securities market via Oslo Børs. The total holding of ECs owned by the bank and/or under contractual lien may not exceed 5% of the bank's EC capital. Each EC may be purchased at prices between NOK 1 and NOK 300. The authorization is valid for 18 months from the adoption of the resolution at the supervisory board's meeting on 21 March 2024.

Capital increase

Authorizations to the board of directors for capital increases are given for specific and defined purposes. As of 31 December 2024, no such authorization had been granted.

Deviations from point 3 of the Code of Practice: *None*

Point 4: Non-discrimination of shareholders

SpareBank 1 SMN ensures equal treatment of EC holders through its articles of association and management practice. All ECs confer identical voting rights, and the bank adheres to the provisions of the Financial Institutions Act regulating ownership and voting rights, insofar as they apply to savings banks with equity certificates. SpareBank 1 SMN has one equity certificate class.

In the event of an increase in EC capital, existing EC holders have pre-emptive rights unless special circumstances warrant a deviation. Any such deviation will be substantiated in a stock exchange notice. Any exercise of the board's authorization to purchase treasury ECs shall be conducted through the securities market via the Oslo Stock Exchange.

In 2024, employees were offered the opportunity to enter savings agreements in equity certificates with optional annual savings amounts of NOK 6,000, 12,000, 24,000, or 36,000. Each quarter, the group purchases ECs corresponding to the saved amount through the Oslo Stock Exchange at market price. For every two ECs an employee acquires through the savings scheme, SpareBank 1 SMN grants one additional EC free of charge. The allocation of 'bonus ECs' takes place two years after the savings plan begins, provided that the employee still owns the originally acquired ECs and remains employed by the group. A total of 1,339 employees took advantage of this offer in 2024.

To strengthen the equity certificate as an attractive financial instrument and to increase investors' influence over decisions affecting EC capital, the bank's articles of association require that a qualified majority of the representatives of EC holders vote in favor of amendments concerning the owner capital, in addition to a qualified majority of the supervisory board. A list of the matters to which this applies is set out in article 10-1 of the bank's articles of association, which is available on the bank's website.

Deviations from point 4 of the Code of Practice: *None*

Point 5: Shares and transferability

The bank's equity certificate is listed on the Oslo Stock Exchange under the ticker symbol MING and is freely transferable. The articles of association contain no restrictions on transferability.

Deviations from point 5 of the Code of Practice: *None*

Point 6: General Meeting

For financial institutions which are not public limited companies or private limited companies, the Financial Institutions Act Section 8-1(3) permits a term other than 'general meeting' to be prescribed for the company's highest body. According to article 3-1 of the articles of association, the bank's highest body shall be the supervisory board.

Supervisory Board

The group's highest body is the supervisory board. The supervisory board shall see to it that the bank operates in line with its mission and in conformity with law, its articles of association and decisions of the supervisory board.

The composition of the supervisory board is established in article 3-3 of the articles of association and shall reflect the savings bank's owners, customer structure and stakeholder groups as well as its social function.

The supervisory board has 32 members and 30 alternates with the following representation:

- EC holders: 12 members and 10 alternates
- County councils of Trøndelag and Møre og Romsdal: 3 members and 3 alternates
- Customers: 9 members and 9 alternates
- Employees: 8 members and 8 alternates

The supervisory board's tasks are set out in article 3-10 of the articles of association.

Notice of meetings is sent to the supervisory board, the board of directors, the CEO and the auditor 21 days ahead of the meeting. The notice contains all case documents to be considered at the meeting, including proposed resolutions. The documents are published on the bank's website and by stock exchange notice, as well as by e-mail and the board portal.

Article 3-8 of the articles of association enables the savings bank to require that absence from the meeting shall be notified at least 5 days ahead of the meeting, which is considered to be the closest possible date to the meeting in terms of assuring the attendance of alternates.

Further, article 3-9 of the articles of association states that the meeting shall be presided over by the supervisory board chair or, in the latter's absence, by the deputy chair.

The minutes of the meetings are made available on the bank's website.

A list of supervisory board members can be found at smn.no.

Deviations from point 6 of the Code of Practice: the supervisory board votes over the election committee's recommendation for members of the board of directors as a whole, out of consideration for the collective competence of the board of directors. This practice deviates from the NUES which recommends voting over the candidates one by one.

Point 7: Election committee

According to article 5-1 of the articles of association, the bank shall have an election committee consisting of five members and five alternates who are elected by the supervisory board for a two-year term. The election committee shall mirror the composition of members of the supervisory board and be composed as follows:

- Two members with two alternates shall be elected from among the members elected by the representatives of the equity certificate holders
- One member with one alternate shall be elected from among the members elected by the representatives of the customers
- One member with one alternate shall be elected from among the members elected by the representatives of the county councils
- One member with one alternate shall be elected from among the members elected by the representatives of the employees

The supervisory board elects the chair of the election committee, its members, establishes instructions for the work of the election committee, and determines the election committee's remuneration.

The election committee conducts annual discussions with all members of the board of directors and the group CEO in order to ascertain the competency needs of the board and to obtain proposals for likely candidates for board positions.

The election committee shall prepare the customers' and the equity certificate holders' election of members and alternates to the supervisory board.

The election committee shall also prepare the election of:

- The chair and deputy chair of the supervisory board
- Members of the board of directors
- The chair and deputy chair of the board of directors. These are elected at separate elections
- The members of the board of directors that are elected by the supervisory board
- The chair, members, and alternates to the election committee

The election committee shall give grounds for its nominations, and the grounds given shall in each case contain information about the candidate's competence, capacity, and independence, along with age, education, and work experience. The grounds given should also contain any owner interests in the company, other assignments for the group, and significant positions in other companies or organisations. In the event of re-election, the nomination shall also provide information on the candidate's length of service with the company and their attendance at meetings.

The bank's website lists the members of the supervisory board's election committee, deadlines for submitting nominations, the date of the next election, and a description of how nominations can be submitted.

The election committee proposes fees for all members of the respective bodies and submits the matter to the supervisory board for decision.

Deviations from point 7 of the Code of Practice: All members of the supervisory board's election committee are appointed from among the groups represented on the supervisory board, in accordance with provisions of the articles of association.

Point 8: Board of Directors, composition and independence

According to the Financial Institutions Act section 8-6, "The board of directors shall ensure that the requirements on the organisation of the institution and on the establishment of adequate governance and control systems are complied with".

According to article 4-1 of the articles of association, the board of directors shall consist of seven to nine members, and two members of the board of directors shall be elected by and from among the employees, if the employees so demand. The article also establishes that the board's members and alternates shall be elected for a two-year term. Members of the board of directors are appointed for two years at a time and can hold office for a maximum of 20 years, but not more than 12 years continuously in the same position; see article 7-1 of the articles of association.

As of 31 December 2024, the board of directors consists of nine regularly attending members and an observer. Of the board of directors' nine members, two are elected by and from among the employees. There are no senior employees on the board of directors. The seven members of the board of directors that are elected by the supervisory board are independent, both of the company and of the company's largest owners. The members of the board of directors are encouraged to own the bank's equity certificates.

The composition of the board of directors shall be based on the bank's articles of association and the election committee's instructions, and the company's competency needs. The election committee attaches importance to competence, capacity, and diversity when considering potential candidates for board positions. The individual director's background, participation in board meetings, and their holding of equity certificates are described in the annual report and at smn.no.

The board of directors acts as a collegiate body and adopts its decisions on a joint basis.

A liability insurance policy has been taken out for board members and the CEO.

Deviations from point 8 of the Code of Practice: *None*

Punkt 9: Work of the Board of Directors

The board of directors' work and procedures are regulated by the Financial Institutions Act, Chapter 8 II. The board of directors adopts all material strategies, including the bank's business strategies, risk management strategies, and sustainability strategies. Moreover, the board of directors sets financial goals, market and organisational objectives, and risk profile. It is the board of directors that appoints and dismisses the group CEO.

The board of directors has established instructions for the work of the board and the CEO, both adopted most recently in May 2024. The instructions contain provisions on how agreements with related parties are to be handled. Details are given in the second paragraph under "Independent consideration" below.

The board of directors receives regular reports on profit performance and market developments, the risk situation, compliance risk, the status regarding anti-money laundering, the status regarding personal data protection, and the status regarding information security in the group, as well as reports from the internal control function.

The board of directors conducts an annual evaluation of its work and of its own competence. It reviews its work format, procedures, meeting structure, and prioritising of tasks, all of which in turn provide a basis for any changes and measures needed.

Independent consideration

The Board instructions stipulate that a director is barred from participating in the consideration of, or decision in, any matter whose significance to him/herself or to any related party is such that the director is to be regarded as having, directly or indirectly, a personal, financial, or other vested interest in that matter. The same follows from the group's ethical guidelines. Each director is obliged to personally verify that he or she is not disqualified from participating in the consideration of a matter. The board opens each board meeting by clarifying whether circumstances are present calling for procedural adjustments.

Any agreement between the bank and a director or the group CEO must be approved by the board of directors, as must any agreement between the bank and a third party in which a director or the group CEO has a particular interest. Directors are required to disclose on their own initiative any interest that they personally or any related party may have. The board's assessments of legal (in)capacity issues shall be duly recorded.

Agreements of substantial financial significance between the bank and other group companies shall be presented to the board of directors for consideration.

Board committees

The Board of Directors prepares matters through the statutory committees – the compensation committee, audit committee, and risk committee. In addition, the board has a technology committee to prepare technology cases. All committees have different chairs. The members are appointed for a two-year term. The board of directors establishes the committees' mandates.

Audit committee

Pursuant to the Financial Institutions Act, section 8-19 subsection (2), the audit committee's tasks are:

- to prepare the board of directors' follow-up of the financial reporting process,
- where the undertaking's financial reporting is concerned, to monitor the internal control and risk management systems and the bank's internal audit,
- Issue an opinion on the election of the auditor,

- have ongoing contact with the bank's appointed auditor regarding the audit of the annual accounts,
- assess and monitor the auditor's independence and objectivity.

The audit committee meets at least five times yearly ahead of the board of directors' consideration of the quarterly and annual reports.

Risk committee

The risk committee's tasks are regulated in the Financial Institutions Act section 13-6(4) and the Financial Institutions Regulations section 13-2. The risk committee shall contribute to ensuring that risk management and capital management support the group's strategic development and goal attainment and, at the same time, ensure financial stability and sound asset management. The risk committee shall contribute to ensuring that the group's management and control arrangements are appropriate to the risk level and scale of the business.

The committee shall inter alia:

- contribute to ensuring that risk management is in keeping with best practice and the board of directors' level of ambition,
- review risk management strategies and policies as preparation for consideration by the board of directors,
- contribute to ensuring that the group's capital adequacy is satisfactory in terms of the adopted group strategy,
- contribute to ensuring that laws and regulations and internal rules that regulate the group are identified, implemented, complied with, and overseen.

The risk committee meets at least five times yearly.

Remuneration committee

The Board of Directors has established a remuneration committee which shall consist of at least three directors, one of whom shall be elected by the employees. The Board Chair is a permanent member of the committee and also chairs the committee.

The committee prepares and presents matters to the board relating to the group's remuneration arrangements, including:

- Remuneration policy,
- Report on the implementation of remuneration arrangements,
- Declaration regarding the determination of pay and other emoluments to senior employees that is submitted to the supervisory board,
- Remuneration of the group CEO.

The committee meets when convened by the chair, but at least once yearly and otherwise as and when required. The attendance of at least two members of the committee is required.

Technology committee

In 2021 the bank established a technology committee as a preparatory body for the board of directors in matters related to the group's strategic investments in technology.

The technology committee consists of at least two directors who are not employed in the SpareBank 1 SMN group. The board of directors shall also appoint the chair of the technology committee.

The committee shall inter alia:

- Ensure adequate strategic investments in technology and digitalisation,
- Ensure that strategic technology investments yield the desired value creation,
- Assist the group management team in ensuring an adequate scope and pace of innovation,
- Monitor and evaluate existing and future trends in technology/manufacturing which may impact the group's strategic plans.

The committee meets when convened by the chair, but at least four times per year (once per quarter) and otherwise as and when required.

The bank will conduct an evaluation of whether the committee should be made permanent.

The committees are able to draw on resources within the administration, obtain advice and recommendations from sources outside the company, and they report from their proceedings to the assembled board of directors.

Deviations from point 9 of the Code of Practice: *None*

Point 10: Risk management and internal control

SpareBank 1 SMN has a risk management function which reports to the group CEO and is entitled to report directly to the board of directors. The group has also engaged KPMG as internal auditor.

Sound risk and capital management are central to SpareBank 1 SMN's long-term value creation. Internal control shall help to ensure efficient operations and proper management of risks of significance to the attainment of business goals.

The group's report on capital requirements and risk management, the Pillar 3 Report, contains a description of risk management, capital management and capital calculation. The report is available at smn.no.

SpareBank 1 SMN aims to maintain a moderate risk profile and to apply risk monitoring of such high quality that no single event will seriously impair the bank's financial position. The bank's risk profile is quantified through targets for rating, risk-adjusted return, expected loss, necessary economic capital and regulatory capital adequacy.

The board of directors reviews the group's development in the main risk areas on a quarterly basis and reviews the internal control system on an annual basis. The board of directors has the main responsibility for setting limits to, and monitoring, the group's risk exposure. The bank's risks are measured and reported in accordance with the principles and policy which the board of directors has adopted and which underpin the group's strategic development and goal attainment.

The board of directors receives annually, from the internal auditor and external auditor, an independent assessment of the group's risk and internal control function. The board monitors compliance with adopted frameworks, principles, and quality and risk objectives through:

- quarterly reports from the group CEO and the risk management department
- quarterly reports from the compliance function
- quarterly reports/annual report from the internal auditor

SpareBank 1 SMN utilises the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) framework and the Control Objectives for Information and Related Technology (CobiT) framework as a basis for its principles for internal control and risk management.

Principles and boundaries for internal control and risk management are laid down in a separate policy. That policy sets out guidelines for the group's overall approach to risk management and aims to ensure that the group has an effective and appropriate process.

Managements at the various companies in the group are responsible for risk management and internal control with the aim of ensuring:

- targeted, safe, high-quality and cost-effective operations
- reliable and timely reporting
- compliance with applicable laws and regulations and with internal procedures and policies

Compliance

The compliance function is organised independently of the business units and reports to the CEO. The function assesses the undertaking's policies, procedures and systems to ensure regulatory compliance, and provides advice on measures that should be taken to ensure compliance. The function assembles its observations in a quarterly report which is presented to the group management team and the board of directors.

The function shall also establish guidelines and processes for managing compliance risk and ensure that compliance is monitored and tested by means of a structured and well-defined monitoring programme.

Business lines, support functions and subsidiaries are required to attend to compliance by operationalising the policy for compliance and identified compliance risks adopted by the board of directors.

Internal control in relation to financial reporting

The board of directors of SpareBank 1 SMN has adopted guidelines for the group's financial reporting. These conform to the current requirements imposed by the authorities and are designed to ensure relevant, reliable, timely and identical information to the bank's EC holders and the securities market in general.

Group Finance is headed by the CFO and is organised independently of the business lines. The unit attends to financial reporting at both parent-bank and group level, and establishes guidelines for monthly, quarterly and annual reporting from the various business lines and subsidiaries. The CFO assesses the business lines' financial results and goal achievement on an ongoing basis and sees to it that all entities perform in keeping with the group's overall financial objectives. The CFO reports directly to the group CEO.

The bank's Accounts Department and Strategy and Budget Management Department are organised under Group Finance and prepare financial reports for the group. The departments see to it that reporting is carried out in conformity with applicable legislation, accounting standards, the group's accounting policies and the board of directors' guidelines.

Group Finance has established processes to ensure that financial reporting is quality assured and that any errors and deficiencies are followed up on and rectified as and when identified. A number of control measures have been established to ensure that all financial reporting is correct, valid and complete.

Each quarter the external auditor conducts a limited audit of the group's interim financial statements. In addition, a full audit is conducted of the group's annual financial statements.

For further information on risk management and internal control, see note 6 in the annual report concerning financial risk management and the group's report on capital requirements and risk management, the Pillar 3 report, which is available at smn.no.

Internal audit

The internal audit function is a tool enabling the board of directors and the administration to oversee that the risk management process is targeted, effective and functions as intended. Internal audit services are delivered by KPMG. These services cover the parent bank and subsidiaries that are subject to the risk management and internal control regulations.

The internal audit function's main task is to confirm that the established internal control system functions as intended, and to ensure that risk management measures are adequate to the bank's risk profile. The internal audit function reports quarterly to the board of directors, and the internal audit's reports and recommendations are reviewed and improvements implemented on an ongoing basis.

The Board of Directors adopts annual plans and budgets for the internal audit function.

The internal audit function carries out the operational audit of units and business lines; it does not conduct a financial audit of the group. Annual audit plans are prepared which are discussed with the group management, considered by the risk committee and approved by the board of directors. The audit function's risk assessments determine which areas are to be reviewed. Separate audit reports are prepared containing results and proposed improvement measures which are presented to the responsible manager and the group management team. A summary of the reports is sent on a quarterly basis to the risk committee and the board of directors. Any consultancy services are provided within the scope of standards and recommendations applying to internal auditors (Institute of Internal Auditors Norway).

Ethics and whistleblowing

Ethical guidelines have been drawn up for the group and its employees, and ethics is a standard topic at seminars for all new staff members. This helps to ensure that the group's values and ethical guidelines are properly communicated and made known throughout the organisation. Clear-cut guidelines have been established for reporting (whistleblowing) should any member of staff learn of circumstances that breach external or internal regulatory provisions or of other circumstances which are likely to harm the group's reputation or financial situation. How a report is to be handled is decided by the recipient of the report, in consultation with the HR manager and legal services director. The bank has an agreement with KPMG which ensures that a whistleblower can report anonymously. Whistleblowing via KPMG was utilised on four occasions in 2024.

Deviations from point 10 of the Code of Practice: *None*

Point 11: Remuneration to the Board of Directors

Remuneration to the board of directors is prepared by the supervisory board's election committee with a basis in market assessments, the board of directors' responsibilities, competencies, time spent and the group's complexity. The remuneration is fixed and not performance-related, and no options are issued to the directors.

The board of directors' chair, the board's deputy chair and members of board committees are remunerated separately. None of the directors appointed by the supervisory board perform any task for the group beyond that of serving on the board of directors.

Further information on compensation to the board of directors and board committees is shown in the report on remuneration of senior employees which is published at smn.no.

Deviations from point 11 of the Code of Practice: *None*

Point 12: Remuneration to senior employees

The group's remuneration policy is formulated in accordance with the Financial Institutions Act chapter 15 with appurtenant regulations. The board of directors' remuneration committee prepares the matter before the board of directors lays down the remuneration policy each year. The policy supports the group's overarching goals, risk tolerance and long-term interests.

The policy is moreover designed to achieve the following objectives:

- Promote prudent and effective management of risk and avoid unnecessary risk-taking
- Stimulate efficient use of capital
- Stimulate reduced risk of internal control failures

These rules also apply to other employees and senior personnel performing tasks of material significance for the group's risk exposure and to employees and senior personnel with control tasks.

The board of directors has a remuneration committee which prepares matters for the board. The remuneration committee deals with the remuneration arrangement, compensation to the group CEO and recommends guidelines for remuneration to senior employees (the group management). The remuneration policy was adopted by the board of directors most recently on 21 March 2024, and guidelines on remuneration to senior employees were adopted by the supervisory board on 25 March 2021.

A description of remuneration to the group CEO and senior employees is given in the report on remuneration of senior employees which is published at smn.no. Further details of the bank's remuneration arrangement are available on the bank's home page.

Deviations from point 12 of the Code of Practice: *None*

Point 13: Information and communication

The bank's information policy is designed to underpin the relationship of trust between the bank's EC holders, board of directors and management team, and to ensure that the bank's stakeholders are at all times able to evaluate and relate to the bank. The bank's information policy is based on active dialogue in which openness, predictability and transparency are at centre stage.

The open information practice is in conformity with the bank's internal and external guidelines, with such limitations as follow from the duty of confidentiality and stock exchange rules in effect at any and all times.

Correct, relevant and timely information on the bank's progress and performance aims to instil investor market confidence. Information is communicated to the market via quarterly investor presentations, an investor relations area on the bank's website and stock exchange notices. The group's financial calendar is published on the bank's website.

Presentations for international partners, lenders and investors are also arranged on a regular basis. The board of directors has adopted a communication strategy indicating who can make statements on behalf of SpareBank 1 SMN and in what areas.

Deviations from point 13 of the Code of Practice: *None*

Point 14: Takeover

SpareBank 1 SMN's equity capital consists of EC (equity certificate) capital, ownerless capital and earned equity. The ownerless capital represents a 'self-owning' part of the savings bank which cannot be taken over by others through acquisition. A bank's ownership structure is moreover regulated by law such that approval is required for any acquisition entailing that a holding will represent 10 per cent or more of the bank's capital or voting rights. A list of SpareBank 1 SMN's 20 largest EC holders is available on the bank's website at smn.no.

Deviations from point 14 of the Code of Practice: Statutory limit on equity holdings

Point 15: External auditor

The external auditor is appointed by the supervisory board. It is the audit committee that prepares the election of the auditor for the board of directors, and the board of directors submits its recommendation to the supervisory board. The supervisory board establishes the auditor's fee. The external auditor is one and the same for all companies in the group.

The external auditor performs the statutory confirmation of the financial information provided by the companies in their public financial statements. The external auditor presents each year to the audit committee a plan for the conduct of the audit. The external auditor provides the audit committee with a description of the main elements of the audit, including whether significant weaknesses have been identified in the bank's internal control related to the financial reporting process.

Further, the external auditor attends all meetings of the audit committee at which quarterly or annual accounts are reviewed and attends the meeting of the board of directors at which the annual accounts are reviewed. The board of directors holds at least one meeting each year with the external auditor without the group CEO or others from the day-to-day management team being present.

Guidelines have been established for the day-to-day management team's right to utilise the external auditor for non-audit services. Any such services from the external auditor shall at all times be within the scope of the Auditors Act.

In addition, the auditor confirms their independence and discloses whether any services other than statutory audit have been delivered to the group over the course of the accounting year.

Deviations from point 15 of the Code of Practice: *None*

Glossary

An overview of terms and acronyms used in the Group's annual report is listed below:

AI
Artificial intelligence

Akademiet - The Academy
The Group's internal competence program

Annex
Appendix or addition to a document

AML
Anti Money Laundering

APM
Alternative Performance Measures

AR
Application Requirement

ARP
Aktivitet- og redegjørelsesplikt (Activity duty of employers)

AUM
Assets Under Management

BETR
The Group's quality management system

OHS (BHT)
Occupational Health Service

BP
Basis for preparation

CapEx
Capital Expenditure

CEO
Chief Executive Officer

CO_2-equivalents (CO_2eq)
A common unit used to compare emissions from different GHGs based on their global warming potential

Community dividend
Dividend to the community, which owns 41,1 % of SpareBank 1 SMN

CM
Corporate market

CRR3
Capital Requirements Regulation

CSDDD/CS3D
Corporate Sustainability Due Diligence Directive

CSRD
Corporate Sustainability Reporting Directive

"Current policies"
A scenario describing current policies, ambitions and guidelines

DEFRA
Department for Environment, Food & Rural Affairs

DEI
Diversity, equality and inclusion

Double materiality assessment (DMA)
A method used to assess how a company impacts the environment/society (impact materiality) and how the environment/society affects the company (financial materiality)

Downstream
Activities or processes occurring at the customer and consumer level

DNSH
Do No Significant Harm

DORA
Digital Operational Resilience Act

DPIA
Data Protection Impact Assessment

Due diligence
A thorough assessment or process to evaluate risks and opportunities

DR
Disclosure Requirement

EBA
European Banking Authority

EEA
The European Economic Area

EEIOA
Environmentally Extended Input-Output Analysis

EFRAG
European Financial Reporting Advisory Group

Equity metod
Consolidation method based on ownership stake

ESG
Environmental, Social, and Governance

ESRS
European Sustainability Reporting Standards

One SMN 2.0
An organizational transformation project implemented in 2024, taking effect from January 1, 2025.

EU Taxonomy
A framework for classifying sustainable economic activities within the EU

Finance Norway
An interest organization for the financial industry in Norway

FINREP
A framework to harmonize financial regulatory reporting among banks in the EU

FinGuar
Financial Guarantees

F&C
Fees and commisions

GAR
Green Asset Ratio

GAR flow
The total value of new balance sheet exposures aligned with the EU taxonomy, divided by total assets

GAR stock
The total value of balance sheet exposures aligned with the EU taxonomy, divided by total assets

GDPR
General Data Protection Regulation

GHG
Greenhouse Gas

GHG-intensity
The amount of emissions per unit of activity, production, or economic value

GOV
Reporting requirements covering governance and leadership (Governance)

GRI
Global Reporting Initiative

HSE
Health, safety and environment

ICAAP
Internal Capital Adequacy Assessment Process

IEA
International Energy Agency

IFRS
International Financial Reporting Standards

IG
Implementation Guidance

ILO
International Labour Organization

IMF
International Monetary Fund

IMO
International Maritime Organization

IPCC
Intergovernmental Panel on Climate Change

IRO
Impacts, Risks and Opportunities

K2
The indicator for household domestic gross debt in Norwegian kroner and foreign currencies

KPI
Key Performance Indicator

KPI-JAE
Consumer Price Index (CPI) adjusted for tax changes and energy products

Kunming-Montreal Global Biodiversity Framework
An international framework for biodiversity conservation, adopted in 2022

KWh
Kilowatt-hour

LCR
Liquidity coverage ratio

LO
The Norwegian Confederation of Trade Unions

OECD
Organization for Economic Co-operation and Development

Operational control
The company has full authority to manage operations and, therefore, control over activities and facilities

OpEx
Operating expenses

MDR-A
Minimum Disclosure Requirement - Actions

MDR-M
Minimum Disclosure Requirement - Metrics

MDR-P
Minimum Disclosure Requirement - Policies

MDR-T
Minimum Disclosure Requirement - Targets

Mennesker og organisasjon
The Group’s HR department

Midstream
Processes or activities occuring within the company (own operations)

Miljøfyrtårn
A Norwegian certification system for businesses that document compliance with environmental, climate, workplace, and corporate social responsibility requirements

MING
SpareBank 1 SMN's ticker on Oslo Bors.

MREL
Minimum Requirement for Own Funds and Eligible Liabilities

MSS
Minimum Social Safeguards

MWh
Megawatt-hours

NACE
Nomenclature of Economic Activities

NAV
The Norwegian Labour and Welfare Administration (national social welfare system)

Net Zero 2050
Net Zero-emissions by 2050

NFRD
Non-Financial Reporting Directive

NGAAP
Norwegian Generally Accepted Accounting Principles

NGFS
Network for Greening the Financial System

NHO
The Confederation of Norwegian Enterprise

NIBOR
Norwegian Interbank Offered Rate

Non-employees
Individuals performing tasks for an organization but who are not directly employed

NOx
Nitrogenoxide

NTNU
The Norwegian Univeristy of Science and Technology

NVE
The Norwegian Water Resources and Energy Directorate

NZEB
Nearly Zero-Energy Building

PCAF
Partnership for Carbon Accounting Financials

PCCLA (ASAL)
The Norwegian Public Limited Liability Companies Act (Allmennaksjeloven)

RM
Retail market

SBM
Strategy and business models

SBTi
Science Based Targets initiative

Scope
GHG-emissions categories (scope 1, 2, 3).

SME
Small- and medium-sized entreprise

SOx
Sulfur oxide

SpareBank 1 Alliance
A collaboration between independent savings banks in Norway that share branding, technology, products, and services to strengthen the competitiveness of local banks

Supervisory Board
The highets governing body in a savings bank

Taxonomy-aligned
Compliant with all EU Taxonomy criteria

Taxonomy-eligible
Included and described in the EU Taxonomy and related regulations

TCFD
Task Force on Climate-related Financial Disclosures

TEK07, 10 og 17
Norwegian Building Codes

The Transparency Act
Regulating transparency in the supply chain concerning fundamental human rights and decent working conditions.

TPT
Transition Plan Taskforce

Trading Book
A portfolio of financial instruments actively traded

Turnover (employees)
The rate of employees leaving within a year

Value chain
The collection of activities that create and deliver a product or service

Upstream
Activities or processes occurring before the main production phase in the value chain

WinningTemp
A digital tool measuring and improving employee engagement and well-being

SpareBank 1 SMN
Søndre gate 4
7011 Trondheim
Company number: NO 937901003
Switchboard: 915 03900
E-mail: ir@smn.no
www.bank.no

Bank
Eiendom
Regnskap