

Note 38 - Subordinated debt and hybrid capital issue

SpareBank1 SMN has in 2017 reclassified two additional Tier1 Capital Bonds from liabilities to equity. Comparable figures has been restated. For further details, see note 3.

| Parent bank | | (NOK million) | Group | |
|--------------------------------|--------------|--|--------------|--------------|
| 31 Dec 2016 | 31 Dec 2017 | | 31 Dec 2017 | 31 Dec 2016 |
| Dated subordinated debt | | | | |
| 1,000 | - | 2022 3 month Nibor + 2.75 % (Call 2017) | - | 1,000 |
| 662 | 659 | 2036 fixed rate 2.94 %, JPY (Call 2018) *) | 659 | 662 |
| - | - | 2026 SpareBank 1 Finans Midt-Norge 16/26 | 43 | 43 |
| - | 150 | 2027 floating rate NOK (Call 2022) | 150 | - |
| - | 600 | 2027 floating rate NOK (Call 2022) | 600 | - |
| - | 250 | 2029 floating rate NOK (Call 2024) | 250 | - |
| 22 | 11 | Premium/discount/market value | 11 | 22 |
| 9 | 4 | Currency agio debt | 4 | 9 |
| 2 | 1 | Accrued interest | 1 | 2 |
| 1,695 | 1,676 | Total dated subordinated debt | 1,718 | 1,737 |
| Hybrid Capital | | | | |
| 350 | 350 | Hybrid capital 10/99, fixed rate 8.25 % NOK (Call 2020) *) | 350 | 350 |
| 100 | 100 | Hybrid capital 10/99, floating rate NOK (Call 2020) | 100 | 100 |
| 33 | 25 | Discount perpetual hybrid equity | 25 | 33 |
| 8 | 8 | Accrued interest | 8 | 8 |
| 491 | 483 | Total hybrid capital | 483 | 491 |
| 2,186 | 2,159 | Total subordinated loan capital and hybrid capital | 2,201 | 2,228 |
| 5.0 % | 4.5 % | Average rate NOK | 4.5 % | 5.0 % |
| 4.2 % | 4.2 % | Average rate JPY | 4.2 % | 4.2 % |

*) Fixed rate funding changed to floating rate by means of interest rate swaps

| Group | 31 Dec 2017 | Issued | Fallen due/ redeemed | Other changes | 31 Dec 2016 |
|--|--------------------|---------------|---------------------------------|--------------------------|--------------------|
| Changes in subordinated debt and hybrid capital issue | | | | | |
| Ordinary subordinated debt, NOK | 1,000 | 1,000 | 1,000 | - | 1,000 |
| Ordinary subordinated debt, Currency | 701 | - | - | -3 | 704 |
| Hybrid capital loan, NOK | 450 | - | - | - | 450 |
| Adjustments | 40 | - | - | -24 | 64 |
| Accrued interest | 10 | - | - | -1 | 10 |
| Total subordinated debt and hybrid capital issue | 2,201 | 1,000 | 1,000 | -27 | 2,228 |
| | | | | | |
| Changes in subordinated debt and hybrid capital issue | 31 Dec 2016 | Issued | Fallen due/ redeemed | Other changes | 31 Dec 2015 |
| Ordinary subordinated debt, NOK | 1,000 | - | - | - | 1,000 |
| Ordinary subordinated debt, Currency | 704 | 43 | - | 2 | 660 |
| Perpetual subordinated debt, NOK | - | - | 300 | - | 300 |
| Hybrid capital loan, NOK | 450 | - | - | - | 450 |
| Adjustments | 64 | - | - | -26 | 89 |
| Accrued interest | 10 | - | - | 0 | 10 |
| Total subordinated debt and hybrid capital issue | 2,228 | 43 | 300 | -24 | 2,509 |