

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.

Company	Company number	Registered office	Stake in per cent
Investment in significant subsidiaries			
EiendomsMegler 1 Midt-Norge	936159419	Trondheim	87.0
SpareBank 1 Regnskapshuset SMN	936285066	Trondheim	88.7
SpareBank 1 Invest	990961867	Trondheim	100.0
SpareBank 1 Finans Midt-Norge	938521549	Trondheim	54.3
SpareBank 1 SMN Kvartalet	990283443	Trondheim	100.0
SpareBank 1 Bygget Steinkjer	934352718	Trondheim	100.0
St. Olavs Plass	999263380	Trondheim	100.0
SpareBank 1 Bilplan	979945108	Trondheim	100.0
Shares owned by subsidiaries and sub-subsidiaries			
GMA Invest	994469096	Trondheim	100.0
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	30.0
GMN 51	996534316	Trondheim	30.0
GMN 52	996534413	Trondheim	30.0
GMN 53	996534502	Trondheim	30.0
Grilstad N8 AS	926281070	Trondheim	35.0
Brauten Eiendom	917066221	Trondheim	100.0
Leksvik Regnskapskontor	980491064	Leksvik	50.0
Info-Regnskap	843551882	Trondheim	100.0
Lom Regnskap	929019679	Lom	100.0
Regnskapsforum	964276390	Trondheim	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	22.6
BN Bank	914864445	Trondheim	35.0
SpareBank 1 Næringskreditt	894111232	Stavanger	16.3
SpareBank 1 Kreditt	975966453	Trondheim	18.7
SpareBank 1 Betaling	919116749	Oslo	20.8
SpareBank 1 Gjeldsinformasjon	924911719	Oslo	16.9
SpareBank 1 Forvaltning	925239690	Oslo	19.6
SpareBank 1 Kundepleie	927467380	Trondheim	26.7
Investment in companies held for sale			
Mavi XV	890899552	Trondheim	100.0
Mavi XXIX	827074462	Trondheim	100.0
Byscenen Kongensgt 19	992237899	Trondheim	94.0
Bjerkeløkkja	998534976	Oppdal	95.0
SpareBank 1 Markets	992999101	Oslo	66.7
SpareBank 1 Markets Prosjekt 1	918280227	Oslo	100.0
SPG Corporate Finance	995654377	Oslo	25.0
SpareBank 1 Capital Markets		New York	100.0

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.

2022 (NOK million)	Company's share capital (NOK 000's)	No. Of shares	Nominal value (NOK 000'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 AS	1,050,000	57,015	18.4	12,198	10,728	1,470	617	353	212	140	62	671
Total investments in credit institutions												671
EiendomsMegler 1 Midt-Norge	105,960	4,788	22	420	162	258	34	429	382	47	6	189
SpareBank 1 SMN Kvartalet	30,200	30,200	1	104	18	86	-	18	14	4	-	126
SpareBank 1 Regnskapshuset SMN	20,349	211	96	635	196	438	50	547	472	75	9	298
SpareBank 1 Invest	457,280	914,560	1	750	29	721	-	53	2	51	-	540
SpareBank 1 Bygget Steinkjer	1,000	100	10	36	0	36	-	0	-1	1	-	40
St. Olavs Plass	1,000	100,000	0	53	1	52	-	3	2	1	-	50
SpareBank 1 Bilplan	5,769	41,206	0	8	0	8	-	0	0	-0	-	9
Total investments in other subsidiaries												1,252
Total investments in Group companies, Parent Bank												1,924

*) Non-controlling interests

2021 (NOK million)	Company's share capital (NOK 000's)	No. Of shares	Nominal value (NOK 000'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 AS	1,000,000	56,300	17.8	10,372	8,893	1,479	595	364	179	185	81	666
Total investments in credit institutions												666
EiendomsMegler 1 Midt-Norge	105,960	4,788	22.1	436	168	267	35	453	396	58	8	189
SpareBank 1 SMN Kvartalet	30,200	30,200	1.0	101	16	85	-	9	6	3	-	126
SpareBank 1 Regnskapshuset SMN	20,349	211	96.4	625	198	428	48	522	456	66	8	298
SpareBank 1 Invest	457,280	914,560	0.5	717	47	670	-	194	6	188	-	540
SpareBank 1 Bygget Steinkjer	1,000	100	10.0	36	1	36	-	0	-1	1	-	40
St. Olavs Plass	1,000	100,000	0.0	51	0	51	-	2	3	0	-	50
SpareBank 1 Bilplan	5,769	41,206	0.1	8	0	8	-	0	0	0	-	9
SpareBank 1 Markets	529,221	2,113,736	0.3	2,820	1,881	994	313	887	679	208	69	456
Total investments in other subsidiaries												1,708
Total investments in Group companies, Parent Bank												2,374

*) Non-controlling interests

Dividends from subsidiaries

(NOK million)	2022	2021
SpareBank 1 Finans Midt-Norge	102	76
EiendomsMegler 1 Midt-Norge	49	34
SpareBank 1 Markets	139	100
SpareBank 1 Regnskapshuset SMN	57	74
SpareBank 1 SMN Invest	-	18
SpareBank 1 SMN Kvartalet	3	4
St. Olavs Plass 1 SMN	-	2
Sparebank 1 Bygget Steinkjer	1	1
Total dividends	350	309

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	
2021	2022 (NOK million)		2022	2021
4,933	4,590	As at 1 January	7,384	7,324
-341	473	Acquisition/sale	487	-228
-2	0	Write-down	0	-30
-	-	Equity capital changes	59	25
-	-	Profit share	442	711
-	-	Dividend paid	-297	-418
4,590	5,063	Book value as at 31 December	8,075	7,384

Specification of year's change, Group	Additions/ disposal	Equity change
SpareBank 1 Gruppen	-	-5
SpareBank 1 Boligkreditt	196	103
SpareBank 1 Næringskreditt	71	-4
SpareBank 1 Kreditt	71	6
Sparebank 1 Betaling	79	1
BN Bank	-	1
SpareBank 1 Forvaltning	55	-3
Other companies	15	-39
Sum	487	59

Profit share from associates and joint ventures is specified in the table below. Badwill and amortisation effects related to acquisitions are included in the profit share.

Dividends from investments in associates and joint ventures

(NOK million)	2022	2021
SpareBank 1 Gruppen	137	366
SpareBank 1 Boligkreditt	16	18
BN Bank	70	0
SpareBank 1 Næringskreditt	1	20
SpareBank 1 Kreditt	-	14
SpareBank 1 Forvaltning	72	0
Total income from associates and joint ventures	297	418

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.

2022 (NOK million)	Assets	Liabilities	Total income	Total costs	Profit share	Book value 31.12	No. of shares
SpareBank 1 Gruppen	121,397	106,592	19,319	18,123	175	2,208	420,498
SpareBank 1 Boligkreditt	287,957	275,138	107	62	1	2,696	17,635,629
SpareBank 1 Næringskreditt	11,615	9,565	47	27	3	333	2,640,198
SpareBank 1 Kreditt	7,159	5,890	351	304	9	283	751,377
Sparebank 1 Betaling	1,251	0	-	3	13	260	5,711,159
BN Bank	44,998	39,499	1,128	533	203	1,812	4,943,072
SpareBank 1 Forvaltning	1,523	696	709	538	33	162	722,575
Other companies					4	322	
Total					442	8,075	

2021 (NOK million)	Assets	Liabilities	Total income	Total costs	Profit share	Book value 31.12	No. of shares
SpareBank 1 Gruppen	124,215	109,076	38,441	35,192	471	2,175	420,498
SpareBank 1 Boligkreditt	258,239	245,820	155	48	16	2,412	16,325,637
SpareBank 1 Næringskreditt	11,473	9,399	69	24	7	265	2,074,836
SpareBank 1 Kredittkort	5,855	4,826	438	371	13	197	553,058
SpareBank 1 Betaling	778	3	-	69	-15	167	4,298,503
BN Bank	41,875	36,859	899	421	164	1,678	4,943,072
Other companies					49	491	
Total					705	7,384	

Companies held for sale

SpareBank 1 SMN's strategy is that ownership due 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.

From fourth quarter 2022, the subsidiary SpareBank 1 Markets is classified as held for sale. On 22 June 2022, SpareBank 1 SMN announced that SpareBank 1 Markets is strengthening its investment within the capital market and SpareBank1 SR-Bank and SpareBank 1 Nord-Norge will be its majority owners. SpareBank1 SR-Bank and SpareBank 1 Nord-Norge will transfer their markets business to SpareBank 1 Markets, and also buy into the company in the form of a cash consideration. After completion of the transaction, SpareBank 1 SMN will own 39.4% and SpareBank 1 Markets will be treated as an associated company. The transaction is dependent on approval from the Norwegian Financial Supervisory Authority and the Norwegian Competition Authority, and is planned to be completed in second quarter 2023.

2022 (NOK Million)	Assets	Liabilities	Revenue	Expenses	Profit	Ownership
Mavi XV AS Group	75	30	12	11	-0	100 %
SpareBank 1 Markets	1,844	1,063	780	601	179	67 %
Total Held for sale	1,919	1,093	791	612	179	

2021 (NOK Million)	Assets	Liabilities	Revenue	Expenses	Profit	Ownership
Mavi XV AS konsern	59	1	10	11	-1	100 %
Sparebank 1 Kapitalforvaltning	-	-	36	26	10	
Total Held for sale	59	1	46	37	10	