

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 liability 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 2021	31 Dec 2022 (NOKm)	31 Dec 2022	31 Dec 2021
Dated subordinated debt			
-	-	43	43
	2026 SpareBank 1 Finans Midt-Norge 16/26		
250	250	250	250
	2028 floating rate NOK (Call 2023)		
500	500	500	500
	2028 floating rate NOK (Call 2023)		
250	250	250	250
	2029 floating rate NOK (Call 2024)		
-	1,000	1,000	-
	2032 floating rate NOK (Call 2027)		
3	15	16	3
	Accrued interest		
1,003	2,015	2,058	1,046
	Total dated subordinated debt		
1.9 %	3.2 %	3.2 %	1.9 %
Average rate NOK			
Additional Tier 1 Capital			
0	0	43	43
	5/99 SpareBank 1 Finans Midt-Norge floating rate NOK (Call 2022)		
300	76	76	300
	5/99 floating rate NOK (Call 2023)		
300	300	300	300
	5/99 floating rate NOK (Call 2023)		
200	200	200	200
	5/99 floating rate NOK (Call 2023)		
250	250	250	250
	5/99 floating rate NOK (Call 2024)		
200	200	200	200
	7/99 fixed rate 5.0 % NOK (Call 2025) ^{*)}		
0	500	500	-
	5/99 floating rate NOK (Call 2027)		
0	200	200	-
	5/99 floating rate NOK (Call 2027)		
1,250	1,726	1,769	1,293
Total additional Tier 1 Capital			
3.8 %	4.6 %	4.6 %	3.8 %
Average rate NOK			

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

Group

	31 Dec 2022	Issued	Fallen due/ redeemed	Other changes	31 Dec 2021
Changes in subordinated debt and hybrid equity issue					
Ordinary subordinated debt, NOK	2,043	1,000	750	-	1,793
Accrued interest	16	-	-	13	3
Total subordinated debt and hybrid equity issue	2,058	1,000.00	750.00	13	1,796

	31 Dec 2022	Issued	Fallen due/ redeemed	Other changes	31 Dec 2021
Changes in additional Tier 1 Capital					
Additional Tier 1 Capital, NOK	1,769	700	224	-	1,293
Total subordinated debt and hybrid equity issue	1,769	700	224	-	1,293

	31 Dec 2021	Issued	Fallen due/ redeemed	Other changes	31 Dec 2020
Changes in subordinated debt and hybrid equity issue					
Ordinary subordinated debt, NOK	1,793	-	-	-	1,793
Adjustments	-	-	-	-	-
Accrued interest	3	-	-	0	3
Total subordinated debt and hybrid equity issue	1,796	-	-	0	1,795

	31 Dec 2021	Issued	Fallen due/ redeemed	Other changes	31 Dec 2020
Changes in additional Tier 1 Capital					
Additional Tier 1 Capital, NOK	1,293	-	-	-	1,293
Total subordinated debt and hybrid equity issue	1,293	-	-	-	1,293