

## 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 2022	31 Dec 2023 (NOKm)	31 Dec 2023	31 Dec 2022
<b>Dated subordinated debt</b>			
-	- 2026 SpareBank 1 Finans Midt-Norge 23/34	76	43
250	- 2028 floating rate NOK (Call 2023)	-	250
500	- 2028 floating rate NOK (Call 2023)	-	500
250	250 2029 floating rate NOK (Call 2024)	250	250
-	150 2029 floating rate NOK (Call 2024)	150	-
1,000	1,000 2032 floating rate NOK (Call 2024)	1,000	1,000
-	750 2033 floating rate NOK (Call 2024)	750	-
15	19 Accrued interest	21	16
<b>2,015</b>	<b>2,169 Total dated subordinated debt</b>	<b>2,247</b>	<b>2,058</b>
3.2 %	5.8 % Average rate NOK	5.8 %	3.2 %
<b>Additional Tier 1 Capital</b>			
-	- 5/99 SpareBank 1 Finans Midt-Norge floating rate NOK (Call 2023)	103	43
76	- 5/99 floating rate NOK (Call 2023)	-	76
300	- 5/99 floating rate NOK (Call 2023)	-	300
200	- 5/99 floating rate NOK (Call 2023)	-	200
250	250 5/99 floating rate NOK (Call 2024)	250	250
500	500 5/99 floating rate NOK (Call 2024)	500	500
-	50 5/99 floating rate NOK (Call 2024)	50	-
-	300 5/99 floating rate NOK (Call 2024)	300	-
-	150 5/99 floating rate NOK (Call 2024)	150	-
200	200 7/99 fixed rate 5.0% NOK (Call 2025)*	200	200
200	200 7/99 fixed rate 7.12% NOK (Call 2027)*	200	200
-	150 7/99 fixed rate 7.04% NOK (Call 2029)*	150	-
<b>1,726</b>	<b>1,800 Total additional Tier 1 Capital</b>	<b>1,903</b>	<b>1,769</b>
4.6 %	7.4 % Average rate NOK	7.4 %	4.6 %

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

## Group

Changes in subordinated debt and hybrid equity issue	31 Dec 2023	Issued	Fallen due/ redeemed	Other changes	31 Dec 2022
Ordinary subordinated debt, NOK	2,226	934	750	-	2,043
Accrued interest	21	-	-	5	16
<b>Total subordinated debt and hybrid equity issue</b>	<b>2,247</b>	<b>934</b>	<b>750</b>	<b>5</b>	<b>2,058</b>

Changes in additional Tier 1 Capital	31 Dec 2023	Issued	Fallen due/ redeemed	Other changes	31 Dec 2022
Additional Tier 1 Capital, NOK	1,903	711	576	-	1,769
<b>Total subordinated debt and hybrid equity issue</b>	<b>1,903</b>	<b>711</b>	<b>576</b>	<b>-</b>	<b>1,769</b>

Changes in subordinated debt and hybrid equity issue	31 Dec 2022	Issued	Fallen due/ redeemed	Other changes	31 Dec 2021
Ordinary subordinated debt, NOK	2,043	1,000	750	-	1,793
Accrued interest	16	-	-	-	16
<b>Total subordinated debt and hybrid equity issue</b>	<b>2,058</b>	<b>1,000</b>	<b>750</b>	<b>-</b>	<b>1,808</b>

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