

Note 14 - Financial instruments and offsetting

In the financial statement the group has no financial instruments that are entered on a net basis.

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 2018 the Bank has about 46 (25) 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 member 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.

Parent Bank and Group are identical.

31 Dec 2018 (NOK million)	a) Gross amount for asset in balance sheet	b) Gross amount of debt that can be netted	c (a-b) Net amount of assets in balance sheet	d) Amount that is not netted		e (c-d) Net exposure
				Financial instruments*)	Cash collateral received	
Derivatives assets	979	-	979	- 611	- 80	288

	a) Gross amount for debt in balance sheet	b) Gross amount of assets that can be netted	c (a-b) Net amount of debt in balance sheet	d) Amount that is not netted		e (c-d) Net exposure
				Financial instruments*)	Cash collateral furnished	
Derivatives liabilities	939	-	939	- 611	-	328

31 Dec 2017 (NOK million)	a) Gross amount for asset in balance sheet	b) Gross amount of debt that can be netted	c (a-b) Net amount of assets in balance sheet	d) Amount that is not netted		e (c-d) Net exposure
				Financial instruments*)	Cash collateral received	
Derivatives assets	1,638	-	1,638	- 835	- 581	222

	a) Gross amount for debt in balance sheet	b) Gross amount of assets that can be netted	c (a-b) Net amount of debt in balance sheet	d) Amount that is not netted		e (c-d) Net exposure
				Financial instruments*)	Cash collateral furnished	
Derivatives liabilities	1,076	-	1,076	- 835	-	242

*) Recognised financial instruments that do not meet some or all the criteria for net presentation under IAS 32 or contingent offsetting rights that can only be enforced and exercised in case of default, insolvency or bankruptcy on the part of the individual counterparties.