

## Note 13 - Maximum credit risk exposure

The table below shows maximum exposure to credit risk for balance sheet components, including derivatives. Exposures are shown on a gross basis before collateral and permitted set-offs.

<b>Parent Bank</b>				
<b>31 Dec 2017 (NOK million)</b>	<b>Maximum exposure to credit risk</b>	<b>Collateral in property</b>	<b>Collateral in securities</b>	<b>Other collateral *)</b>
<b>Assets</b>				
Balances with central banks	3,231	-	-	-
Loans and advances to credit institutions	9,543	-	-	-
Loans and advances to customers	104,769	83,692	1,620	15,910
Securities - designated at fair value through profit/loss	20,014	-	-	10,092
Derivatives	4,328	-	-	2,408
Securities - available for sale	50	-	-	-
Earned income, not yet recieved	61	-	-	-
Accounts receivable, securities	35	-	-	-
<b>Total assets</b>	<b>142,032</b>	<b>83,692</b>	<b>1,620</b>	<b>28,409</b>
<b>Liabilities</b>				
Guarantee commitments and documentary credits	5,346	-	-	-
Unutilised credits	13,965	4,817	47	2,010
Loan approvals	1,896	-	-	-
Other exposures	579	-	-	-
<b>Total liabilities</b>	<b>21,786</b>	<b>4,817</b>	<b>47</b>	<b>2,010</b>
<b>Total credit risk exposure</b>	<b>163,817</b>	<b>88,509</b>	<b>1,667</b>	<b>30,420</b>
<b>31 Dec 2016 (NOK million)</b>	<b>Maximum exposure to credit risk</b>	<b>Collateral in property</b>	<b>Collateral in securities</b>	<b>Other collateral *)</b>
<b>Assets</b>				
Balances with central banks	236	-	-	-
Loans and advances to credit institutions	8,203	-	-	-
Loans and advances to customers	96,499	74,519	1,595	15,426
Securities - designated at fair value through profit/loss	17,861	-	-	9,809
Derivatives	4,812	-	-	3,363
Securities - available for sale	24	-	-	-
Earned income, not yet recieved	37	-	-	-
Accounts receivable, securities	20	-	-	-
<b>Total assets</b>	<b>127,692</b>	<b>74,519</b>	<b>1,595</b>	<b>28,597</b>
<b>Liabilities</b>				
Guarantee commitments and documentary credits	6,607	-	-	-
Unutilised credits	17,337	4,917	213	1,919
Loan approvals	1,720	-	-	-
Other exposures	2,034	-	-	-
<b>Total liabilities</b>	<b>27,698</b>	<b>4,917</b>	<b>213</b>	<b>1,919</b>
<b>Total credit risk exposure</b>	<b>155,390</b>	<b>79,436</b>	<b>1,807</b>	<b>30,516</b>

Group				
<b>31 Dec 2017 (NOK million)</b>	<b>Maximum exposure to credit risk</b>	<b>Collateral in property</b>	<b>Collateral in securities</b>	<b>Other collateral *)</b>
<b>Assets</b>				
Balances with central banks	3,231	-	-	-
Loans and advances to credit institutions	4,214	-	-	-
Loans and advances to customers	110,959	83,692	1,620	22,614
Securities - designated at fair value through profit/loss	21,494	-	-	10,092
Derivatives	4,351	-	23	2,408
Securities - available for sale	66	-	-	-
Earned income, not yet received	104	-	-	-
Accounts receivable, securities	322	-	84	203
<b>Total assets</b>	<b>144,741</b>	<b>83,692</b>	<b>1,726</b>	<b>35,316</b>
<b>Liabilities</b>				
Guarantee commitments and documentary credits	5,346	-	-	-
Unutilised credits	13,976	4,817	47	2,021
Loan approvals	2,148	-	-	251
Other exposures	764	-	63	-
<b>Total liabilities</b>	<b>22,233</b>	<b>4,817</b>	<b>110</b>	<b>2,272</b>
<b>Total credit risk exposure</b>	<b>166,974</b>	<b>88,509</b>	<b>1,836</b>	<b>37,589</b>
<b>31 Dec 2016 (NOK million)</b>	<b>Maximum exposure to credit risk</b>	<b>Collateral in property</b>	<b>Collateral in securities</b>	<b>Other collateral *)</b>
<b>Assets</b>				
Balances with central banks	236	-	-	-
Loans and advances to credit institutions	3,892	-	-	-
Loans and advances to customers	101,354	74,519	1,595	20,312
Securities - designated at fair value through profit/loss	19,039	-	-	9,809
Derivatives	4,752	-	18	3,363
Securities - available for sale	60	-	-	-
Earned income, not yet received	63	-	-	-
Accounts receivable, securities	220	-	33	167
<b>Total assets</b>	<b>129,616</b>	<b>74,519</b>	<b>1,645</b>	<b>33,651</b>
<b>Liabilities</b>				
Guarantee commitments and documentary credits	6,607	-	-	-
Unutilised credits	17,420	4,917	213	1,949
Loan approvals	1,957	-	-	-
Other exposures	2,211	-	-	-
<b>Total liabilities</b>	<b>28,195</b>	<b>4,917</b>	<b>213</b>	<b>1,949</b>
<b>Total credit risk exposure</b>	<b>157,810</b>	<b>79,436</b>	<b>1,858</b>	<b>35,600</b>

\*) Other collateral includes cash, movables, ship and guarantees received. For covered bonds the cover pool comprises loans to customers in the company that has issued the bond.

The Bank's maximum credit exposure is shown in the above table. SpareBank 1 SMN provides wholesale banking services to BN Bank and the Samspar banks. In this connection a guarantee agreement has been established which assures full settlement for exposures connected to these agreements.

For retail and corporate customers, use is made of framework agreements requiring provision of collateral. For customers engaged in trading activity, only cash deposits are accepted as collateral. Customers furnish cash deposits and/or assets as collateral for their trade in power and salmon derivatives at NASDAQ OMX Oslo ASA and Fish Pool ASA. See note 37, Other debt and liabilities, for a closer description of NASDAQ.

The collateral is measured at fair value, limited to maximum credit exposure for the individual counterparty.

**Credit risk exposure related to financial assets distributed by geographical area**

Parent Bank		(NOK million)	Group	
31 Dec 2016	31 Dec 2017		31 Dec 2017	31 Dec 2016
		<b>Bank activities</b>		
89,046	90,076	Trøndelag	87,759	87,092
26,704	27,073	Møre og Romsdal	28,483	27,867
851	939	Sogn og Fjordane	1,324	1,087
997	1,248	Nordland	1,334	1,084
5,990	8,953	Oslo	8,987	6,399
6,475	7,895	Rest of Norway	9,925	7,796
2,631	3,241	Abroad	3,251	2,636
<b>132,693</b>	<b>139,424</b>	<b>Total</b>	<b>141,062</b>	<b>133,960</b>
		<b>Financial instruments</b>		
15,931	16,988	Norge	18,485	17,145
1,922	3,065	Europe/Asia	3,065	1,922
13	5	Oseania	5	13
19	7	North Amerika	7	19
4,812	4,328	Derivatives	4,351	4,752
<b>22,697</b>	<b>24,393</b>	<b>Total</b>	<b>25,912</b>	<b>23,851</b>
<b>155,390</b>	<b>163,817</b>	<b>Total distributed by geographical area</b>	<b>166,974</b>	<b>157,810</b>