

Note 12 - 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.

For disclosure of classes of financial instruments where this is not spesified in the table below, see note 24 Categories of financial assets and financial liabilities

Parent Bank						
	Maximum exposure to credit risk,	Provision for expected credit	in	Collateral in	collateral and netting	Maximum exposure to credit
31 Dec 2019 (NOK million)	gross	losses	property	securities	agreements ¹⁾	risk, net
Assets						
Balances with central banks	706	-	-	-	-	706
Loans and advances to credit institutions	9,181	-	-	-	-	9,181
Loans and advances to customers at fair value through profit or loss	4,677	-	4,505	0	18	154
Loans and advances to customers at amortised cost	41,957	850	20,673	809	16,936	2,688
Loans and advances to customers at fair value through OCI	71,336	87	69,941	56	413	839
Securities and bonds	23,195	-	-	-	10,991	12,204
Derivatives	2,872	-	-	-	1,653	1,218
Earned income, not yet recieved	107	-	-	-	-	107
Accounts receivable, securities	13	-	-	-	-	13
Total assets	154,042	937	95,119	865	30,011	27,109
Liabilities						
Guarantee commitments and documentary credits	5,643	82				5,561
Unutilised credits and Loan approvals	18,533	18	3,038	137	516	14,824
Other exposures	2,904	-	3,036	137	510	2,904
Total liabilities	27,079	100	3,038	137	<u>-</u> 516	23,289
Total habilities	21,013	100	3,000	107	310	20,200
Total credit risk exposure	181,121					50,398
Total credit risk exposure	•					50,398
Total credit risk exposure	Maximum	Dravisian			Other	·
Total credit risk exposure	Maximum exposure	Provision for expected	Collateral	Collateral		Maximum
Total credit risk exposure	Maximum exposure to credit	for expected			collateral	Maximum exposure
	Maximum exposure to credit risk,		in	in	collateral and netting	Maximum exposure to credit
Total credit risk exposure 31 Dec 2018 (NOK million) Assets	Maximum exposure to credit	for expected credit	in	in	collateral	Maximum exposure to credit
31 Dec 2018 (NOK million) Assets	Maximum exposure to credit risk, gross	for expected credit	in	in	collateral and netting	Maximum exposure to credit risk, net
31 Dec 2018 (NOK million) Assets Balances with central banks	Maximum exposure to credit risk, gross	for expected credit	in	in	collateral and netting	Maximum exposure to credit risk, net
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions	Maximum exposure to credit risk, gross 819 11,178	for expected credit	in property - -	in securities -	collateral and netting agreements ¹⁾	Maximum exposure to credit risk, net 819 11,178
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss	Maximum exposure to credit risk, gross 819 11,178 4,467	for expected credit losses	in property - - 4,253	in securities - - 18	collateral and netting agreements ¹⁾ 20	Maximum exposure to credit risk, net 819 11,178 177
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536	for expected credit losses	in property - - 4,253 26,195	in securities 18 1,105	collateral and netting agreements ¹⁾ 20 17,687	Maximum exposure to credit risk, net 819 11,178 177 1,909
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353	for expected credit losses	in property - - 4,253	in securities - - 18	collateral and netting agreements ¹⁾ - 20 17,687 136	Maximum exposure to credit risk, net 819 11,178 177 1,909 631
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428	for expected credit losses	in property - - 4,253 26,195 60,430	in securities 18 1,105	collateral and netting agreements ¹⁾ - 20 17,687 136 11,375	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428 3,914	for expected credit losses	in property - - 4,253 26,195 60,430	in securities 18 1,105	collateral and netting agreements ¹⁾ - 20 17,687 136	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053 1,836
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428 3,914 67	for expected credit losses	in property - - 4,253 26,195 60,430	in securities 18 1,105	collateral and netting agreements ¹⁾ - 20 17,687 136 11,375	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053 1,836 67
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428 3,914	for expected credit losses	in property - - 4,253 26,195 60,430	in securities 18 1,105	collateral and netting agreements ¹⁾ - 20 17,687 136 11,375 2,077 -	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053 1,836 67 7
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428 3,914 67 7	for expected credit losses	in property 4,253 26,195 60,430	in securities - - 18 1,105 97 - - -	collateral and netting agreements ¹⁾ - 20 17,687 136 11,375 2,077 -	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053 1,836 67
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets Liabilities	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428 3,914 67 7 149,769	for expected credit losses	in property 4,253 26,195 60,430	in securities - - 18 1,105 97 - - -	collateral and netting agreements ¹⁾ - 20 17,687 136 11,375 2,077 -	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053 1,836 67 7 25,678
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets Liabilities Guarantee commitments and documentary credits	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428 3,914 67 7 149,769	for expected credit losses	in property - 4,253 26,195 60,430	in securities	collateral and netting agreements ¹⁾ - 20 17,687 136 11,375 2,077 - 31,296	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053 1,836 67 7 25,678
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets Liabilities Guarantee commitments and documentary credits Unutilised credits and loan approvals	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428 3,914 67 7 149,769	for expected credit losses	in property	in securities	collateral and netting agreements ¹⁾ - 20 17,687 136 11,375 2,077 - 31,296	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053 1,836 67 7 25,678
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets Liabilities Guarantee commitments and documentary credits Unutilised credits and loan approvals Other exposures	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428 3,914 67 7 149,769	for expected credit losses	in property - 4,253 26,195 60,430	in securities	collateral and netting agreements ¹⁾ - 20 17,687 136 11,375 2,077 - 31,296	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053 1,836 67 7 25,678
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets Liabilities Guarantee commitments and documentary credits Unutilised credits and loan approvals	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428 3,914 67 7 149,769	for expected credit losses	in property	in securities	collateral and netting agreements ¹⁾	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053 1,836 67 7 25,678 4,888 14,470 2,478
31 Dec 2018 (NOK million) Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets Liabilities Guarantee commitments and documentary credits Unutilised credits and loan approvals Other exposures	Maximum exposure to credit risk, gross 819 11,178 4,467 47,536 61,353 20,428 3,914 67 7 149,769 5,022 17,824 2,478	for expected credit losses	in property	in securities	collateral and netting agreements ¹⁾	Maximum exposure to credit risk, net 819 11,178 177 1,909 631 9,053 1,836

Total credit risk exposure



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31 Dec 19 (NOK million)	Maximum exposure to credit risk, gross	for	in	Collateral in securities	Other collateral and netting agreements ¹⁾	Maximum exposure to credit risk, net
Assets	3		<u> </u>			,
Balances with central banks	706	_	_	_	_	706
Loans and advances to credit institutions	2,110	_	_	_	_	2,110
Loans and advances to customers at fair value through profit or loss	4,677	-	4,505	0	18	154
Loans and advances to customers at amortised cost	50,264	911	20,691	809	17,346	10,506
Loans and advances to customers at fair value through OCI	71,336	87	69,941	56	413	839
Securities and bonds	23,115	-	-	-	10,991	12,124
Derivatives	2,972	-	_	100	1,653	1,218
Earned income, not yet recieved	132	-	-	-	-	132
Accounts receivable, securities	292	-	-	71	209	13
Total assets	155,604	998	95,138	1,036	30,629	27,802
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Liabilities						
Guarantee commitments and documentary credits	5,643	82	-	-	-	5,561
Unutilised credits and loan approvals	18,643	18	3,038	223	531	14,834
Other exposures	3,097	-	-	-	-	3,097
Total liabilities	27,383	100	3,038	223	531	23,491
Total credit risk exposure	182,987					51,294
Total Credit Hak exposure	102,307					J 1,237
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	Maximum	Provision				•
	Maximum exposure	Provision for			Other	Maximum
	exposure	for	Collateral	Collateral	collateral	Maximum exposure
	exposure to credit risk,	for expected credit	in	in	collateral and netting	Maximum exposure to credit
31 Dec 18 (NOK million)	exposure to credit	for expected	in	in	collateral	Maximum exposure
Assets	exposure to credit risk, gross	for expected credit	in	in	collateral and netting	Maximum exposure to credit risk, net
Assets Balances with central banks	exposure to credit risk, gross	for expected credit	in	in	collateral and netting	Maximum exposure to credit risk, net
Assets Balances with central banks Loans and advances to credit institutions	exposure to credit risk, gross 819 5,074	for expected credit	in property - -	in securities - -	collateral and netting agreements ¹⁾	Maximum exposure to credit risk, net 819 5,074
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss	exposure to credit risk, gross 819 5,074 4,467	for expected credit losses - -	in property - - 4,253	in securities - - 18	collateral and netting agreements ¹⁾ 20	Maximum exposure to credit risk, net 819 5,074 177
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost	exposure to credit risk, gross 819 5,074 4,467 53,967	for expected credit losses - - - 686	in property - - 4,253 26,195	in securities	collateral and netting agreements ¹⁾ - 20 25,402	Maximum exposure to credit risk, net 819 5,074 177 578
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295	for expected credit losses 686 58	in property - - 4,253	in securities - - 18	collateral and netting agreements ¹⁾ - 20 25,402 136	Maximum exposure to credit risk, net 819 5,074 177 578 573
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295 20,348	for expected credit losses - - - 686	in property - - 4,253 26,195	in securities - - 18 1,105	collateral and netting agreements ¹⁾ - 20 25,402 136 11,375	Maximum exposure to credit risk, net 819 5,074 177 578 573 8,974
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295 20,348 4,119	for expected credit losses 686 58	in property - - 4,253 26,195 60,430	in securities - - 18 1,105	collateral and netting agreements ¹⁾ - 20 25,402 136	Maximum exposure to credit risk, net 819 5,074 177 578 573 8,974 2,041
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295 20,348 4,119 86	for expected credit losses 686 58	in property - - 4,253 26,195 60,430	in securities	collateral and netting agreements ¹⁾ - 20 25,402 136 11,375 2,077	Maximum exposure to credit risk, net 819 5,074 177 578 573 8,974 2,041 86
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295 20,348 4,119 86 277	for expected credit losses	in property - 4,253 26,195 60,430	in securities	collateral and netting agreements ¹⁾ - 20 25,402 136 11,375 2,077 - 183	Maximum exposure to credit risk, net 819 5,074 177 578 573 8,974 2,041 86 0
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295 20,348 4,119 86	for expected credit losses 686 58	in property - - 4,253 26,195 60,430	in securities	collateral and netting agreements ¹⁾ - 20 25,402 136 11,375 2,077 - 183	Maximum exposure to credit risk, net 819 5,074 177 578 573 8,974 2,041 86
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295 20,348 4,119 86 277	for expected credit losses	in property - 4,253 26,195 60,430	in securities	collateral and netting agreements ¹⁾ - 20 25,402 136 11,375 2,077 - 183	Maximum exposure to credit risk, net 819 5,074 177 578 573 8,974 2,041 86 0
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets Liabilities	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295 20,348 4,119 86 277 150,451	for expected credit losses	in property - 4,253 26,195 60,430	in securities	collateral and netting agreements ¹⁾ - 20 25,402 136 11,375 2,077 - 183	Maximum exposure to credit risk, net 819 5,074 177 578 573 8,974 2,041 86 0
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets Liabilities Guarantee commitments and documentary credits	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295 20,348 4,119 86 277 150,451	for expected credit losses	in property - 4,253 26,195 60,430	in securities	collateral and netting agreements ¹⁾ - 20 25,402 136 11,375 2,077 - 183 39,193	Maximum exposure to credit risk, net 819 5,074 177 578 573 8,974 2,041 86 0 18,321
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets Liabilities Guarantee commitments and documentary credits Unutilised credits and loan approvals	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295 20,348 4,119 86 277 150,451	for expected credit losses	in property - 4,253 26,195 60,430	in securities	collateral and netting agreements ¹⁾ - 20 25,402 136 11,375 2,077 - 183	Maximum exposure to credit risk, net 819 5,074 177 578 573 8,974 2,041 86 0 18,321
Assets Balances with central banks Loans and advances to credit institutions Loans and advances to customers at fair value through profit or loss Loans and advances to customers at amortised cost Loans and advances to customers at fair value through OCI Securities and bonds Derivatives Earned income, not yet recieved Accounts receivable, securities Total assets Liabilities Guarantee commitments and documentary credits	exposure to credit risk, gross 819 5,074 4,467 53,967 61,295 20,348 4,119 86 277 150,451	for expected credit losses	in property - 4,253 26,195 60,430	in securities	collateral and netting agreements ¹⁾ - 20 25,402 136 11,375 2,077 - 183 39,193	Maximum exposure to credit risk, net 819 5,074 177 578 573 8,974 2,041 86 0 18,321

¹⁾ 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.

For derivatives, cash has been provided as collateral, in addition to bilateral ISDA agreements on netting of derivatives.

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.

176,076

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.

40,399

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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 2019 the Bank has about 47 (46) 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 meber 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.

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