

## 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 specified in the table below, see note 24 Categories of financial assets and financial liabilities.

### Parent Bank

	Maximum exposure to credit risk, gross	Provision for expected credit losses	Collateral in property	Collateral in securities	Other collateral and netting agreements *)	Maximum exposure to credit risk, net
<b>31 Dec 2020 (NOK million)</b>						
<b>Assets</b>						
Balances with central banks	2,725	-	-	-	-	2,725
Loans and advances to credit institutions	12,901	-	-	-	-	12,901
Loans and advances to customers at fair value through profit or loss	4,285	-	4,017	27	15	226
Loans and advances to customers at amortised cost	46,500	1,331	22,816	2,122	18,158	2,072
Loans and advances to customers at fair value through OCI	74,876	115	73,650	46	429	635
Securities and bonds	26,684	-	-	-	11,848	14,836
Derivatives	7,175	-	-	-	4,755	2,420
Earned income, not yet received	135	-	-	-	-	135
Accounts receivable, securities	11	-	-	-	-	11
<b>Total assets</b>	<b>175,293</b>	<b>1,446</b>	<b>100,483</b>	<b>2,195</b>	<b>35,206</b>	<b>35,962</b>
<b>Liabilities, off balance</b>						
Guarantee commitments and documentary credits	5,014	55	-	-	-	4,959
Unutilised credits and Loan approvals	18,299	26	3,432	498	308	14,035
Other exposures	3,408	-	-	-	-	3,408
<b>Total liabilities</b>	<b>26,720</b>	<b>81</b>	<b>3,432</b>	<b>498</b>	<b>308</b>	<b>22,402</b>
<b>Total credit risk exposure</b>	<b>202,013</b>					<b>58,364</b>
<b>31 Dec 2019 (NOK million)</b>						
<b>Assets</b>						
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 received	107	-	-	-	-	107
Accounts receivable, securities	13	-	-	-	-	13
<b>Total assets</b>	<b>154,042</b>	<b>937</b>	<b>95,119</b>	<b>865</b>	<b>30,011</b>	<b>27,109</b>
<b>Liabilities, off balance</b>						
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	-	-	-	-	2,904
<b>Total liabilities</b>	<b>27,079</b>	<b>100</b>	<b>3,038</b>	<b>137</b>	<b>516</b>	<b>23,289</b>
<b>Total credit risk exposure</b>	<b>181,121</b>					<b>50,398</b>

## Group

	Maximum exposure to credit risk, gross	Provision for expected credit losses	Collateral in property	Collateral in securities	Other collateral and netting agreements *)	Maximum exposure to credit risk, net
<b>31 Dec 2020 (NOK million)</b>						
<b>Assets</b>						
Balances with central banks	2,725	-	-	-	-	2,725
Loans and advances to credit institutions	5,091	-	-	-	14	5,077
Loans and advances to customers at fair value through profit or loss	4,285	-	4,017	27	15	226
Loans and advances to customers at amortised cost	55,487	1,401	22,825	2,122	27,824	1,316
Loans and advances to customers at fair value through OCI	74,876	116	73,650	46	429	634
Securities and bonds	26,606	-	-	-	11,848	14,758
Derivatives	7,226	-	51	-	4,755	2,420
Earned income, not yet received	185	-	-	-	-	185
Accounts receivable, securities	678	-	43	624	-	11
<b>Total assets</b>	<b>177,159</b>	<b>1,517</b>	<b>100,586</b>	<b>2,820</b>	<b>44,885</b>	<b>27,352</b>
<b>Liabilities, off balance</b>						
Guarantee commitments and documentary credits	5,014	55	-	-	-	4,959
Unutilised credits and loan approvals	18,432	26	3,516	498	441	13,951
Other exposures	3,698	-	-	-	-	3,698
<b>Total liabilities</b>	<b>27,144</b>	<b>81</b>	<b>3,516</b>	<b>498</b>	<b>441</b>	<b>22,608</b>
<b>Total credit risk exposure</b>	<b>204,304</b>					<b>49,961</b>

	Maximum exposure to credit risk, gross	Provision for expected credit losses	Collateral in property	Collateral in securities	Other collateral and netting agreements *)	Maximum exposure to credit risk, net
<b>31 Dec 2019 (NOK million)</b>						
<b>Assets</b>						
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 received	132	-	-	-	-	132
Accounts receivable, securities	292	-	-	71	209	13
<b>Total assets</b>	<b>155,604</b>	<b>998</b>	<b>95,138</b>	<b>1,036</b>	<b>30,629</b>	<b>27,802</b>
<b>Liabilities, off balance</b>						
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
<b>Total liabilities</b>	<b>27,383</b>	<b>100</b>	<b>3,038</b>	<b>223</b>	<b>531</b>	<b>23,491</b>
<b>Total credit risk exposure</b>	<b>182,987</b>					<b>51,294</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.

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 2020 the Bank has about 45 (47) 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.

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