

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
31 Dec 22 (NOK million)						
Assets						
Balances with central banks	1,159	-	-	-	-	1,159
Loans and advances to credit institutions	21,972	-	-	-	-	21,972
Loans and advances to customers at fair value through profit or loss	4,709	-	4,541	26	32	110
Loans and advances to customers at amortised cost	53,830	890	27,568	2,785	20,996	1,591
Loans and advances to customers at fair value through OCI	82,010	109	80,954	38	444	464
Securities and bonds	38,072	-	-	-	10,482	27,590
Derivatives	6,804	-	-	-	3,909	2,894
Earned income, not yet received	87	-	-	-	-	87
Accounts receivable, securities	262	-	-	-	-	262
Total assets	208,904	999	113,064	2,850	35,862	56,130
Liabilities						
Guarantee commitments and documentary credits	7,174	29	-	-	-	7,145
Unutilised credits and Loan approvals	16,888	37	3,095	50	255	13,451
Other exposures	4,461	-	-	-	-	4,461
Total liabilities	28,524	67	3,095	50	255	25,057
Total credit risk exposure	237,428					81,187

	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
31 Dec 21 (NOK million)						
Assets						
Balances with central banks	1,238	-	-	-	-	1,238
Loans and advances to credit institutions	13,190	-	-	-	-	13,190
Loans and advances to customers at fair value through profit or loss	4,276	-	4,090	27	11	148
Loans and advances to customers at amortised cost	49,685	1,250	26,178	2,245	17,868	2,143
Loans and advances to customers at fair value through OCI	83,152	97	81,958	60	423	613
Securities and bonds	30,762	-	-	-	11,350	19,412
Derivatives	3,192	-	-	-	2,029	1,163
Earned income, not yet received	152	-	-	-	-	152
Accounts receivable, securities	20	-	-	-	-	20
Total assets	185,666	1,348	112,226	2,333	31,681	38,078
Liabilities						
Guarantee commitments and documentary credits	5,798	57	-	-	-	5,741
Unutilised credits and loan approvals	20,004	22	3,624	356	206	15,796
Other exposures	3,467	-	-	-	-	3,467
Total liabilities	29,269	79	3,624	356	206	25,003
Total credit risk exposure	214,934					63,081

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
31 Dec 22 (NOK million)						
Assets						
Balances with central banks	1,159	-	-	-	-	1,159
Loans and advances to credit institutions	11,663	-	-	-	-	11,663
Loans and advances to customers at fair value through profit or loss	4,631	-	4,541	26	32	32
Loans and advances to customers at amortised cost	65,989	950	27,568	2,785	31,255	3,431
Loans and advances to customers at fair value through OCI	82,010	109	80,954	38	444	464
Securities and bonds	38,073	-	-	-	10,482	27,591
Derivatives	6,804	-	-	-	3,909	2,894
Earned income, not yet received	104	-	-	-	-	104
Accounts receivable, securities	262	-	-	-	-	262
Total assets	210,693	1,059	113,064	2,850	46,121	47,600
Liabilities						
Guarantee commitments and documentary credits	7,174	29	-	-	-	7,145
Unutilised credits and loan approvals	17,408	37	3,095	50	255	13,971
Other exposures	4,505	-	-	-	-	4,505
Total liabilities	29,088	67	3,095	50	255	25,621
Total credit risk exposure	239,781					73,221

	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
31 Dec 21 (NOK million)						
Assets						
Balances with central banks	1,238	-	-	-	-	1,238
Loans and advances to credit institutions	4,704	-	-	-	-	4,704
Loans and advances to customers at fair value through profit or loss	4,276	-	4,090	27	11	148
Loans and advances to customers at amortised cost	59,872	1,310	26,178	2,245	28,127	2,011
Loans and advances to customers at fair value through OCI	83,152	97	81,958	60	423	613
Securities and bonds	30,762	-	-	-	11,350	19,412
Derivatives	3,224	-	-	-	2,029	1,196
Earned income, not yet received	186	-	-	-	-	186
Accounts receivable, securities	300	-	-	53	228	20
Total assets	187,716	1,408	112,226	2,386	42,168	29,528
Liabilities						
Guarantee commitments and documentary credits	5,798	57	-	-	-	5,741
Unutilised credits and loan approvals	20,372	22	3,624	408	206	16,112
Other exposures	3,723	-	-	-	-	3,723
Total liabilities	29,893	79	3,624	408	206	25,576
Total credit risk exposure	217,608					55,104

*) 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 2022 the Bank has about 38 (45) 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.