

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 23 (NOK million)						
Assets						
Balances with central banks	1,147	-	-	-	-	1,147
Loans and advances to credit institutions	19,241	-	-	-	-	19,241
Loans and advances to customers at fair value through profit or loss	5,582	-	5,387	26	30	139
Loans and advances to customers at amortised cost	59,281	659	32,438	2,912	20,313	2,959
Loans and advances to customers at fair value through OCI	92,377	117	91,080	71	471	638
Securities and bonds	34,163	-	-	-	11,884	22,278
Derivatives	6,659	-	-	-	3,849	2,810
Earned income, not yet received	136	-	-	-	-	136
Accounts receivable, securities	66	-	-	-	-	66
Total assets	218,651	776	128,904	3,010	36,548	49,413
Liabilities						
Guarantee commitments and documentary credits	5,972	19	-	-	-	5,953
Unutilised credits and Loan approvals	22,592	34	3,030	448	424	18,656
Other exposures	5,354	-	-	-	-	5,354
Total liabilities	33,919	53	3,030	448	424	29,964
Total credit risk exposure	252,570					79,377

	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

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 23 (NOK million)						
Assets						
Balances with central banks	1,147	-	-	-	-	1,147
Loans and advances to credit institutions	8,746	-	-	-	-	8,746
Loans and advances to customers at fair value through profit or loss	5,480	-	5,387	26	30	37
Loans and advances to customers at amortised cost	72,004	531	32,438	2,912	33,065	3,059
Loans and advances to customers at fair value through OCI	92,377	117	91,080	71	471	638
Securities and bonds	34,163	-	-	-	11,884	22,279
Derivatives	6,659	-	-	-	3,849	2,810
Earned income, not yet received	153	-	-	-	-	153
Accounts receivable, securities	66	-	-	-	-	66
Total assets	220,796	648	128,904	3,010	49,300	38,934
Liabilities						
Guarantee commitments and documentary credits	5,972	19	-	-	-	5,953
Unutilised credits and loan approvals	23,003	34	3,030	448	424	19,067
Other exposures	5,404	-	-	-	-	5,404
Total liabilities	34,380	53	3,030	448	424	30,425
Total credit risk exposure	255,176					69,359

	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

*) 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.

For retail and corporate customers, use is made of framework agreements requiring provision of 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.

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 2023 the Bank has about 40 (38) 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.

The Group has NOK 230 million exposures in stage 3 where no impairment charge has been made due to value of collateral, for 2022 the same amount was NOK 213 million.