

Note 7 - Losses

Provision for expected credit losses on loans and guarantees are presented after implementation of IFRS 9 from January 1, 2018. See note 2 and 45 in the annual report for 2017 for detailed information about the implementation effect and transition. Comparative figures have not been restated, and the information about first quarter 2017 has been presented below in accordance with previous rules in IAS 32.

Parent Bank

| (NOKm) | 31 Mar 2018 | | | 31 March 18 |
|---|--------------|---------------------|----------------------------|--------------|
| | 1 January 18 | Change in provision | Net write-offs/ recoveries | |
| Loans as amortised cost- CM | 1,017 | 11 | -15 | 1,012 |
| Loans as amortised cost- RM | 32 | -3 | -2 | 27 |
| Loans at fair value over OCI- RM | 65 | -0 | -0 | 65 |
| Provision for expected credit losses on loans and guarantees | 1,114 | 8 | -17 | 1,104 |
| Presented as | | | | |
| Provision for loan losses | | | | 1,014 |
| Other debt- provisions | | | | 75 |
| Other comprehensive income- fair value adjustment | | | | 15 |

Group

| (NOKm) | 31 Mar 2018 | | | 31 March 18 |
|---|--------------|---------------------|----------------------------|--------------|
| | 1 January 18 | Change in provision | Net write-offs/ recoveries | |
| Loans as amortised cost- CM | 1,037 | 10 | -15 | 1,032 |
| Loans as amortised cost- RM | 52 | -3 | -3 | 46 |
| Loans at fair value over OCI- RM | 65 | -0 | -0 | 65 |
| Provision for expected credit losses on loans and guarantees | 1,154 | 7 | -18 | 1,143 |
| Presented as | | | | |
| Provision for loan losses | | | | 1,053 |
| Other debt- provisions | | | | 75 |
| Other comprehensive income- fair value adjustment | | | | 15 |

Parent Bank

| Total Allowance for Credit Losses | 31 Mar 2018 | | | Total |
|--------------------------------------|-------------|------------|------------|--------------|
| | Stage 1 | Stage 2 | Stage 3 | |
| Opening balance 1 January | 96 | 256 | 762 | 1,114 |
| Provision for credit losses | | | | |
| Transfer to (from) stage 1 | 13 | -13 | -0 | - |
| Transfer to (from) stage 2 | -3 | 5 | -2 | - |
| Transfer to (from) stage 3 | -0 | -9 | 9 | - |
| Net remeasurement of loss allowances | -14 | 10 | 30 | 26 |
| Originations or purchases | 20 | 0 | 0 | 20 |
| Derecognitions | -5 | -16 | -17 | -37 |
| Write-offs | - | - | -17 | -17 |
| Closing balance 31 March | 107 | 232 | 766 | 1,104 |

Group

| Total Allowance for Credit Losses | 31 Mar 2018 | | | Total |
|--------------------------------------|-------------|------------|------------|--------------|
| | Stage 1 | Stage 2 | Stage 3 | |
| Opening balance 1 January | 105 | 269 | 780 | 1,154 |
| Provision for credit losses | | | | |
| Transfer to (from) stage 1 | 4 | -4 | 0 | - |
| Transfer to (from) stage 2 | -1 | -3 | 4 | - |
| Transfer to (from) stage 3 | -6 | 2 | 3 | - |
| Net remeasurement of loss allowances | -7 | 4 | 33 | 30 |
| Originations or purchases | 14 | 0 | 0 | 14 |
| Derecognitions | -4 | -14 | -17 | -35 |
| Write-offs | - | - | -18 | -18 |
| Closing balance 31 March | 104 | 255 | 784 | 1,143 |

Parent Bank

| Individual write-downs (NOKm) | 31 Mar 2017 | | | Total |
|---|-------------|------------|--|------------|
| | RM | CM | | |
| Individual write-downs to cover loss on loans and guarantees at 1.1 | 28 | 597 | | 625 |
| - Actual losses during the period for which provisions for individual impairment losses have been made previously | 2 | 146 | | 148 |
| - Reversal of provisions from previous periods | 2 | 6 | | 8 |
| + Increased write-downs on provisions previously written down | 0 | 79 | | 79 |
| + Write-downs on provisions not previously written down | -2 | 10 | | 8 |
| Individual write-downs to cover loss on loans and guarantees at period end *) | 23 | 534 | | 557 |

*) Individually assessed impairment write-downs on guarantees, totalling NOK 6.2m, are shown in the balance sheet as a liability under 'Other liabilities'

| Collective write-downs (NOKm) | 31 Mar 2017 | | | Total |
|---|-------------|------------|--|------------|
| | RM | CM | | |
| Collective write-downs to cover loss on loans, guarantees at 1.1 | 90 | 228 | | 318 |
| Period's collective write-downs to cover loss on loans, guarantees etc | - | 10 | | 10 |
| Collective write-downs to cover loss on loans and guarantees at period end | 90 | 238 | | 328 |

Group

| Individual write-downs (NOKm) | 31 Mar 2017 | | | Total |
|---|-------------|------------|--|------------|
| | RM | CM | | |
| Individual write-downs to cover loss on loans and guarantees at 1.1 | 31 | 607 | | 638 |
| - Actual losses during the period for which provisions for individual impairment losses have been made previously | 2 | 146 | | 148 |
| - Reversal of provisions from previous periods | 2 | 6 | | 8 |
| + Increased write-downs on provisions previously written down | 0 | 79 | | 79 |
| + Write-downs on provisions not previously written down | -2 | 10 | | 8 |
| Individual write-downs to cover loss on loans and guarantees at period end *) | 26 | 544 | | 570 |

*) Individually assessed impairment write-downs on guarantees, totalling NOK 6.2m, are shown in the balance sheet as a liability under 'Other liabilities'

| Collective write-downs (NOKm) | 31 Mar 2017 | | | Total |
|---|-------------|------------|--|------------|
| | RM | CM | | |
| Collective write-downs to cover loss on loans, guarantees at 1.1 | 100 | 239 | | 339 |
| Period's collective write-downs to cover loss on loans, guarantees etc | 1 | 10 | | 11 |
| Collective write-downs to cover loss on loans and guarantees at period end | 100 | 249 | | 349 |