

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 half 2017 has been presented below in accordance with previous rules in IAS 32.

Parent Bank

(NOKm)	30 June 2018			30 June 18
	1 January 18	Change in provision	Net write-offs/ recoveries	
Loans as amortised cost- CM	1,017	33	14	1,063
Loans as amortised cost- RM	32	3	0	35
Loans at fair value over OCI- RM	65	3	-0	68
Provision for expected credit losses on loans and guarantees	1,114	39	13	1,166
Presented as				
Provision for loan losses				1,064
Other debt- provisions				85
Other comprehensive income- fair value adjustment				17

Group

(NOKm)	30 June 2018			30 June 18
	1 January 18	Change in provision	Net write-offs/ recoveries	
Loans as amortised cost- CM	1,037	33	13	1,083
Loans as amortised cost- RM	52	3	-1	22
Loans at fair value over OCI- RM	65	3	-0	100
Provision for expected credit losses on loans and guarantees	1,154	39	13	1,205
Presented as				
Provision for loan losses				1,103
Other debt- provisions				85
Other comprehensive income- fair value adjustment				17

Parent Bank

Total Allowance for Credit Losses	30 June 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	24	-24	-0	-
Transfer to (from) stage 2	-5	5	-0	-
Transfer to (from) stage 3	-0	-2	2	-
Net remeasurement of loss allowances	-30	48	49	67
Originations or purchases	28	21	1	50
Derecognitions	-15	-47	-3	-65
Write-offs	-	-	-	-
Closing balance 30 June	98	257	811	1,166

Group

Total Allowance for Credit Losses	30 June 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	27	--26	0	-
Transfer to (from) stage 2	-4	4	-0	-
Transfer to (from) stage 3	0	-3	3	-
Net remeasurement of loss allowances	-31	49	47	65
Originations or purchases	31	23	1	55
Derecognitions	-16	-48	-4	-69
Write-offs	-	-	-	-
Closing balance 30 June	112	266	827	1,205

Parent Bank

Individual write-downs (NOKm)	30 June 2017		
	RM	CM	Total
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	5	165	170
- Reversal of provisions from previous periods	4	6	10
+ Increased write-downs on provisions previously written down	1	102	103
+ Write-downs on provisions not previously written down	0	62	62
Individual write-downs to cover loss on loans and guarantees at period end *)	20	590	610

*) Individually assessed impairment write-downs on guarantees, totalling NOK 6.1m, are shown in the balance sheet as a liability under 'Other liabilities'

Collective write-downs (NOKm)	30 June 2017		
	RM	CM	Total
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)	30 June 2017		
	RM	CM	Total
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	5	165	170
- Reversal of provisions from previous periods	4	6	10
+ Increased write-downs on provisions previously written down	1	102	103
+ Write-downs on provisions not previously written down	0	64	64
Individual write-downs to cover loss on loans and guarantees at period end *)	23	602	625

*) Individually assessed impairment write-downs on guarantees, totalling NOK 6.1m, are shown in the balance sheet as a liability under 'Other liabilities'

Collective write-downs (NOKm)	30 June 2017		
	RM	CM	Total
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	2	10	12
Collective write-downs to cover loss on loans and guarantees at period end	102	249	351