

## 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 fourth quarter 2017 has been presented below in accordance with previous rules in IAS 32.

Parent Bank (NOKm)	1 January 18	Change in provision	Net write-offs/ recoveries	31 Dec 2018
Loans as amortised cost- CM	1,017	125	-400	742
Loans as amortised cost- RM	32	28	-15	45
Loans at fair value over OCI- RM	65	10	-	75
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,114</b>	<b>163</b>	<b>-415</b>	<b>862</b>
<b>Presented as</b>				
Provision for loan losses	1,027	86	-415	697
Other debt- provisions	68	80	-	148
Other comprehensive income - fair value adjustment	18	-2	-	17

Group (NOKm)	1 January 18	Change in provision	Net write-offs/ recoveries	31 Dec 2018
Loans as amortised cost- CM	1,041	128	-402	766
Loans as amortised cost- RM	49	34	-15	68
Loans at fair value over OCI- RM	65	10	-	75
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,155</b>	<b>171</b>	<b>-417</b>	<b>909</b>
<b>Presented as</b>				
Provision for loan losses	1,068	93	-417	744
Other debt- provisions	68	80	-	148
Other comprehensive income - fair value adjustment	18	-2	-	17

Parent Bank Total Allowance for Credit Losses (NOKm)	2018			Total
	Stage 1	Stage 2	Stage 3	
<b>Opening balance 1 January</b>	<b>96</b>	<b>256</b>	<b>762</b>	<b>1,114</b>
Provision for credit losses				
Transfer to (from) stage 1	32	-32	-0	-
Transfer to (from) stage 2	-6	6	-0	-
Transfer to (from) stage 3	-0	-2	3	-
Net remeasurement of loss allowances	-34	45	158	168
Originations or purchases	55	93	1	148
Derecognitions	-40	-108	-4	-153
Actual loan losses	-	-	-415	-415
<b>Closing balance 31 December</b>	<b>102</b>	<b>257</b>	<b>503</b>	<b>862</b>

Group	2018			Total
	Stage 1	Stage 2	Stage 3	
<b>Total Allowance for Credit Losses (NOKm)</b>				
<b>Opening balance 1 January</b>	<b>106</b>	<b>267</b>	<b>782</b>	<b>1,155</b>
Provision for credit losses				
Transfer to (from) stage 1	34	-33	-0	-
Transfer to (from) stage 2	-7	7	-0	-
Transfer to (from) stage 3	-0	-4	4	-
Net remeasurement of loss allowances	-37	47	167	177
Originations or purchases	59	96	3	158
Derecognitions	112	271	526	-163
Actual loan losses	-	-	-417	-417
<b>Closing balance 31 December</b>	<b>112</b>	<b>271</b>	<b>526</b>	<b>909</b>

#### Parent Bank

Individual write-downs (NOKm)	31 Dec 2017		
	RM	CM	Total
Individual write-downs to cover loss on loans and guarantees at 1.1*)	24	602	625
- Actual losses during the period for which provisions for individual impairment losses have been made previously	8	146	155
- Reversal of provisions from previous periods	4	8	13
+ Increased write-downs on provisions previously written down	0	191	191
+ Write-downs on provisions not previously written down	6	100	106
<b>Individual write-downs to cover loss on loans and guarantees at period end</b>	<b>18</b>	<b>738</b>	<b>755</b>

\*) Individually assessed impairment write-downs on guarantees, totalling NOK 4.2m, are shown in the balance sheet as a liability under 'Other liabilities'

Collective write-downs (NOKm)	31 Dec 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	-	5	5
<b>Collective write-downs to cover loss on loans and guarantees at period end</b>	<b>90</b>	<b>233</b>	<b>323</b>

#### Group

Individual write-downs (NOKm)	31 Dec 2017		
	RM	CM	Total
Individual write-downs to cover loss on loans and guarantees at 1.1*)	27	611	638
- Actual losses during the period for which provisions for individual impairment losses have been made previously	9	147	157
- Reversal of provisions from previous periods	5	9	14
+ Increased write-downs on provisions previously written down	0	191	191
+ Write-downs on provisions not previously written down	7	104	111
<b>Individual write-downs to cover loss on loans and guarantees at period end</b>	<b>20</b>	<b>750</b>	<b>769</b>

\*) Individually assessed impairment write-downs on guarantees, totalling NOK 4.2m, are shown in the balance sheet as a liability under 'Other liabilities'

Collective write-downs (NOKm)	31 Dec 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	5	4	9
<b>Collective write-downs to cover loss on loans and guarantees at period end</b>	<b>104</b>	<b>243</b>	<b>347</b>