

## Note 7 - Losses

	1 January 2020	Change in provision	Net write-offs/ recoveries	30 June 2020
<b>Parent Bank (NOKm)</b>				
Loans as amortised cost- CM	916	371	-114	1,173
Loans as amortised cost- RM	34	11	-7	39
Loans at fair value over OCI- RM	109	30	-	139
Loans at fair value over OCI- CM	1	-1	-	1
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,060</b>	<b>412</b>	<b>-121</b>	<b>1,352</b>
<b>Presented as</b>				
Provision for loan losses	937	387	-121	1,203
Other debt- provisions	100	20	-	120
Other comprehensive income - fair value adjustment	23	6	-	29

	1 January 2019	Change in provision	Net write-offs/ recoveries	30 June 2019
<b>Parent Bank (NOKm)</b>				
Loans as amortised cost- CM	742	80	5	827
Loans as amortised cost- RM	45	15	4	63
Loans at fair value over OCI- RM	75	-12	-	63
<b>Provision for expected credit losses on loans and guarantees</b>	<b>862</b>	<b>83</b>	<b>8</b>	<b>953</b>
<b>Presented as</b>				
Provision for loan losses	697	110	8	815
Other debt- provisions	148	-27	-	121
Other comprehensive income - fair value adjustment	17	-0	-	16

	1 January 2019	Change in provision	Net write- offs/ recoveries	31 Dec 2019
<b>Parent Bank (NOKm)</b>				
Loans as amortised cost- CM	742	201	-27	916
Loans as amortised cost- RM	45	-6	-5	34
Loans at fair value over OCI- RM	75	34	-	109
Loans at fair value over OCI- CM	-	1	-	1
<b>Provision for expected credit losses on loans and guarantees</b>	<b>862</b>	<b>230</b>	<b>-32</b>	<b>1,060</b>
<b>Presented as</b>				
Provision for loan losses	697	272	-32	937
Other debt- provisions	148	-48	-	100
Other comprehensive income - fair value adjustment	17	6	-	23

	1 January 2020	Change in provision	Net write-offs/ recoveries	30 June 2020
<b>Group (NOKm)</b>				
Loans as amortised cost- CM	948	381	-117	1,211
Loans as amortised cost- RM	63	8	-7	64
Loans at fair value over OCI- RM	109	30	-	139
Loans at fair value over OCI- CM	1	-0	-	1
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,121</b>	<b>418</b>	<b>-124</b>	<b>1,415</b>
<b>Presented as</b>				
Provision for loan losses	998	393	-124	1,267
Other debt- provisions	100	20	-	119
Other comprehensive income - fair value adjustment	23	6	-	29

Group (NOKm)	1 January 2019	Change in provision	Net write-offs/ recoveries	30 June 2019
Loans as amortised cost- CM	766	86	4	857
Loans as amortised cost- RM	68	17	4	88
Loans at fair value over OCI- RM	75	-12	-	63
<b>Provision for expected credit losses on loans and guarantees</b>	<b>909</b>	<b>91</b>	<b>8</b>	<b>1,008</b>
<b>Presented as</b>				
Provision for loan losses	744	118	8	870
Other debt- provisions	148	-27	-	121
Other comprehensive income - fair value adjustment	17	-0	-	16

Group (NOKm)	1 January 2019	Change in provision	Net write-offs/ recoveries	31 Dec 2019
Loans as amortised cost- CM	766	212	-31	948
Loans as amortised cost- RM	68	0	-5	63
Loans at fair value over OCI- RM	75	34	-	109
Loans at fair value over OCI- CM	-	1	-	1
<b>Provision for expected credit losses on loans and guarantees</b>	<b>909</b>	<b>248</b>	<b>-36</b>	<b>1,121</b>
<b>Presented as</b>				
Provision for loan losses	744	290	-36	998
Other debt- provisions	148	-48	-	100
Other comprehensive income - fair value adjustment	17	6	-	23

Accrual for losses on loans	First half 2020				First half 2019				2019			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
<b>Retail market</b>												
Opening balance	25	73	45	143	28	63	29	120	27	62	31	120
Transfer to (from) stage 1	14	-14	-0	-	13	-13	-0	-	10	-10	-	-
Transfer to (from) stage 2	-2	2	-0	-	-1	2	-0	-	-2	2	-	-
Transfer to (from) stage 3	-0	-3	3	-	-0	-2	2	-	-	-3	3	-
Net remeasurement of loss allowances	-16	8	6	-3	-14	18	-0	4	-11	24	18	30
Originations or purchases	9	5	0	14	8	6	0	14	13	17	1	31
Derecognitions	-5	-13	-1	-19	-5	-11	-1	-17	-11	-20	-1	-33
Changes due to changed input assumptions	7	39	-0	46	-	-	-	-	-	-	-	-
Actual loan losses	-	-	-7	-7	-	-	4	4	-	-	-5	-5
Closing balance	33	96	46	175	29	62	34	125	25	73	45	143
<b>Corporate Market</b>												
Opening balance	66	210	540	816	64	148	383	594	64	148	382	594
Transfer to (from) stage 1	9	-9	-0	-	11	-10	-0	-	19	-19	0	-
Transfer to (from) stage 2	-4	4	-0	-	-2	2	-	-	-8	8	-	-
Transfer to (from) stage 3	-0	-2	2	-	-0	-0	1	-	-	-	1	-
Net remeasurement of loss allowances	-11	36	317	342	-16	31	111	127	-17	98	185	266
Originations or purchases	22	10	1	33	16	7	0	23	27	20	1	48
Derecognitions	-17	-43	-0	-60	-12	-29	-0	-41	-20	-43	0	-63
Changes due to changed input assumptions	7	34	-	41	-	-	-	-	-	-	-	-
Actual loan losses	-	-	-114	-114	-	-	5	5	-	-	-27	-27
Closing balance	71	240	745	1,057	61	148	499	707	66	210	541	817
<b>Total accrual for loan losses</b>	<b>104</b>	<b>336</b>	<b>792</b>	<b>1,232</b>	<b>90</b>	<b>210</b>	<b>533</b>	<b>833</b>	<b>91</b>	<b>283</b>	<b>586</b>	<b>960</b>

Group	First half 2020				First half 2019				2019			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
<b>Retail market</b>												
Opening balance	32	85	56	173	34	72	37	143	33	71	39	143
Transfer to (from) stage 1	16	-15	-0	-0	14	-14	-0	-	12	-11	-	-
Transfer to (from) stage 2	-2	3	-1	-	-2	3	-1	-	-2	4	-1	-
Transfer to (from) stage 3	-0	-5	5	-0	-0	-3	3	-	-	-3	4	-
Net remeasurement of loss allowances	-17	10	10	3	-15	19	4	8	-14	24	22	32
Originations or purchases	11	5	0	16	10	7	1	18	17	23	3	44
Derecognitions	-5	-14	-8	-28	-6	-13	-3	-22	-13	-23	-5	-41
Changes due to changed input assumptions	6	37	-1	43	-	-	-	-	-	-	-	-
Actual loan losses	-	-	-7	-7	-	-	4	4	-	-	-5	-5
Closing balance	40	107	54	200	35	72	43	151	32	84	56	172
<b>Corporate Market</b>												
Opening balance	71	217	560	849	68	152	397	618	70	152	397	619
Transfer to (from) stage 1	10	-10	-0	-	11	-11	-0	-	20	-20	-	-
Transfer to (from) stage 2	-4	4	-0	-	-2	2	-0	-	-9	9	-	-
Transfer to (from) stage 3	-0	-2	2	-	-0	-0	1	-	-	-1	1	-
Net remeasurement of loss allowances	-9	39	321	350	-16	32	116	132	-19	100	188	268
Originations or purchases	24	10	1	35	17	7	1	26	30	21	7	59
Derecognitions	-18	-43	-1	-62	-12	-29	-1	-43	-20	-44	-2	-66
Changes due to changed input assumptions	7	34	-0	41	-	-	-	-	-	-	-	-
Actual loan losses	-	-	-117	-117	-	-	5	5	-	-	-31	-31
Closing balance	81	249	765	1,095	66	153	518	737	71	218	560	849
<b>Total accrual for loan losses</b>	<b>120</b>	<b>356</b>	<b>819</b>	<b>1,295</b>	<b>101</b>	<b>225</b>	<b>562</b>	<b>888</b>	<b>104</b>	<b>302</b>	<b>616</b>	<b>1,021</b>

**Accrual for losses on guarantees and unused credit lines**

Parent Bank and Group (NOKm)	First half 2020				First half 2019				2019			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
<b>Opening balance</b>	<b>14</b>	<b>29</b>	<b>57</b>	<b>100</b>	<b>11</b>	<b>47</b>	<b>90</b>	<b>148</b>	<b>11</b>	<b>47</b>	<b>90</b>	<b>148</b>
Provision for credit losses												
Transfer to (from) stage 1	2	-2	-0	-	2	-2	-0	-	3	-3	-0	-
Transfer to (from) stage 2	-0	0	-	-	-0	0	-	-	-1	1	-	-
Transfer to (from) stage 3	-0	-0	0	-	-0	-0	0	-	-0	-0	0	-
Net remeasurement of loss allowances	-1	17	-0	16	0	8	-14	-7	-2	3	-33	-33
Originations or purchases	4	0	0	4	-	-	-	-	7	1	0	8
Derecognitions	-2	-3	-0	-5	-1	-19	-0	-20	-3	-20	-0	-24
Changes due to changed input assumptions	2	3	-0	5	-	-	-	-	-	-	-	-
Actual loan losses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>18</b>	<b>45</b>	<b>57</b>	<b>120</b>	<b>10</b>	<b>35</b>	<b>76</b>	<b>121</b>	<b>14</b>	<b>29</b>	<b>57</b>	<b>100</b>
Hereof RM				3				2				2
Hereof CM				117				119				98

## Allowance for losses on loans distributed by sector

Parent bank (NOKm)	January - June 2020				January - June 2019				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Agriculture, forestry, fisheries, hunting	6	25		9	40	9		14	7	30	
Sea farming industries	1	1		1	1	0		1	1	0		1
Manufacturing	5	16	3	24	5	30	0	35	5	9	5	20
Construction, power and water supply	10	9	16	35	8	9	10	27	10	5	11	26
Varehandel, hotell- og restaurantvirksomhet	10	12	5	27	11	7	5	22	10	8	11	28
Maritime sector	11	125	564	701	10	28	421	459	9	87	471	568
Property management	17	38	37	92	16	32	21	69	16	45	23	83
Business services	9	19	133	161	5	30	43	77	7	50	22	79
Transport and other services	7	7	1	16	8	6	3	17	7	4	3	14
Public administration	-	-	-	-	-	-	-	-	0	0	0	0
Wage earners	-	83	23	106	-	54	24	77	0	52	33	86
Total provision for losses on loans	75	336	792	1,203	72	209	534	815	68	283	586	937
loan loss allowance on loans at FVOCI	29			29	17			17	23			24
<b>Total loan loss allowance</b>	<b>104</b>	<b>336</b>	<b>792</b>	<b>1,232</b>	<b>90</b>	<b>210</b>	<b>533</b>	<b>833</b>	<b>91</b>	<b>283</b>	<b>586</b>	<b>961</b>

Group (NOKm)	January - June 2020				January - June 2019				2 019			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
	Agriculture, forestry, fisheries, hunting	7	27		10	43	10		15	8	33	
Sea farming industries	1	1	-	2	1	0	-	1	1	0	-	1
Manufacturing	6	19	7	32	6	30	4	40	6	11	9	27
Construction, power and water supply	12	13	17	42	9	13	17	39	12	8	16	35
Varehandel, hotell- og restaurantvirksomhet	11	13	10	34	12	7	6	25	11	8	11	30
Maritime sector	11	125	564	701	10	28	421	459	9	87	473	570
Property management	17	38	38	93	16	32	21	70	16	45	23	84
Business services	10	20	134	164	5	30	44	80	8	51	24	82
Transport and other services	9	8	5	23	9	8	8	24	8	5	8	21
Public administration	-	-	-	-	-	-	-	-	-	-	-	-
Wage earners	6	92	31	129	5	61	34	100	6	63	44	112
Total provision for losses on loans	91	356	817	1,264	84	225	561	871	81	302	616	998
loan loss allowance on loans at FVOCI	29	-	-	29	17	-	-	17	23	-	-	24
<b>Total loan loss allowance</b>	<b>120</b>	<b>356</b>	<b>817</b>	<b>1,293</b>	<b>101</b>	<b>225</b>	<b>562</b>	<b>888</b>	<b>104</b>	<b>302</b>	<b>616</b>	<b>1,021</b>