

## Note 7 - Losses

<b>Parent Bank (NOKm)</b>	<b>1.1.20</b>	<b>Change in provision</b>	<b>Net write-offs /recoveries</b>	<b>30.09.20</b>
Loans as amortised cost- CM	916	575	-116	1,374
Loans as amortised cost- RM	34	8	-10	32
Loans at fair value over OCI- RM	109	46	-	155
Loans at fair value over OCI- CM	1	-1	-	0
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,060</b>	<b>627</b>	<b>-126</b>	<b>1,561</b>
<b>Presented as</b>				
Provision for loan losses	937	577	-126	1,388
Other debt- provisons	100	43	-	143
Other comprehensive income - fair value adjustment	23	7	-	30

<b>Parent Bank (NOKm)</b>	<b>1.1.19</b>	<b>Change in provision</b>	<b>Net write-offs /recoveries</b>	<b>30.09.19</b>
Loans as amortised cost- CM	742	137	-5	874
Loans as amortised cost- RM	45	14	-5	54
Loans at fair value over OCI- RM	75	4	-	79
Loans at fair value over OCI- CM	-	1	-	1
<b>Provision for expected credit losses on loans and guarantees</b>	<b>862</b>	<b>156</b>	<b>-10</b>	<b>1,008</b>
<b>Presented as</b>				
Provision for loan losses	697	186	-10	873
Other debt- provisons	148	-28	-	120
Other comprehensive income - fair value adjustment	17	-2	-	15

<b>Parent Bank (NOKm)</b>	<b>1.1.19</b>	<b>Change in provision</b>	<b>Net write-offs /recoveries</b>	<b>31.12.19</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- provisons	148	-48	-	100
Other comprehensive income - fair value adjustment	17	6	-	23

Group (NOKm)	1.1.20	Change in provision	Net write-offs /recoveries	30.09.20
Loans as amortised cost- CM	948	588	-119	1,417
Loans as amortised cost- RM	63	6	-10	58
Loans at fair value over OCI- RM	109	46	-	155
Loans at fair value over OCI- CM	1	-1	-	0
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,121</b>	<b>639</b>	<b>-130</b>	<b>1,630</b>
<b>Presented as</b>				
Provision for loan losses	998	588	-130	1,457
Other debt- provisons	100	43	-	143
Other comprehensive income - fair value adjustment	23	7	-	30

Group (NOKm)	1.1.19	Change in provision	Net write-offs /recoveries	30.09.19
Loans as amortised cost- CM	766	145	-7	905
Loans as amortised cost- RM	68	18	-5	80
Loans at fair value over OCI- RM	75	4	-	79
Loans at fair value over OCI- CM	-	1	-	1
<b>Provision for expected credit losses on loans and guarantees</b>	<b>909</b>	<b>167</b>	<b>-12</b>	<b>1,065</b>
<b>Presented as</b>				
Provision for loan losses	744	197	-12	930
Other debt- provisons	148	-28	-	120
Other comprehensive income - fair value adjustment	17	-2	-	15

Group (NOKm)	1.1.19	Change in provision	Net write-offs /recoveries	31.12.19
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- provisons	148	-48	-	100
Other comprehensive income - fair value adjustment	17	6	-	23

Accrual for losses on loans	January - September 2020				January - September 2019				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Retail market</b>												
Opening balance	25	73	45	143	28	63	29	120	27	62	31	120
Transfer to (from) stage 1	13	-13	-0	-	8	-8	-0	-	10	-10	-	-
Transfer to (from) stage 2	-2	2	-0	-	-1	1	-0	-	-2	2	-	-
Transfer to (from) stage 3	-0	-3	4	-	-0	-2	2	-	-	-3	3	-
Net remeasurement of loss allowances	-16	12	9	5	-8	10	12	14	-11	24	18	30
Originations or purchases	12	8	0	20	22	64	5	91	13	17	1	31
Derecognitions	-7	-18	-2	-26	-23	-61	-4	-88	-11	-20	-1	-33
Changes due to changed input assumptions	8	44	-0	52	-1	2	0	1	-	-	-	-
Actual loan losses			-10	-10	-	-	-5	-5	-	-	-5	-5
Closing balance	34	105	45	184	25	69	37	131	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	10	-10	-0	-	22	-22	-	-	19	-19	-	-
Transfer to (from) stage 2	-5	5	-0	-	-3	3	-	-	-8	8	-	-
Transfer to (from) stage 3	-0	-1	1	-	-0	-0	1	-	-	-	1	-
Net remeasurement of loss allowances	3	66	393	462	-22	73	147	198	-17	98	185	266
Originations or purchases	39	33	1	74	19	11	0	30	27	20	1	48
Derecognitions	-25	-47	-1	-72	-14	-41	-0	-56	-20	-43	-	-63
Changes due to changed input assumptions	-16	88	0	71	-2	-5	-	-7	-	-	-	-
Actual loan losses	-	-	-116	-116	-	-	-5	-5	-	-	-27	-27
Closing balance	72	344	819	1,235	62	167	526	755	66	210	541	817
<b>Total accrual for loan losses</b>	<b>106</b>	<b>449</b>	<b>864</b>	<b>1,419</b>	<b>87</b>	<b>236</b>	<b>563</b>	<b>887</b>	<b>91</b>	<b>283</b>	<b>586</b>	<b>960</b>

Group	January - September 2020				January - September 2019				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Retail market</b>												
Opening balance	32	84	56	172	34	72	37	143	33	71	39	143
Transfer to (from) stage 1	15	-14	-0	-0	9	-9	-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	-3	3	-	-	-3	4	-
Net remeasurement of loss allowances	-17	15	14	12	-9	11	16	18	-14	24	22	32
Originations or purchases	14	10	1	25	24	65	5	95	17	23	3	44
Derecognitions	-8	-20	-9	-37	-24	-62	-6	-92	-13	-23	-5	-41
Changes due to changed input assumptions	6	43	-0	49	-	-	-	-	-	-	-	-
Actual loan losses	-	-	-10	-10	-	-	-5	-5	-	-	-5	-5
Closing balance	41	115	54	210	33	77	48	158	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	12	-12	-0	-	22	-22	-0	-	20	-20	-	-
Transfer to (from) stage 2	-5	5	-0	-	-4	4	-0	-	-9	9	-	-
Transfer to (from) stage 3	-0	-1	1	-	-0	-0	1	-	-	-1	1	-
Net remeasurement of loss allowances	6	69	392	468	-25	71	153	199	-19	100	188	268
Originations or purchases	42	36	8	85	20	12	1	33	30	21	7	59
Derecognitions	-25	-47	-2	-75	-15	-41	-1	-57	-20	-44	-2	-66
Changes due to changed input assumptions	-17	87	-2	68	-	-	-	-	-	-	-	-
Actual loan losses	-	-	-119	-119	-	-	-5	-5	-	-	-31	-31
Closing balance	83	355	839	1,277	67	175	546	787	71	218	560	849
<b>Total accrual for loan losses</b>	<b>124</b>	<b>470</b>	<b>893</b>	<b>1,487</b>	<b>99</b>	<b>252</b>	<b>594</b>	<b>945</b>	<b>104</b>	<b>302</b>	<b>616</b>	<b>1,021</b>

Accrual for losses on guarantees and unused credit lines	January - September 2020				January - September 2019				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Parent Bank and Group (NOKm)</b>												
Opening balance	14	29	57	100	11	47	90	148	11	47	90	148
Provision for credit losses	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to (from) stage 1	2	-2	-0	0	2	-2	-0	-	3	-3	-0	0
Transfer to (from) stage 2	-0	0	-0	-0	-0	0	-	-	-1	1	-	-
Transfer to (from) stage 3	-0	-0	0	-	-0	-0	0	-	-0	-0	0	0
Net remeasurement of loss allowances	-11	-24	-0	-35	0	8	-16	-8	-2	3	-33	-33
Originations or purchases	-	-	-	-	-	-	-	-	7	1	0	8
Derecognitions	-4	-3	-0	-7	-1	-19	-0	-20	-3	-20	-0	-24
Changes due to changed input assumptions	18	68	0	87	-	-	-	-	-	-	-	-
Actual loan losses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>18</b>	<b>68</b>	<b>56</b>	<b>143</b>	<b>10</b>	<b>35</b>	<b>75</b>	<b>120</b>	<b>14</b>	<b>29</b>	<b>57</b>	<b>100</b>
Hereof RM				3				2				2
Hereof CM				140				119				98

Allowance for losses on loans distributed by sector	January - September 2020				January - September 2019				2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Parent Bank (NOKm)</b>												
Agriculture, forestry, fisheries, hunting	7	34	5	46	9	19	7	35	4	22	7	34
Sea farming industries	2	0	3	5	1	0	-	1	1	0	0	1
Manufacturing	5	18	2	26	7	29	0	35	5	9	5	20
Construction, power and water supply	10	12	17	39	7	11	11	29	10	5	11	26
Retail trade, hotels and restaurants	9	9	5	23	9	7	7	23	10	8	11	28
Maritime sector	6	229	619	855	8	52	439	499	9	87	471	568
Property management	17	42	42	101	16	30	22	68	16	45	23	83
Business services	9	21	138	168	5	30	27	61	7	50	22	79
Transport and other services	7	10	2	19	8	7	7	22	7	4	3	14
Public administration	0	-	-	0	0	-	-	0	0	0	0	0
Other sectors	0	0	-	0	0	0	20	20	0	0	0	0
Wage earners	3	73	30	106	2	51	27	80	0	52	33	86
Total provision for losses on loans	75	449	864	1,388	71	236	566	873	68	283	586	937
loan loss allowance on loans at FVOCI	30	-	-	30	15	-	-	15	23	0	0	24
<b>Total loan loss allowance</b>	<b>106</b>	<b>449</b>	<b>864</b>	<b>1,419</b>	<b>86</b>	<b>236</b>	<b>566</b>	<b>888</b>	<b>91</b>	<b>283</b>	<b>586</b>	<b>961</b>

Group (NOKm)	January - September 2020				January - September 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	9	35	5	49	10	19	8	37	5	23	8	36
Sea farming industries	2	1	3	6	1	1	-	2	1	0	0	1
Manufacturing	6	21	7	34	7	30	4	41	6	11	9	27
Construction, power and water supply	13	15	22	50	10	14	16	39	11	8	16	35
Retail trade, hotels and restaurants	10	10	6	26	10	8	8	25	11	8	11	30
Maritime sector	6	229	619	855	8	52	439	499	9	87	471	568
Property management	17	42	42	102	16	30	23	69	16	45	23	84
Business services	10	22	139	171	5	31	27	63	8	51	24	82
Transport and other services	9	12	12	32	9	9	11	28	8	5	8	21
Public administration	0	-	-	0	0	-	-	0	0	0	0	0
Other sectors	2	0	0	2	0	0	22	22	2	0	0	2
Wage earners	9	82	39	130	8	59	37	104	6	63	44	112
Total provision for losses on loans	94	470	893	1,457	84	252	594	930	82	302	614	998
loan loss allowance on loans at FVOCI	30	-	-	30	15	-	-	15	23	0	0	24
<b>Total loan loss allowance</b>	<b>124</b>	<b>470</b>	<b>893</b>	<b>1,487</b>	<b>99</b>	<b>252</b>	<b>594</b>	<b>945</b>	<b>105</b>	<b>302</b>	<b>614</b>	<b>1,022</b>