

## Note 8 - Losses

Parent Bank (NOKm)	1 Jan 23	Merge Søre Sunnmøre	Change in provision	Net write-offs /recoveries	30 Sep 23
Loans as amortised cost- CM	921	32	-75	-5	873
Loans as amortised cost- RM	35	11	4	-5	45
Loans at fair value over OCI- RM	147	-	-4	-	143
Loans at fair value over OCI- CM	2	-	18	-	20
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,106</b>	<b>43</b>	<b>-57</b>	<b>-11</b>	<b>1,081</b>
<b>Presented as</b>					
Provision for loan losses	999	41	-47	-11	982
Other debt- provisons	67	2	-17	-	52
Other comprehensive income - fair value adjustment	40	-	7	-	48

Parent Bank (NOKm)	1 Jan 22	Change in provision	Net write-offs /recoveries	30 Sep 22
Loans as amortised cost- CM	1,298	-68	-260	969
Loans as amortised cost- RM	31	6	-5	31
Loans at fair value over OCI- RM	128	-3	-	125
Loans at fair value over OCI- CM	1	1	-	2
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,458</b>	<b>-65</b>	<b>-265</b>	<b>1,127</b>
<b>Presented as</b>				
Provision for loan losses	1,348	-69	-265	1,014
Other debt- provisons	79	1	-	79
Other comprehensive income - fair value adjustment	31	3	-	34

Parent Bank (NOKm)	1 Jan 22	Change in provision	Net write-offs /recoveries	31 Dec 22
Loans as amortised cost- CM	1,298	-98	-278	921
Loans as amortised cost- RM	31	10	-5	35
Loans at fair value over OCI- RM	128	19	-	147
Loans at fair value over OCI- CM	1	1	-	2
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,458</b>	<b>-68</b>	<b>-284</b>	<b>1,106</b>
<b>Presented as</b>				
Provision for loan losses	1,348	-65	-284	999
Other debt- provisons	79	-12	-	67
Other comprehensive income - fair value adjustment	31	9	-	40

Group (NOKm)	1 Jan 23	Merge Søre Sunnmøre	Change in provision	Net write-offs /recoveries	30 Sep 23
Loans as amortised cost- CM	976	32	-75	-5	934
Loans as amortised cost- RM	63	11	4	-5	77
Loans at fair value over OCI- RM	147	-	-4	-	143
Loans at fair value over OCI- CM	2	-	18	-	20
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,188</b>	<b>43</b>	<b>-57</b>	<b>-11</b>	<b>1,174</b>
<b>Presented as</b>					
Provision for loan losses	1,081	41	-47	-11	1,075
Other debt- provisons	67	2	-17	-	52
Other comprehensive income - fair value adjustment	40	-	7	-	48

Group (NOKm)	1 Jan 22	Change in provision	Net write-offs /recoveries	30 Sep 22
Loans as amortised cost- CM	1,343	-65	-261	1,016
Loans as amortised cost- RM	49	12	-5	56
Loans at fair value over OCI- RM	128	-3	-	125
Loans at fair value over OCI- CM	1	11	-1	2
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,520</b>	<b>-45</b>	<b>-268</b>	<b>1,199</b>
<b>Presented as</b>				
Provision for loan losses	1,410	-59	-267	1,085
Other debt- provisons	79	1	-	79
Other comprehensive income - fair value adjustment	31	3	-	34

Group (NOKm)	1 Jan 22	Change in provision	Net write-offs /recoveries	31 Dec 22
Loans as amortised cost- CM	1,343	-88	-280	976
Loans as amortised cost- RM	49	19	-5	63
Loans at fair value over OCI- RM	128	19	-	147
Loans at fair value over OCI- CM	1	1	-	2
<b>Provision for expected credit losses on loans and guarantees</b>	<b>1,520</b>	<b>-48</b>	<b>-285</b>	<b>1,188</b>
<b>Presented as</b>				
Provision for loan losses	1,410	-45	-285	1,081
Other debt- provisons	79	-12	-	67
Other comprehensive income - fair value adjustment	31	9	-	40

**Accrual for losses on loans**

Parent Bank (NOKm)	30 Sep 2023				30 Sep 2022				31 Dec 2022			
	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	46	93	42	181	39	82	36	156	39	82	36	156
Transfer to (from) stage 1	19	-19	-0	-	20	-20	-0	-	18	-18	-0	-
Transfer to (from) stage 2	-3	3	-0	-	-2	2	-0	-	-2	2	-0	-
Transfer to (from) stage 3	-0	-7	7	-	-0	-5	5	-	-0	-6	6	-
Net remeasurement of loss allowances	-26	14	10	-3	-26	16	2	-8	-24	20	7	4
Originations or purchases	12	15	2	29	13	11	2	26	17	24	4	45
Derecognitions	-13	-25	-4	-42	-9	-20	-2	-32	-12	-24	-3	-39
Changes due to changed input assumptions	8	21	-1	28	4	12	-0	16	9	13	-2	20
Actual loan losses	0	0	-5	-5	-	-	-5	-5	0	0	-5	-5
Closing balance	43	94	49	187	39	78	36	154	46	93	42	181
<b>Corporate Market</b>												
Opening balance	138	298	421	858	84	268	871	1,223	84	268	871	1,223
Transfer to (from) stage 1	49	-46	-3	-	34	-33	-1	-	75	-74	-1	-
Transfer to (from) stage 2	-12	20	-7	-	-5	96	-91	-	-5	97	-92	-
Transfer to (from) stage 3	-1	-4	4	-	-1	-2	4	-	-1	-3	4	-
Net remeasurement of loss allowances	-26	22	-6	-9	21	-9	-2	10	-67	-35	-66	-168
Originations or purchases	68	28	23	120	66	19	4	89	49	34	4	87
Derecognitions	-34	-54	-12	-101	-27	-19	-24	-70	-33	-31	-24	-88
Changes due to changed input assumptions	-16	8	-13	-20	-59	5	-43	-98	37	41	4	83
Actual loan losses	-	-	-5	-5	-	-	-260	-260	-	-	-278	-278
Closing balance	166	273	403	842	112	326	456	894	138	298	421	858
<b>Total accrual for loan losses</b>	<b>209</b>	<b>368</b>	<b>452</b>	<b>1,029</b>	<b>152</b>	<b>404</b>	<b>492</b>	<b>1,048</b>	<b>184</b>	<b>391</b>	<b>463</b>	<b>1,039</b>

Group (NOKm)	30 Sep 2023				30 Sep 2022				31 Dec 2022			
	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	55	107	47	209	45	89	40	174	45	89	40	174
Transfer to (from) stage 1	21	-21	-0	-	22	-22	-0	-	20	-20	-0	-
Transfer to (from) stage 2	-4	5	-1	-	-3	3	-1	-	-3	3	-1	-
Transfer to (from) stage 3	-1	-8	9	-	-0	-5	5	-	-0	-7	7	-
Net remeasurement of loss allowances	-27	19	13	5	-26	20	3	-2	-24	25	8	9
Originations or purchases	16	18	2	36	18	14	2	33	22	30	4	56
Derecognitions	-14	-28	-7	-50	-11	-21	-4	-35	-13	-26	-4	-43
Changes due to changed input assumptions	7	19	-2	24	4	11	-1	14	8	13	-3	18
Actual loan losses	-	-	-5	-5	-	-	-5	-5	-	-	-5	-5
Closing balance	53	110	55	218	49	89	41	179	55	107	47	209
<b>Corporate Market</b>												
Opening balance	151	311	450	912	94	278	896	1,268	94	278	896	1,268
Transfer to (from) stage 1	54	-50	-3	-	37	-35	-1	-	77	-76	-1	-
Transfer to (from) stage 2	-14	21	-7	-	-6	98	-91	0	-7	99	-92	-
Transfer to (from) stage 3	-1	-4	5	-	-1	-2	4	-	-2	-3	4	-
Net remeasurement of loss allowances	-26	30	-4	-0	21	-5	9	25	-68	-30	-47	-145
Originations or purchases	78	32	25	134	71	20	4	95	55	35	5	95
Derecognitions	-36	-55	-13	-104	-28	-20	-26	-74	-34	-33	-26	-93
Changes due to changed input assumptions	-19	7	-22	-34	-61	4	-54	-112	35	40	-8	67
Actual loan losses	-	-	-5	-5	-	-	-261	-261	-	-	-280	-280
Closing balance	187	291	426	904	125	337	478	941	151	311	450	912
<b>Total accrual for loan losses</b>	<b>241</b>	<b>401</b>	<b>481</b>	<b>1,122</b>	<b>174</b>	<b>426</b>	<b>519</b>	<b>1,119</b>	<b>206</b>	<b>418</b>	<b>497</b>	<b>1,121</b>

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

Parent Bank and Group (NOKm)	30 Sep 2023				30 Sep 2022				31 Dec 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	24	34	9	67	19	55	5	79	19	55	5	79
Transfer to (from) stage 1	6	-6	-0	-	3	-3	-0	-	16	-16	-0	-
Transfer to (from) stage 2	-2	2	-0	-	-1	1	-0	-	-1	1	-0	-
Transfer to (from) stage 3	-0	-1	1	-	-0	-0	0	-	-0	-0	1	-
Net remeasurement of loss allowances	-1	-3	-5	-9	-11	-1	5	-7	-16	-3	3	-15
Originations or purchases	2	1	-	2	10	6	0	16	12	6	0	18
Derecognitions	-5	-7	-0	-13	-2	-6	-0	-9	-4	-12	-0	-16
Changes due to changed input assumptions	-2	3	3	4	-1	0	0	0	-3	3	0	1
Actual loan losses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>21</b>	<b>24</b>	<b>7</b>	<b>52</b>	<b>18</b>	<b>51</b>	<b>10</b>	<b>79</b>	<b>24</b>	<b>34</b>	<b>9</b>	<b>67</b>
Of which												
Retail market				1				2				1
Corporate Market				50				77				66

## Provision for credit losses specified by industry

Parent Bank (NOKm)	30 Sep 2023				30 Sep 2022				31 Dec 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	3	38	15	57	3	32	12	47	4	38	18	60
Fisheries and hunting	11	26	-	37	10	11	0	21	11	12	0	23
Sea farming industries	7	1	0	8	2	1	1	4	3	1	1	5
Manufacturing	16	30	4	49	5	42	4	50	9	47	2	58
Construction, power and water supply	44	40	16	100	20	23	9	52	26	22	11	59
Retail trade, hotels and restaurants	8	13	4	25	9	28	2	39	16	14	1	32
Maritime sector	8	46	150	204	18	144	200	362	19	117	184	320
Property management	40	95	21	155	27	47	28	102	34	55	28	117
Business services	15	19	194	227	14	23	198	235	13	24	177	214
Transport and other services	9	8	15	32	8	11	16	35	9	11	16	36
Public administration	0	-	-	0	0	-	-	0	0	0	0	0
Other sectors	0	0	-	1	1	0	-	1	0	0	0	0
Wage earners	1	52	33	86	1	42	24	67	1	50	25	75
Total provision for losses on loans	162	368	452	982	117	404	492	1,014	144	391	463	999
loan loss allowance on loans at FVOCI	48			48	34			34	40			40
<b>Total loan loss allowance</b>	<b>209</b>	<b>368</b>	<b>452</b>	<b>1,029</b>	<b>152</b>	<b>404</b>	<b>492</b>	<b>1,048</b>	<b>184</b>	<b>391</b>	<b>463</b>	<b>1,039</b>

Group (NOKm)	30 Sep 2023				30 Sep 2022				31 Dec 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	4	41	17	62	4	34	13	51	5	40	19	64
Fisheries and hunting	12	26	0	38	10	11	0	21	11	12	0	23
Sea farming industries	8	1	0	9	3	1	4	8	4	1	4	9
Manufacturing	19	34	4	57	9	45	6	59	11	50	8	70
Construction, power and water supply	49	44	25	118	24	26	12	62	30	25	16	71
Retail trade, hotels and restaurants	12	16	5	33	10	29	5	44	17	15	2	34
Maritime sector	8	46	150	204	18	144	200	362	19	117	184	320
Property management	40	95	21	157	28	48	28	103	35	55	29	118
Business services	19	21	201	241	16	24	202	242	15	25	184	224
Transport and other services	12	12	20	43	11	14	21	46	12	16	21	49
Public administration	0	-	-	0	0	-	-	0	0	0	0	0
Other sectors	0	0	0	1	1	0	-	1	0	0	0	0
Wage earners	9	65	38	112	8	52	28	88	8	61	29	99
Total provision for losses on loans	193	401	481	1,075	140	426	519	1,085	166	418	497	1,081
loan loss allowance on loans at FVOCI	48			48	34			34	40			40
<b>Total loan loss allowance</b>	<b>241</b>	<b>401</b>	<b>481</b>	<b>1,122</b>	<b>174</b>	<b>426</b>	<b>519</b>	<b>1,119</b>	<b>206</b>	<b>418</b>	<b>497</b>	<b>1,121</b>