

Note 16 - Market risk related to interest rate risk

This note is a sensitivity analysis based on relevant balance sheet items as of 31. December 2017. The Bank's interest rate risk is calculated by simulating a parallel interest rate shift for the entire interest rate curve of one percentage on all balance sheet items.

Interest rate risk has been low throughout 2017 and below the maximum limit of 600,000 set by the Board of Directors. For further details regarding interest rate risk, please refer to Note 6 Risk Factors.

Basis risk Group (NOK million)	Interest rate risk, 1 % change	
	2017	2016
<i>Currency</i>		
NOK	-39	-34
EUR	-8	2
USD	-1	-1
CHF	-1	-1
Other	-3	0
Total interest rate risk, effect on result before tax	-52	-34

Total interest rate risk suggests that the Bank will have losses from an increase in the interest rate in 2017. This is the same effect as in 2016.

The table below shows the effect of an interest rate curve shift on various time intervals and the associated gains and losses within the respective maturities.

Interest rate curve risk, Group (NOK million)	Interest rate risk, 1 % change	
	2017	2016
<i>Maturity</i>		
0 - 1 month	-17	-11
1 - 3 months	9	7
3 - 6 months	-12	-11
6 - 12 months	-8	10
1 - 2 years	-5	-1
2 - 3 years	-3	-6
3 - 4 years	15	-5
4 - 5 years	-27	-5
5 - 7 years	2	8
7 - 10 years	-5	-19
Total interest rate risk, effect on result before tax	-52	-34