

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 and thereafter for the year concerned. The Bank's interest rate risk is calculated by simulating a parallel interest rate shift for the entire interest rate curve of one percentage point on all balance sheet items.

Interest rate risk has varied somewhat through 2018. Interest rate risk is volatile and such variations are not unusual. Interest rate risk has throughout 2018 been within the overall limit set by the Board of Directors, NOK 132m as at 31 December 2018. For further details regarding interest rate risk, see Note 7 Risk Factors.

Basis risk Group (NOK million)	Interest rate risk, 1 % change	
	2018	2017
<i>Currency</i>		
NOK	-40	-39
EUR	-3	-8
USD	2	-1
CHF	-2	-1
Other	-2	-3
Total interest rate risk, effect on result before tax	-45	-52

Total interest rate risk suggest that the Bank will have losses from an increase in the interest rate in 2018. This is the same effect as in 2017.

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

Interest rate curve risk, Group (NOK million)	Interest rate risk, 1 % change	
	2018	2017
<i>Maturity</i>		
0 - 1 month	-15	-17
1 - 3 months	-1	9
3 - 6 months	-13	-12
6 - 12 months	1	-8
1 - 2 years	-1	-5
2 - 3 years	-25	-3
3 - 4 years	41	15
4 - 5 years	-56	-27
5 - 7 years	22	2
7 - 10 years	3	-5
Total interest rate risk, effect on result before tax	-45	-52