

Note 11 - Losses on loans and guarantees

Parent Bank

Losses on loans and guarantees (NOK million)	2016			2015		
	RM	CM	Total	RM	CM	Total
Period's change in individual write-downs	0	449	450	2	9	11
Period's change in collective write-downs	-	-40	-40	-	80	80
Actual losses on loans previously written down	8	34	42	7	58	65
Confirmed losses on loans not previously written down	10	49	59	8	4	12
Recoveries on previously written down loans, guarantees etc.	-6	-3	-8	-6	-3	-9
Total	13	490	502	11	148	159

Individual write-downs (NOK million)	2016			2015		
	RM	CM	Total	RM	CM	Total
Individual write-downs to cover loss on loans, guarantees etc. at 1 jan	28	148	176	25	140	165
- Confirmed losses in the period on loans, guarantees etc. previously subject to individual write down	8	34	42	7	58	65
- Reversal of previous years' write-downs	3	36	39	2	40	43
+ Increase in write-downs of commitments previously subject to individual write down	2	6	8	1	21	22
+ write-downs of loans not previously subject to individual write down	4	518	523	12	85	96
Individual write-downs to cover loss on loans, guarantees etc at 31 Dec *)	24	602	625	28	148	176

Collective write-downs (NOK million)	2016			2015		
	RM	CM	Total	RM	CM	Total
Collective write-downs to cover loss on loans, guarantees at 01.01	90	268	358	90	188	278
Period's collective write-downs to cover loss on loans, guarantees etc	-	-40	-40	-	80	80
Collective write-downs to cover loss on loans and guarantees at 31 Dec	90	228	318	90	268	358

Losses specified by sector and industry (NOK million)	2016			2015		
	RM	CM	Total	RM	CM	Total
Agriculture, forestry, fisheries and hunting			6			0
Industry and mining			15			2
Building, construction, power and water supply			6			19
Wholesale and retail trade, hotel og restaurant industry			9			6
Other transport and communication			490			24
Financing, property management and business services			16			15
Private sector			1			12
Collective write-downs, corporate			-40			80
Collective write-downs, retail			-			-
Losses on loans to customers			502			159

Total defaults (NOKm)	31 Dec 16			31 Dec 15		
	RM	CM	Total	RM	CM	Total
Loans in default for more than 90 days	144	29	173	133	38	171
- Individual write-downs	17	18	36	15	8	23
Net defaults	127	11	138	119	30	148
Provision rate	12 %	62 %	21 %	11 %	22 %	13 %
Problem loans						
Problem loans (not in default)	19	1,435	1,453	45	341	387
- Individual write-downs	6	584	590	13	139	152
Net problem loans	13	851	863	32	202	234
Provision rate	33 %	41 %	41 %	29 %	41 %	39 %

Interest recognised on defaulted and doubtful exposures totals NOK 57.8 million for the parent bank (NOK 40.2 million).

The realisable value of the collateral backing individually written-down loans totals NOK 844.2 million (NOK 195.2 million) for the Parent bank at 31 December 2016

Group

Losses on loans and guarantees (NOK million)	2016			2015		
	RM	CM	Total	RM	CM	Total
Period's change in individual write-downs	0	454	454	3	9	11
Period's change in collective write-downs	4	-42	-38	2	80	82
Actual losses on loans previously written down	8	36	44	8	59	67
Confirmed losses on loans not previously written down	14	50	64	13	7	21
Recoveries on previously written down loans, guarantees etc.	-6	-3	-9	-8	-4	-12
Total	21	495	516	18	151	169

Individual write-downs (NOK million)	2016			2015		
	RM	CM	Total	RM	CM	Total
Individual write-downs to cover loss on loans, guarantees etc. at 1 Jan	31	153	184	27	146	173
- Confirmed losses in the period on loans, guarantees etc. previously subject to individual write down	8	36	44	8	59	67
- Reversal of previous years' write-downs	3	36	39	3	42	46
+ Increase in write-downs of commitments previously subject to individual write down	2	6	8	1	21	22
+ write-downs of loans not previously subject to individual write down	4	523	528	14	87	102
Individual write-downs to cover loss on loans and guarantees 31 Dec	27	611	638	31	153	184

Collective write-downs (NOK million)	2016			2015		
	RM	CM	Total	RM	CM	Total
Collective write-downs to cover loss on loans, guarantees at 1 Jan	96	281	376	94	201	295
Period's collective write-downs to cover loss on loans, guarantees etc	4	-42	-38	2	80	82
Collective write-downs to cover loss on loans and guarantees at 31.12	100	239	339	96	281	376

Losses specified by sector and industry (NOK million)	2016		2015	
Agriculture, forestry, fisheries and hunting		6		0
Industry and mining		16		4
Building and construction, power and water supply		7		19
Wholesale and retail trade, hotel og restaurant industry		9		4
Other transport and communication		494		26
Financing, property management and business services		16		16
Abroad and others		1		2
Private sector		4		12
Collective write-downs, corporate		-42		84
Collective write-downs, retail		4		2
Losses on loans to customers		516		169

Total defaults (NOKm)	31 Dec 16			31 Dec 15		
	RM	CM	Total	RM	CM	Total
Loans in default for more than 90 days	176	38	214	155	50	205
- Individual write-downs	20	19	39	17	9	26
Net defaults	156	18	174	138	41	179
Provision rate	12 %	51 %	18 %	11 %	18 %	13 %
Problem loans						
Problem loans (not in default)	19	1,455	1,474	49	350	399
- Individual write-downs	6	592	599	14	144	158
Net problem loans	13	863	875	34	206	241
Provision rate	33 %	41 %	41 %	30 %	41 %	40 %

Interest taken to income on defaulted and doubtful exposures totals NOK 65.7 million (NOK 45.0 million) for the Group.

The realisable value of the collateral backing individually written-down loans totals NOK 853.6 million (NOK 200.7 million) for the Group at 31 December 2016