

Note 13 - Loans and advances to customers

Parent bank			(NOK million)	Group		
2009	2010	2011		2011	2010	2009
			Loans specified by type			
-	-	-	Financial lease	1,920	2,078	2,187
7,760	10,171	10,697	Bank overdraft and operating credit	10,697	10,171	7,388
1,840	2,596	3,065	Building loan	2,486	2,036	1,840
49,704	54,675	57,030	Amortizing loan	58,001	55,562	50,367
59,304	67,443	70,793	Gross loans to and receivables from customers	73,105	69,847	61,782
-466	-460	-424	Impairments	-462	-512	-507
58,838	66,983	70,369	Net loans to and advances to customers (amortised cost)	72,643	69,336	61,275
			Lending specified by markets			
29,117	31,187	32,165	Retail market	33,141	32,020	29,745
30,158	36,194	38,565	Corporate market	39,872	37,726	31,974
28	61	63	Public sector	92	101	64
59,304	67,443	70,793	Gross loans and advances	73,105	69,847	61,782
-466	-460	-424	Impairments	-462	-512	-507
58,838	66,983	70,369	Net loans and advances	72,643	69,336	61,275
			Of this subordinated loan capital			
48	48	48	Subordinated loan capital other financial institutions	48	48	48
48	48	48	Subordinated loan capital shown under loans to customers	48	48	48
			Adv. on this			
661	511	572	Loans to employees	715	634	804
			In addition:			
15,647	17,818	22,126	Loans transferred to SpareBank 1 Boligkreditt	22,126	17,818	15,647
342	562	693	Of which loans to employees	869	708	447

Interest rate subsidies on loans to employees are included in net interest income. The lending rate for employees is 75 per cent of the best mortgage rate for other customers.

Specified by risk group

The Bank calculates default probabilities for all customers in the loan portfolio at the loan approval date. It does this on the basis of key figures on earnings, impairment and behaviour. Default probability is used as a basis for risk classification of the customer. Further, risk classification is used to assign each customer to a risk group. See note 16 for risk class classification.

Customers are rescored in the Bank's portfolio system on a monthly basis.

Exposures are monitored with a basis in the exposure's size, risk and migration. Risk pricing of business exposures is done with a basis in expected loss and economic capital required for each exposure. Expected annual average net loss is calculated for the next 12 months. Expected loss is within the limits set for maximum expected loss by the Board of Directors.

Collectively assessed write-downs are calculated with a basis in customers who have shown negative migration since the loan approval date but for whom no individual write-down has been assessed. The Bank uses macro-based stress tests to estimate write-downs required as a result of objective events that were not reflected in portfolio quality at the time of measurement.

Historical data are restated in accordance with new calculations of estimated defaults. See note 3, Risk factors, and the section on probability of default.

Parent bank			Total contracts	Group		
2009	2010	2011		2011	2010	2009
29,758	35,521	39,296	Lowest risk	39,478	35,847	31,369
18,056	18,030	20,185	Low risk	20,891	17,994	18,832
14,722	20,675	21,743	Medium risk	22,177	21,876	14,376
4,206	2,364	2,063	High risk	2,494	2,781	4,311
1,745	2,500	1,811	Highest risk	2,168	2,961	1,854
710	595	463	Default and written down *	542	710	820
69,197	79,685	85,561	Total	87,750	82,170	71,562

Parent bank			Gross loans	Group		
2009	2010	2011		2011	2010	2009
25,049	29,106	32,390	Lowest risk	32,571	29,412	26,558
15,796	15,508	16,826	Low risk	17,524	15,431	16,523
12,493	17,783	17,496	Medium risk	18,069	19,028	12,432
3,624	2,086	1,903	High risk	2,329	2,477	3,722
1,655	2,373	1,723	Highest risk	2,078	2,810	1,756
687	586	455	Default and written down *	534	689	791
59,304	67,443	70,793	Total	73,105	69,847	61,782

* Exposures subject to individual impairment write down are placed in default category.

Parent bank			Expected annual average net loss	Group		
2009	2010	2011		2011	2010	2009
5	4	5	Lowest risk	5	5	6
22	15	17	Low risk	18	15	23
50	86	77	Medium risk	79	88	51
73	25	20	High risk	23	27	74
35	54	47	Highest risk	53	62	48
21	100	25	Default and written down	34	115	42
207	285	190	Total	211	312	244

The best secured home mortgage loans are transferred to SpareBank 1 Boligkreditt, established by the banks in the SpareBank 1 Alliance. Commission (margin) on these loans is taken to income in the income statement under commission income.

The table below shows the risk classification of these exposures.

Parent bank			Total contracts SpareBank 1 Boligkreditt	Group		
2009	2010	2011		2011	2010	2009
10,193	10,752	21,681	Lowest risk	21,681	10,752	10,193
5,977	7,339	2,409	Low risk	2,409	7,339	5,977
1,051	1,508	596	Medium risk	596	1,508	1,051
94	148	136	High risk	136	148	94
67	86	76	Highest risk	76	86	67
-	2	2	Default and written down	2	2	-
17,382	19,836	24,901	Total	24,901	19,836	17,382

Parent bank			Gross loans SpareBank 1 Boligkreditt	Group		
2009	2010	2011		2011	2010	2009
8,962	9,295	18,927	Lowest risk	18,927	9,295	8,962
5,523	6,843	2,393	Low risk	2,393	6,843	5,523
1,002	1,446	593	Medium risk	593	1,446	1,002
93	146	136	High risk	136	146	93
66	86	76	Highest risk	76	86	66
-	2	2	Default and written down	2	2	-
15,647	17,818	22,126	Total	22,126	17,818	15,647

Specified by sector and industry

Parent bank			Total contracts	Group		
2009	2010	2011		2011	2010	2009
31,457	33,751	34,864	Wage earners	35,851	34,641	32,127
967	960	830	Public administration	859	1,003	1,005
4,511	4,979	5,532	Agriculture, forestry, fisheries and hunting	5,724	5,248	4,839
2,010	3,012	3,112	Sea farming industries	3,257	3,133	2,109
3,062	4,222	5,159	Manufacturing	5,399	4,509	3,323
2,821	3,337	3,390	Construction, power and water supply	3,853	3,165	2,663
3,326	3,353	3,350	Retail trade, hotels and restaurants	3,543	3,584	3,676
576	5,874	7,282	Maritime sector	7,287	5,877	579
12,808	14,333	14,820	Property management	14,179	14,440	12,878
3,263	3,499	4,764	Business services	5,061	3,847	3,592
4,307	2,161	2,236	Transport and other services provision	2,514	2,519	4,681
89	203	221	Other sectors	223	205	90
69,197	79,685	85,561	Total	87,750	82,170	71,562

Parent bank			Gross loans	Group		
2009	2010	2011		2011	2010	2009
29,117	31,187	32,165	Wage earners	33,141	32,020	29,745
28	61	63	Public administration	92	101	64
4,211	4,580	4,965	Agriculture, forestry, fisheries and hunting	5,155	4,832	4,518
1,225	1,790	1,880	Sea farming industries	2,024	1,904	1,318
2,080	2,503	2,641	Manufacturing	2,878	2,772	2,324
1,733	1,992	2,070	Construction, power and water supply	2,528	2,476	2,229
2,108	2,264	2,126	Retail trade, hotels and restaurants	2,316	2,480	2,435
2,205	5,240	5,974	Maritime sector	5,978	5,242	2,209
11,627	13,465	12,651	Property management	12,167	13,004	11,321
2,930	2,778	3,570	Business services	3,865	3,104	3,238
1,842	1,245	1,720	Transport and other services provision	1,989	1,573	2,184
198	337	969	Other sectors	971	339	199
59,304	67,443	70,793	Total	73,105	69,847	61,782

Parent bank			Individual impairment	Group		
2009	2010	2011		2011	2010	2009
37	30	41	Wage earners	43	30	40
-	-	-	Public administration	-	0	0
8	5	2	Agriculture, forestry, fisheries and hunting	2	8	9
1	1	21	Sea farming industries	21	1	1
34	78	18	Manufacturing	30	100	47
21	14	10	Construction, power and water supply	14	18	28
14	13	12	Retail trade, hotels and restaurants	13	18	14
-	-	-	Maritime sector	-	0	0
41	35	29	Property management	29	35	41
21	5	2	Business services	3	6	22
8	6	16	Transport and other services provision	17	6	9
9	-	-	Other sectors	-	0	9
193	186	151	Total	172	222	219

Parent bank			Expected annual average net loss	Group		
2009	2010	2011		2011	2010	2009
35	28	21	Lønnstakere o.l	23	30	37
0	0	0	Offentlig forvaltning	0	0	0
8	7	9	Jordbruk, skogbruk, fiske og fangst	13	12	11
1	3	3	Havbruk	3	3	2
5	17	31	Industri og bergverk	32	19	14
8	4	16	Bygg og anlegg	22	9	18
6	5	10	Hotell og handel	11	9	16
1	2	23	Sjøfart	23	2	1
39	105	41	Eiendomsdrift	41	108	39
17	21	33	Forretningsmessig tjenesteyting	36	24	18
7	13	3	Transport og annen tjenesteytende virksomhet	5	17	8
-	2	1	Øvrige sektorer	1	2	0
126	206	190	Total	211	234	163

Specified by geographic area

Parent bank			Gross loans	Group		
2009	2010	2011		2011	2010	2009
24,504	25,588	26,627	Sør-Trøndelag	27,178	26,237	25,515
15,214	15,989	15,116	Nord-Trøndelag	16,050	16,931	16,120
10,070	14,094	15,040	Møre og Romsdal	15,542	14,533	10,342
273	499	335	Sogn og Fjordane	348	508	505
479	499	542	Nordland	581	533	520
4,754	5,061	8,111	Oslo	8,147	5,061	4,754
3,656	5,207	4,069	Rest of Norway	4,306	5,539	3,673
353	506	953	Abroad	953	506	353
59,304	67,443	70,793	Total	73,105	69,847	61,782

The best secured home mortgage loans are transferred to SpareBank 1 Boligkreditt, established by the banks in the SpareBank 1 Alliance.

The table below shows the geographic classification of these exposures.

Parent bank			Gross loans transferred to SpareBank1 Boligkreditt	Group		
2009	2010	2011		2011	2010	2009
7,406	8,462	10,327	Sør-Trøndelag	10,327	8,462	7,406
4,566	4,750	5,850	Nord-Trøndelag	5,850	4,750	4,566
2,118	2,711	3,513	Møre og Romsdal	3,513	2,711	2,118
7	18	55	Sogn og Fjordane	55	18	7
78	67	70	Nordland	70	67	78
505	650	830	Oslo	830	650	505
906	1,091	1,392	Landet for øvrig	1,392	1,091	906
61	68	89	Utlandet	89	68	61
15,647	17,818	22,126	Total gross loans transferred to SpareBank1 Boligkreditt	22,126	17,818	15,647

Loans to and claims on customers related to financial leases	Group		
	2011	2010	2009
Gross advances related to financial leasing			
- Maturity less than 1 year	252	363	304
- Maturity more than 1 year but not more than 5 years	1,536	1,518	1,695
- Maturity more than 5 years	203	266	262
Total gross claims	1,990	2,147	2,261
Received income related to financial leasing, not yet earned	70	69	74
Net investments related to financial leasing	1,920	2,078	2,187
Net investments in financial leasing can be broken down as follows:			
- Maturity less than 1 year	231	333	269
- Maturity more than 1 year but not more than 5 years	1,489	1,481	1,658
- Maturity more than 5 years	201	264	261
Total net claims	1,920	2,078	2,187