

## Note 11 - Losses on loans and guarantees

### Parent bank

Losses on loans and guarantees (NOK million)	2015			2014		
	RM	CM	Total	RM	CM	Total
Period's change in individual write-downs	2	9	11	-4	18	14
+ Period's change in collective write-downs	-	80	80	-	-	-
+ Actual losses on loans previously written down	7	58	65	10	41	51
+ Confirmed losses on loans not previously written down	8	4	12	12	16	28
- Recoveries on previously written down loans, guarantees etc.	6	3	9	12	-2	10
<b>Total</b>	<b>11</b>	<b>148</b>	<b>159</b>	<b>6</b>	<b>77</b>	<b>83</b>

Individual write-downs (NOK million)	31 Dec 15			31 Dec 14		
	RM	CM	Total	RM	CM	Total
Individual write-downs to cover loss on loans, guarantees etc. at 1 Jan	25	139	164	28	122	150
- Confirmed losses in the period on loans, guarantees etc. previously subject to individual write down	7	58	65	10	41	51
- Reversal of previous years' write-downs	2	40	43	6	13	19
+ Increase in write-downs of commitments previously subject to individual write down	1	21	22	1	0	2
+ write-downs of loans not previously subject to individual write down	10	86	96	11	72	83
<b>Individual write-downs to cover loss on loans, guarantees etc at 31 Dec</b>	<b>27</b>	<b>148</b>	<b>174</b>	<b>25</b>	<b>139</b>	<b>164</b>

Collective write-downs (NOK million)	31 Dec 15			31 Dec 14		
	RM	CM	Total	RM	CM	Total
Collective write-downs to cover loss on loans, guarantees at 1 Jan	90	188	278	90	188	278
Period's collective write-downs to cover loss on loans, guarantees etc	-	80	80	-	-	-
<b>Collective write-downs to cover loss on loans and guarantees at 31 Dec</b>	<b>90</b>	<b>268</b>	<b>358</b>	<b>90</b>	<b>188</b>	<b>278</b>

Losses specified by sector and industry (NOK million)	2015	2014
Agriculture, forestry, fisheries and hunting	0	5
Industry and mining	2	6
Building, construction, power and water supply	19	12
Wholesale and retail trade, hotel og restaurant industry	6	16
Other transport and communication	24	19
Financing, property management and business services	15	14
Wage earners	12	11
Collective write-downs, corporate	80	-
<b>Losses on loans to customers</b>	<b>159</b>	<b>83</b>

Total defaults (NOK million)	31 Dec 15			31 Dec 14		
	RM	CM	Total	RM	CM	Total
Loans in default for more than 90 days	133	38	171	134	90	224
- Individual write-downs	15	8	23	18	45	63
Net defaults	119	30	148	116	45	162
Provison rate	11 %	22 %	13 %	13 %	50 %	28 %

Problem loans (NOK million)	31 Dec 15			31 Dec 14		
	RM	CM	Total	RM	CM	Total
Problem loans (not in default)	45	341	387	15	193	208
- Individual write-downs	13	138	151	7	95	101
Net problem loans	32	204	236	9	98	107
Provison rate	29 %	40 %	39 %	43 %	49 %	49 %

Interest taken to income on defaulted and doubtful exposures totals NOK 40.2 million for the parent bank (NOK 36.6 million).

The realisable value of the collateral backing individually written-down loans totals NOK 195.2 million (NOK 189.8 million) for the Parent bank at 31 December 2015.

**Group**

Losses on loans and guarantees (NOK million)	2015			2014		
	RM	CM	Total	RM	CM	Total
Period's change in individual write-downs	3	9	11	-9	8	-1
+ Period's change in collective write-downs	2	80	82	-	-	-
+ Actual losses on loans previously written down	8	59	67	14	51	66
+ Confirmed losses on loans not previously written down	13	7	21	15	20	35
- Recoveries on previously written down loans, guarantees etc.	8	4	12	13	-2	11
<b>Total</b>	<b>18</b>	<b>151</b>	<b>169</b>	<b>8</b>	<b>81</b>	<b>89</b>

Individual write-downs (NOK million)	31 Dec 15			31 Dec 14		
	RM	CM	Total	RM	CM	Total
Individual write-downs to cover loss on loans, guarantees etc. at 1 Jan	27	145	172	36	137	173
- Confirmed losses in the period on loans, guarantees etc. previously subject to individual write down	8	59	67	14	51	66
- Reversal of previous years' write-downs	3	42	46	7	15	22
+ Increase in write-downs of commitments previously subject to individual write down	1	21	22	1	1	2
+ write-downs of loans not previously subject to individual write down	13	88	101	11	73	84
<b>Individual write-downs to cover loss on loans, guarantees etc at 31 Dec</b>	<b>30</b>	<b>153</b>	<b>183</b>	<b>27</b>	<b>145</b>	<b>172</b>

Collective write-downs (NOK million)	31 Dec 15			31 Dec 14		
	RM	CM	Total	RM	CM	Total
Collective write-downs to cover loss on loans, guarantees at 1 Jan	94	201	295	94	201	295
Period's collective write-downs to cover loss on loans, guarantees etc	2	80	82	-	-	-
<b>Collective write-downs to cover loss on loans and guarantees at 31 Dec</b>	<b>96</b>	<b>281</b>	<b>376</b>	<b>94</b>	<b>201</b>	<b>295</b>

Losses specified by sector and industry (NOK million)	2015	2014
Agriculture, forestry, fisheries and hunting	0	6
Industry and mining	4	6
Building and construction, power and water supply	19	13
Wholesale and retail trade, hotel og restaurant industry	4	15
Other transport and communication	26	21
Financing, property management and business services	16	15
Abroad and others	2	-
Wage earners	12	13
Collective write-downs, corporate	84	-
Collective write-downs, retail	2	-
<b>Losses on loans to customers</b>	<b>169</b>	<b>89</b>

Total defaults (NOK million)	31 Dec 15			31 Dec 14		
	RM	CM	Total	RM	CM	Total
Loans in default for more than 90 days	155	50	205	156	114	270
- Individual write-downs	17	9	26	21	46	67
Net defaults	138	41	179	135	67	203
Provison rate	11 %	18 %	13 %	13 %	41 %	25 %

Problem loans (NOK million)	31 Dec 15			31 Dec 14		
	RM	CM	Total	RM	CM	Total
Problem loans (not in default)	49	350	399	16	201	216
- Individual write-downs	14	142	156	7	98	105
Net problem loans	34	208	243	9	102	111
Provison rate	30 %	41 %	39 %	43 %	49 %	49 %

Interest taken to income on defaulted and doubtful exposures totals NOK 45.0 million (NOK 43.8 million) for the Group.

The realisable value of the collateral backing individually written-down loans totals NOK 200.7 million (NOK 196.2 million) for the Group at 31 December 2015.