

Note 11 - Losses on loans and guarantees

Parent bank

Losses on loans and guarantees (NOK million)	2017			2016		
	RM	CM	Total	RM	CM	Total
Period's change in individual write-downs	-2	127	125	0	449	450
Period's change in collective write-downs	-	5	5	-	-40	-40
Actual losses on loans previously written down	8	146	155	8	34	42
Confirmed losses on loans not previously written down	3	41	45	10	49	59
Recoveries on previously written down loans, guarantees etc.	-5	-1	-6	-6	-3	-8
Total	5	318	323	13	490	502

Individual write-downs (NOK million)	31 Dec 2017			31 Dec 2016		
	RM	CM	Total	RM	CM	Total
Individual write-downs to cover loss on loans, guarantees etc. at 01.01.	24	602	625	28	148	176
- Confirmed losses in the period on loans, guarantees etc. previously subject to individual write down	8	146	155	8	34	42
- Reversal of previous years' write-downs	4	8	13	3	36	39
+ Increase in write-downs of commitments previously subject to individual write down	0	191	191	2	6	8
+ Write-downs of loans not previously subject to individual write down	6	100	106	4	518	523
Individual write-downs to cover loss on loans, guarantees etc at 31 Dec *)	18	738	755	24	602	625

*) Individually assessed impairment write-downs on guarantees, totalling NOK 4.2m (5.6 million), are shown in the balance sheet as a liability under 'Other liabilities'

Collective write-downs (NOK million)	31 Dec 2017			31 Dec 2016		
	RM	CM	Total	RM	CM	Total
Collective write-downs to cover loss on loans, guarantees at 01.01	90	228	318	90	268	358
Period's collective write-downs to cover loss on loans, guarantees etc	-	5	5	-	-40	-40
Collective write-downs to cover loss on loans and guarantees at 31 Dec	90	233	323	90	228	318

Losses and write-downs specified by sector and industry (NOK million)	Losses		Individual- and collective write-downs	
	2017	2016	31 Dec 2017	31 Dec 2016
Agriculture, forestry, fisheries and hunting	-2	6	5	9
Fish farming	-	-	-	-
Industry and mining	4	15	14	17
Building and construction, power and water supply	7	6	13	11
Wholesale and retail trade, hotel og restaurant industry	3	9	23	21
Other transport and communication	258	490	617	520
Financing, property management and business services	37	16	58	23
Private sector	11	1	20	19
Undistributed *)	5	-40	323	318
Total	323	502	1,074	938

*) Undistributed is in its entirety linked to group write-downs. See separate table for segment breakdown of group write-downs.

	31 Dec 2017			31 Dec 2016		
	RM	CM	Total	RM	CM	Total
Total defaults (NOK million)						
Loans in default for more than 90 days	170	50	220	144	29	173
- Individual write-downs	12	39	50	17	18	36
Net defaults	159	11	170	127	11	138
Provision rate	7 %	77 %	23 %	12 %	62 %	21 %
Problem loans (not in default)	21	1,146	1,167	19	1,435	1,453
- Individual write-downs	6	699	705	6	584	590
Net problem loans	15	448	462	13	851	863
Provision rate	29 %	61 %	60 %	33 %	41 %	41 %

Interest taken to income on defaulted and doubtful exposures totals NOK 32.1 million for the parent bank (NOK 57.8 million).

The realisable value of the collateral backing individually written-down loans totals NOK 528.0 million (NOK 844.2 million) for the Parent bank at 31 December 2017.

Group

	2017			2016		
	RM	CM	Total	RM	CM	Total
Losses on loans and guarantees (NOK million)						
Period's change in individual write-downs	-2	129	127	0	454	454
Period's change in collective write-downs	5	4	9	4	-42	-38
Actual losses on loans previously written down	8	146	155	8	36	44
Confirmed losses on loans not previously written down	13	45	58	14	50	64
Recoveries on previously written down loans, guarantees etc.	-6	-1	-7	-6	-3	-9
Total	18	323	341	21	495	516

	31 Dec 2017			31 Dec 2016		
	RM	CM	Total	RM	CM	Total
Individual write-downs (NOK million)						
Individual write-downs to cover loss on loans, guarantees etc. at 01.01.	27	611	638	31	153	184
- Confirmed losses in the period on loans, guarantees etc. previously subject to individual write down	9	147	157	8	36	44
- Reversal of previous years' write-downs	5	9	14	3	36	39
+ Increase in write-downs of commitments previously subject to individual write down	0	191	191	2	6	8
+ write-downs of loans not previously subject to individual write down	7	104	111	4	523	528
Individual write-downs to cover loss on loans, guarantees etc at 31.12	20	750	769	27	611	638

*) Individually assessed impairment write-downs on guarantees, totalling NOK 4.2m, are shown in the balance sheet as a liability under 'Other liabilities'

	31 Dec 2017			31 Dec 2016		
	RM	CM	Total	RM	CM	Total
Collective write-downs (NOK million)						
Collective write-downs to cover loss on loans, guarantees at 01.01	100	239	339	96	281	376
Period's collective write-downs to cover loss on loans, guarantees etc	5	4	9	4	-42	-38
Collective write-downs to cover loss on loans and guarantees at 31.12	104	243	347	100	239	339

Losses and write-downs specified by sector and industry (NOK million)	Losses		Individual- and collective write-downs	
	2017	2016	31 Dec 2017	31 Dec 2016
Agriculture, forestry, fisheries and hunting	-2	6	6	10
Fish farming	-	-	-	-
Industry and mining	7	15	16	18
Building and construction, power and water supply	8	7	15	12
Wholesale and retail trade, hotel og restaurant industry	4	9	25	23
Other transport and communication	259	492	624	525
Financing, property management and business services	37	17	58	23
Private sector	18	5	20	21
Undistributed *)	9	-37	347	339
Total	341	516	1,112	971

*) Undistributed is in its entirety linked to group write-downs. See separate table for segment breakdown of group write-downs.

Total defaults (NOK million)	31 Dec 2017			31 Dec 2016		
	RM	CM	Total	RM	CM	Total
Loans in default for more than 90 days	209	75	284	176	38	214
- Individual write-downs	14	42	55	20	19	39
Net defaults	195	33	229	156	18	174
Provison rate	7 %	55 %	20 %	12 %	51 %	18 %
Problem loans (not in default)	21	1,164	1,184	19	1,455	1,474
- Individual write-downs	6	708	714	6	592	599
Net problem loans	15	456	470	13	863	875
Provison rate	29 %	61 %	60 %	33 %	41 %	41 %

Interest taken to income on defaulted and doubtful exposures totals NOK 37.2 million(NOK 65.7 million) for the Group.

The realisable value of the collateral backing individually written-down loans totals NOK 540.0 million (NOK 853.6 million) for the Group at 31 December 2017.