

Note 11 - Losses on loans and guarantees

Parent Bank Losses on loans and guarantees (NOK million)	2018			2017		
	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	18	126	144	7	278	285
Actual loan losses on commitments exceeding provisions made	6	86	93	3	41	45
Recoveries on commitments previously written-off	-7	-1	-8	-5	-1	-6
Losses for the period on loans and guarantees	17	212	229	5	318	323

Group Losses on loans and guarantees (NOK million)	2018			2017		
	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	23	127	150	11	279	290
Actual loan losses on commitments exceeding provisions made	30	98	127	12	46	58
Recoveries on commitments previously written-off	-13	-1	-15	-6	-1	-7
Losses for the period on loans and guarantees	40	223	263	17	324	341

Expected credit loss for loans to credit institutions and central bank have been calculated, but the amount is immaterial and therefore not included in the provision.

Contractual amount outstanding on financial assets that were written off during 2018, and still subject to enforcement activities amount to NOK 734 million kroner for the Bank and NOK 776 million for the group.

Provision for expected credit loss on loans and guarantees are presented after implementation of IFRS 9 from January 1, 2018. See note 2 and 4 for detailed information about the implementation effect and transition. Comparative figures have not been restated, and the information about 2017 has been presented in accordance with previous rules in IAS 32.

Parent Bank (NOK million)	1 Jan 2018	Change in provision	Net write-offs/ recoveries	31 Dec 2018
Loans as amortised cost- CM	1,017	125	-400	742
Loans as amortised cost- RM	32	28	-15	45
Loans at fair value over OCI- RM	65	10	-	75
Provision for expected credit losses on loans and guarantees	1,114	163	-415	862
Presented as				
Provision for loan losses	1,027	86	-415	697
Other debt- provisions	68	80	-	148
Other comprehensive income - fair value adjustment	18	-2	-	17

Group (NOK million)	1 Jan 2018	Change in provision	Net write-offs/ recoveries	31 Dec 2018
Loans as amortised cost- CM	1,041	128	-402	766
Loans as amortised cost- RM	49	34	-15	68
Loans at fair value over OCI- RM	65	10	-	75
Provision for expected credit losses on loans and guarantees	1,155	171	-417	909
Presented as				
Provision for loan losses	1,068	93	-417	744
Other debt- provisions	68	80	-	148
Other comprehensive income - fair value adjustment	18	-2	-	17

Parent Bank	2018			
Total Allowance for Credit Losses (NOK million)	Stage 1	Stage 2	Stage 3	Total
Opening balance 1 January	96	256	762	1,114
Provision for credit losses				
Transfer to (from) stage 1	32	-32	-0	-
Transfer to (from) stage 2	-6	6	-0	-
Transfer to (from) stage 3	-0	-2	3	-
Net remeasurement of loss allowances	-34	45	158	168
Originations or purchases	55	93	1	148
Derecognitions	-40	-108	-4	-153
Actual loan losses	-	-	-415	-415
Closing balance 31 December	102	257	503	862

Group	2018			Total
	Stage 1	Stage 2	Stage 3	
Total Allowance for Credit Losses (NOK million)				
Opening balance 1 January	106	267	782	1,155
Provision for credit losses				
Transfer to (from) stage 1	34	-33	-0	-
Transfer to (from) stage 2	-7	7	-0	-
Transfer to (from) stage 3	-0	-4	4	-
Net remeasurement of loss allowances	-37	47	167	177
Originations or purchases	59	96	3	158
Derecognitions	112	271	526	-163
Actual loan losses	-	-	-417	-417
Closing balance 31 December	112	271	526	909

Parent Bank

Individual write-downs (NOK million)	31 Dec 2017		
	RM	CM	Total
Individual write-downs to cover loss on loans and guarantees at 1.1*)	24	602	625
- Actual losses during the period for which provisions for individual impairment losses have been made previously	8	146	155
- Reversal of provisions from previous periods	4	8	13
+ Increased write-downs on provisions previously written down	0	191	191
+ Write-downs on provisions not previously written down	6	100	106
Individual write-downs to cover loss on loans and guarantees at period end	18	738	755

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

Collective write-downs (NOK million)	31 Dec 2017		
	RM	CM	Total
Collective write-downs to cover loss on loans, guarantees at 1.1	90	228	318
Period's collective write-downs to cover loss on loans, guarantees etc	-	5	5
Collective write-downs to cover loss on loans and guarantees at period end	90	233	323

Group

Individual write-downs (NOK million)	31 Dec 2017		
	RM	CM	Total
Individual write-downs to cover loss on loans and guarantees at 1.1*)	27	611	638
- Actual losses during the period for which provisions for individual impairment losses have been made previously	9	147	157
- Reversal of provisions from previous periods	5	9	14
+ Increased write-downs on provisions previously written down	0	191	191
+ Write-downs on provisions not previously written down	7	104	111
Individual write-downs to cover loss on loans and guarantees at period end	20	750	769

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

Collective write-downs (NOK million)	31 Dec 2017		
	RM	CM	Total
Collective write-downs to cover loss on loans, guarantees at 1.1	100	239	339
Period's collective write-downs to cover loss on loans, guarantees etc	5	4	9
Collective write-downs to cover loss on loans and guarantees at period end	104	243	347

Parent Bank (NOK million) Provision for credit losses specified by sector and industry	31 Dec 2018				31 Dec 2017
	Trinn 1	Trinn 2	Trinn 3	Total	
Wage earners	20	44	24	88	20
Public administration	0	-	-	0	-
Agriculture, forestry, fisheries and hunting	8	16	5	30	5
Fish farming	1	0	-	1	-
Industry and mining	9	20	0	29	14
Building and construction, power and water supply	11	11	21	43	16
Wholesale and retail trade, hotel og restaurant industry	14	8	11	33	24
Maritime sector and offshore	4	84	378	465	617
Property management	19	37	20	76	14
Business services	7	31	21	59	45
Transport and other services provision	9	5	2	16	1
Other sectors	0	0	22	22	-
Undistributed *)				-	323
Total	102	257	503	862	1,078

*) Undistributed is for 2017 completely related to collective write-downs. Refer to table above for specification of write downs per segment

Group (NOK million) Provision for credit losses specified by sector and industry	31 Dec 2018				31 Dec 17
	Trinn 1	Trinn 2	Trinn 3	Total	
Wage earners	25	52	33	109	20
Public administration	0	-	-	0	-
Agriculture, forestry, fisheries and hunting	9	18	6	33	6
Fish farming	1	1	-	2	-
Industry and mining	9	21	3	34	16
Building and construction, power and water supply	12	13	24	49	17
Wholesale and retail trade, hotel og restaurant industry	15	8	12	35	26
Maritime sector and offshore	4	84	378	465	617
Property management	19	37	20	76	14
Business services	8	31	23	62	47
Transport and other services provision	10	6	6	23	6
Other sectors	0	0	22	22	-
Undistributed *)					347
Total	112	271	526	909	1,116

*) Undistributed is for 2017 completely related to collective write-downs. Refer to table above for specification of write downs per segment