

Note 10 - Losses on loans and guarantees

Parent Bank Losses on loans and guarantees (NOK million)	2019			2018		
	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	28	205	234	18	126	144
Actual loan losses on commitments exceeding provisions made	10	9	19	6	86	93
Recoveries on commitments previously written-off	-7	-1	-8	-7	-1	-8
Losses for the period on loans and guarantees	32	213	245	17	212	229

Group Losses on loans and guarantees (NOK million)	2019			2018		
	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	34	212	246	23	127	150
Actual loan losses on commitments exceeding provisions made	40	22	62	30	98	127
Recoveries on commitments previously written-off	-6	-2	-8	-13	-1	-15
Losses for the period on loans and guarantees	68	231	299	40	223	263

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 2019, and still subject to enforcement activities amount to NOK 243 million kroner for the Bank and NOK 303 million for the group.

Parent Bank (NOK million)	1 Jan 2019	Change in provision	Net write-offs/ recoveries	31 Dec 2019
Loans at amortised cost-CM	742	201	-27	916
Loans at amortised cost-RM	45	-6	-5	34
Loans at fair value over OCI-RM	75	34	-	109
Loans at fair value over OCI-CM		1	-	1
Provision for expected credit losses on loans and guarantees	862	230	-32	1,060
Presented as				
Provision for loan losses	697	272	-32	937
Other debt- provisions	148	-48	-	100
Other comprehensive income - fair value adjustment	17	6	-	23

Group (NOK million)	1 Jan 2019	Change in provision	Net write-offs/ recoveries	31 Dec 2019
Loans as amortised cost- CM	766	212	-31	948
Loans as amortised cost- RM	68	0	-5	63
Loans at fair value over OCI- RM	75	34	-	109
Loans at fair value over OCI- CM		1	-	1
Provision for expected credit losses on loans and guarantees	909	248	-36	1,121
Presented as				
Provision for loan losses	744	290	-32	937
Other debt- provisions	148	-48	-	100
Other comprehensive income - fair value adjustment	17	6	-	23

Parent Bank (NOKm)	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 (NOKm)	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

Development in allowance for credit losses during the period

Parent bank	2019				2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market								
Opening Balance 1 January	27	62	31	120	19	45	34	97
Provision for credit losses								
Transfer to (from) stage 1	10	-10	-0	-	7	-7	-0	-
Transfer to (from) stage 2	-2	2	-0	-	-1	1	-0	-
Transfer to (from) stage 3	-0	-3	3	-	-0	-2	2	-
Net remeasurement of loss allowances	-11	24	18	30	-7	16	12	21
Originations or purchases	13	17	1	31	18	25	0	43
Derecognitions	-11	-20	-1	-33	-8	-17	-1	-26
Actual loan losses			-5	-5			-15	-15
Closing balance 31 December	25	73	45	143	27	62	31	120
Corporate Market								
Opening Balance 1 January	64	148	382	594	63	150	735	948
Provision for credit losses								
Transfer to (from) stage 1	19	-19	-0	-	23	-23	-	-
Transfer to (from) stage 2	-8	8	-	-	-4	4	-0	-
Transfer to (from) stage 3	-0	-0	1	-	-0	-1	1	-
Net remeasurement of loss allowances	-17	98	185	266	-22	34	50	62
Originations or purchases	27	20	1	48	28	49	0	77
Derecognitions	-20	-43	-0	-63	-24	-66	-4	-94
Actual loan losses	-	-	-27	-27			-400	-400
Closing balance 31 December	66	210	541	817	64	148	382	594
Total Allowance for credit losses	91	283	586	961	91	210	413	714

Development in Gross loans from Opening to Closing balance

Parent bank	2019				2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail marked								
Opening Balance 1 January	65,403	4,366	320	70,089	60,278	4,159	344	64,782
Transfer to (from) stage 1	893	-877	-15	-	974	-974	-	-
Transfer to (from) stage 2	-1,846	1,872	-25	-	-1,457	1,463	-6	-
Transfer to (from) stage 3	-60	-135	195	-	-35	-101	136	-
Net increase/(decrease) amount existing loans	-1,843	-123	-21	-1,986	-2,654	-458	-170	-3,282
New loans	43,549	1,588	178	45,315	35,775	765	36	36,576
Derecognitions	-37,048	-1,560	-133	-38,742	-27,477	-487	-9	-27,973
Financial assets with actual loan losses	-2	-1	-12	-14	-1	-	-12	-13
Closing balance 31 December	69,045	5,129	487	74,661	65,403	4,366	320	70,088
Corporate								
Opening Balance 1 January	32,055	5,521	1,223	38,800	30,796	5,771	1,215	37,782
Transfer to (from) stage 1	1,586	-1,561	-26	-	1,256	-1,256	-	-
Transfer to (from) stage 2	-1,405	1,446	-41	-	-1,180	1,181	-1	-
Transfer to (from) stage 3	-8	-227	234	-	-423	70	353	-
Net increase/(decrease) amount existing loans	-1,638	-91	-7	-1,736	-2,519	-38	166	-2,391
New Loans	11,323	205	319	11,848	10,445	1,373	142	11,960
Derecognitions	-8,723	-1,319	-203	-10,244	-6,319	-1,579	-623	-8,521
Financial assets with actual loan losses	-	-5	-30	-35	-	-1	-29	-30
Closing balance 31 December	33,190	3,969	1,469	41,431	32,055	5,521	1,223	38,800
Loans at fair value through profit and loss				4,677				4,467
Total Gross Loans	102,235	9,101	1,957	117,970	97,458	9,888	1,543	113,356

Development in allowance for credit losses during the period

Group	2019				2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market								
Opening Balance 1 January	33	71	39	143	24	52	38	114
Provision for credit losses								
Transfer to (from) stage 1	12	-11	-0	-	8	-8	-0	-
Transfer to (from) stage 2	-2	4	-1	-	-2	2	-0	-
Transfer to (from) stage 3	-0	-3	4	-	-0	-3	3	-
Net remeasurement of loss allowances	-14	24	22	32	-8	17	16	25
Originations or purchases	17	23	3	44	21	28	2	51
Derecognitions	-13	-23	-5	-41	-9	-18	-5	-32
Actual loan losses	-	-	-5	-5	-	-	-15	-15
Closing balance 31 December	32	84	56	172	33	71	39	142
Corporate Market								
Opening Balance 1 January	70	152	397	619	68	154	749	970
Provision for credit losses								
Transfer to (from) stage 1	20	-20	-0	-	23	-23	-	-
Transfer to (from) stage 2	-9	9	-	-	-5	5	-0	-
Transfer to (from) stage 3	-0	-1	1	-	-0	-1	1	-
Net remeasurement of loss allowances	-19	100	188	268	-24	35	55	67
Originations or purchases	30	21	7	59	29	50	1	80
Derecognitions	-20	-44	-2	-66	-24	-67	-7	-98
Actual loan losses	-	-	-31	-31	-	-	-402	-400
Closing balance 31 December	71	218	560	849	68	152	396	619
Total Allowance for credit losses	104	302	616	1,021	101	223	435	761

Development in Gross loans from Opening to Closing balance

Group	2019				2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail marked								
Opening Balance 1 January	69,736	4,951	385	75,073	62,604	4,725	439	67,767
Transfer to (from) stage 1	1,053	-1,033	-19	-	1,118	-1,074	-44	-
Transfer to (from) stage 2	-2,184	2,217	-33	-	-1,594	1,602	-8	-
Transfer to (from) stage 3	-83	-164	248	-	-15	-124	138	-
Net increase/(decrease) amount existing loans	-2,867	-277	-31	-3,175	-2,024	-539	-140	-2,703
New Loans	45,617	1,901	196	47,715	37,832	945	49	38,826
Derecognitions	-37,596	-1,669	-165	-39,430	-28,183	-584	-36	-28,803
Financial assets with actual loan losses	-2	-1	-12	-14	-1	-	-12	-13
Closing balance 31 December	73,675	5,924	570	80,169	69,737	4,951	386	75,073
Corporate								
Opening Balance 1 January	33,897	5,881	1,299	41,076	33,682	6,130	1,214	41,025
Transfer to (from) stage 1	1,659	-1,631	-28	-	1,321	-1,317	-4	-
Transfer to (from) stage 2	-1,681	1,736	-55	-	-1,363	1,368	-5	-
Transfer to (from) stage 3	-42	-237	279	-	-449	52	397	-
Net increase/(decrease) amount existing loans	-1,682	-164	-22	-1,868	-4,064	-145	213	-3,997
New Loans	12,682	260	326	13,269	11,135	1,404	148	12,686
Derecognitions	-9,367	-1,414	-230	-11,011	-6,503	-1,611	-637	-8,751
Financial assets with actual loan losses	-	-5	-30	-35	-	-1	-29	-30
Closing balance 31 December	35,466	4,426	1,539	41,431	33,758	5,879	1,296	40,933
Loans at fair value through profit and loss				4,677				4,467
Total Gross Loans	109,140	10,350	2,110	126,277	103,494	10,829	1,682	120,473

Provision for credit losses on guarantees and unused credit lines

Parent Bank and Group	2019				2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance 1 January	11	47	90	148	13	49	7	70
Provision for credit losses								
Transfer to (from) stage 1	3	-3	-0	-	2	-2	-0	-
Transfer to (from) stage 2	-1	1	-	-	-1	1	-0	-
Transfer to (from) stage 3	-0	-0	0	-	-0	-0	0	-
Net remeasurement of loss allowances	-2	3	-33	-33	-3	12	83	92
Originations or purchases	7	1	0	8	6	3	0	9
Derecognitions	-3	-20	-0	-24	-6	-17	-0	-23
Closing balance 31 December	10	34	57	100	11	47	90	148
of which								
RM				2				2
CM				98				147

Provision for credit losses specified by sector and industry¹⁾

Parent	2019				2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Wage earners	25	53	29	107	20	44	24	88
Public administration	0	-	0	0	0	-	-	0
Agriculture, forestry, fisheries and hunting	4	23	7	34	8	16	5	30
Fish farming	1	0	-	1	1	0	-	1
Industry and mining	6	10	5	22	9	20	0	29
Building and construction, power and water supply	14	7	14	35	11	11	21	43
Wholesale and retail trade, hotel og restaurant industry	12	8	15	34	14	8	11	33
Maritime sector and offshore	9	114	527	649	4	84	378	465
Property management	16	45	23	84	19	37	20	76
Business services	8	53	22	83	7	31	21	59
Transport and other services provision	5	4	2	12	9	5	2	16
Other sectors	0	0	0	0	0	0	22	22
Total	101	316	644	1,061	102	257	503	861

Provision for credit losses specified by sector and industry¹⁾

Group	2019				2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Wage earners	31	63	40	134	25	52	33	109
Public administration	0	-	0	0	0	-	-	0
Agriculture, forestry, fisheries and hunting	5	24	7	36	9	18	6	33
Fish farming	1	0	-	1	1	1	-	2
Industry and mining	7	13	9	29	9	21	3	34
Building and construction, power and water supply	16	9	17	41	12	13	24	49
Wholesale and retail trade, hotel og restaurant industry	12	9	15	36	15	8	12	35
Maritime sector and offshore	9	114	527	649	4	84	378	465
Property management	17	45	23	85	19	37	20	76
Business services	9	54	26	88	8	31	23	62
Transport and other services provision	6	6	7	19	10	6	6	23
Other sectors	0	0	0	0	0	0	22	22
Total	113	335	671	1,120	112	271	526	909

¹⁾Provision for credit losses specified by sector includes provision for losses on guarantees and unused credit lines