

Note 8 - Loans and advances to customers

Parent Bank			Group	
31 Dec 2019	31 Dec 2020 (NOK million)		31 Dec 2020	31 Dec 2019
117,970	125,660	Gross Loans	134,648	126,277
937	1,446	Write-downs for expected credit losses	1517	998.2133934
117,033	124,214	Net loans to and advances to customers	133,131	125,279
Additional information				
39,833	46,613	Loans sold to SpareBank 1 Boligkreditt	46,613	39,833
608	760	- Of which loans to employees	1,380	1,061
1,667	1,540	Loans sold to SpareBank 1 Næringskreditt	1,540	1,667
43	43	Subordinated loan capital other financial institutions	43	43
998	1,027	Loans to employees ¹⁾	1,907	1,924

¹⁾ 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

Loans and commitments specified by type

Parent Bank		Loans and commitments specified by type (NOK million)	Group	
31 Dec 2019	31 Dec 2020		31 Dec 2020	31 Dec 2019
Gross loans and advances				
-	-	Financial lease	3,365	5,849
13,222	10,592	Bank overdraft and operating credit	10,042	12,588
3,161	3,976	Construction loans	3,976	3,161
101,587	111,093	Amortizing loan	117,265	104,680
117,970	125,660	Total gross loans to and receivables from customers	134,648	126,277
Other commitments				
4,538	3,915	Financial guarantees, of which:	3,915	4,538
1,064	1,151	<i>Payment guarantees</i>	1,151	1,064
1,108	1,238	<i>Performance guarantees</i>	1,238	1,108
1,172	980	<i>Loan guarantees</i>	980	1,172
100	119	<i>Guarantees for taxes</i>	119	100
1,093	427	<i>Other guarantee commitments</i>	427	1,093
998	992	Unutilised guarantee commitments	992	998
16,781	17,089	Unutilised credits	17,105	16,796
1,597	1,019	Loans approvals (not discounted)	1,136	1,692
12	12	Documentary credits	12	12
23,925	23,026	Total other commitments	23,160	24,036
141,895	148,686	Total loans and commitments	157,808	150,313

Loans and other commitments specified by sector and industry

Parent Bank (NOK million)	31 Dec 2020			31 Dec 2019		
	Gross loans	Other commitments	Total loans and commitments	Gross loans	Other commitments	Total loans and commitments
Wage earners	72,101	5,480	77,581	69,711	5,669	75,380
Public administration	9	416	425	2	513	515
Agriculture and forestry	9,160	865	10,026	8,602	820	9,422
Fisheries and hunting	5,243	529	5,772	4,601	123	4,724
Sea farming industries	1,704	1,717	3,422	833	766	1,599
Manufacturing	2,234	2,661	4,895	2,212	3,069	5,282
Construction, power and water supply	3,195	2,817	6,011	3,157	2,707	5,864
Retail trade, hotels and restaurants	2,289	2,309	4,598	2,181	2,379	4,561
Maritime sector and offshore	4,537	1,667	6,203	4,660	3,227	7,887
Property management	13,887	1,020	14,908	13,133	855	13,988
Business services	3,644	881	4,525	2,445	874	3,319
Transport and other services provision	6,032	2,163	8,195	4,542	2,420	6,962
Other sectors	1,626	501	2,127	1,890	503	2,393
Total	125,660	23,026	148,686	117,970	23,925	141,895

Group (NOK million)	31 Dec 2020			31 Dec 2019		
	Gross loans	Other commitments	Total loans and commitments	Gross loans	Other commitments	Total loans and commitments
Wage earners	77,848	5,550	83,398	75,203	5,728	80,932
Public administration	33	417	450	12	513	525
Agriculture and forestry	9,591	871	10,461	8,947	824	9,771
Fisheries and hunting	5,259	529	5,789	4,611	123	4,734
Sea farming industries	2,100	1,722	3,822	1,132	769	1,901
Manufacturing	2,646	2,666	5,312	2,595	3,073	5,668
Construction, power and water supply	4,077	2,827	6,904	3,970	2,716	6,686
Retail trade, hotels and restaurants	2,586	2,329	4,915	2,517	2,392	4,908
Maritime sector and offshore	4,537	1,667	6,203	4,660	3,227	7,887
Property management	13,969	1,021	14,990	13,211	856	14,067
Business services	3,423	886	4,309	2,146	877	3,023
Transport and other services provision	6,942	2,174	9,116	5,409	2,435	7,844
Other sectors	1,638	501	2,139	1,863	503	2,367
Total	134,648	23,160	157,808	126,277	24,036	150,313

Loans and other commitments specified by geographic area

Parent Bank (NOK million)	31 Dec 2020			31 Dec 2019		
	Gross loans	Other commitments	Total loans and commitments	Gross loans	Other commitments	Total loans and commitments
Trøndelag	82,308	14,496	96,804	76,405	13,927	90,331
Møre og Romsdal	25,481	6,520	32,002	24,428	8,504	32,932
Nordland	1,024	43	1,067	1,158	40	1,198
Oslo	7,127	634	7,761	6,686	553	7,240
Rest of Norway	9,391	1,312	10,703	8,944	888	9,833
Abroad	329	21	350	349	13	362
Total	125,660	23,026	148,686	117,970	23,925	141,895

Group (NOK million)	31 Dec 2020			31 Dec 2019		
	Gross loans	Other commitments	Total loans and commitments	Gross loans	Other commitments	Total loans and commitments
Trøndelag	85,762	14,630	100,392	79,487	13,976	93,462
Møre og Romsdal	27,191	6,520	33,712	26,113	8,522	34,635
Nordland	1,183	43	1,226	1,296	42	1,337
Oslo	6,700	634	7,334	6,276	555	6,831
Rest of Norway	13,482	1,312	14,793	12,756	929	13,685
Abroad	329	21	350	349	13	362
Total	134,648	23,160	157,808	126,277	24,036	150,313

Gross loans sold to SpareBank 1 Boligkreditt

(NOK million)	31 Dec 2020			31 Dec 2019		
	Gross loans	Other commitments	Total loans and commitments	Gross loans	Other commitments	Total loans and commitments
Trøndelag	33,338	1,899	35,237	29,452	1,822	31,275
Møre og Romsdal	6,629	404	7,033	5,844	426	6,270
Nordland	186	6	192	179	6	185
Oslo	2,246	71	2,317	1,619	56	1,675
Rest of Norway	4,144	109	4,253	2,694	108	2,801
Abroad	70	2	72	45	1	46
Total	46,613	2,491	49,105	39,833	2,419	42,252

Gross loans sold to SpareBank 1 Næringskreditt

(NOK million)	31 Dec 2020			31 Dec 2019		
	Gross loans	Other commitments	Total loans and commitments	Gross loans	Other commitments	Total loans and commitments
Trøndelag	1,032	-	1,032	1,081	-	1,081
Møre og Romsdal	58	-	58	60	-	60
Nordland	-	-	0	59	-	59
Oslo	404	-	404	419	-	419
Rest of Norway	47	-	47	48	-	48
Abroad	-	-	-	-	-	-
Total	1,540	-	1,540	1,667	-	1,667

Loans to and claims on customers related to financial leases (NOK million)

Group (NOK million)	31 Dec 2020	31 Dec 2019
Gross advances related to financial leasing		
- Maturity less than 1 year	212	129
- Maturity more than 1 year and less than 5 years	2,705	2,184
- Maturity more than 5 years	543	823
Total gross claims	3,460	3,135
Received income related to financial leasing, not yet earned	95	87
Net investments related to financial leasing	3,365	3,048
Net investments in financial leasing can be broken down as follows:		
- Maturity less than 1 year	163	121
- Maturity more than 1 year and less than 5 years	2,662	2,118
- Maturity more than 5 years	540	809
Total net claims	3,365	3,048

Loans and other commitments to customers specified by risk group

The Bank calculates default probabilities for all customers in the loan portfolio at the loan approval date. This is done on the basis of key figures on earnings, financial strength 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 11 on credit risk exposure for each internal risk rating.

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

Other commitments include guarantees, unutilised credit lines and letters of credit.

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.

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.

Risk group default and written down consist of customers default by over 90 days and or objective evidence of impairment leading to reduced cash flows from the customer. See note 2 Accounting principles for further description of such exposures.

Parent Bank 31 Dec 2020 (NOK million)	Neither default or credit impaired					Default and credit impaired	Total
	Lowest risk	Low risk	Medium risk	High risk	Highest risk		
Gross Loans							
Fair value through OCI	61,617	8,152	2,957	864	1,001	284	74,876
Stage 1	61,542	7,241	1,218	263	232	-	70,496
Stage 2	75	911	1,739	601	769	-	4,096
Stage 3	-	-	-	-	-	284	284
Amortised cost	21,035	12,498	9,306	1,311	551	1,798	46,500
Stage 1	19,784	10,260	7,336	763	245	-	38,388
Stage 2	1,251	2,238	1,970	548	306	-	6,313
Stage 3	-	-	-	-	-	1,798	1,798
Fair value through Profit and Loss	3,597	465	135	48	39	2	4,285
Total Gross Loans	86,250	21,115	12,398	2,222	1,592	2,084	125,660
Other Commitments	12,565	4,806	4,605	629	230	192	23,026
Stage 1	12,092	4,555	3,233	447	56	-	20,383
Stage 2	473	250	1,373	182	173	-	2,451
Stage 3	-	-	-	-	-	192	192
Total loans and other commitments	98,815	25,920	17,003	2,851	1,821	2,277	148,686

Parent Bank 31 Dec 2019 (NOK million)	Neither default or credit impaired					Default and credit impaired	Total
	Lowest risk	Low risk	Medium risk	High risk	Highest risk		
Gross Loans							
Fair value through OCI	56,284	8,904	3,536	977	1,230	405	71,336
Stage 1	56,284	7,839	1,480	306	200	-	66,109
Stage 2	-	1,065	2,056	671	1,030	-	4,822
Stage 3	-	-	-	-	-	405	405
Amortised cost	20,473	7,922	10,468	1,135	408	1,552	41,957
Stage 1	20,448	7,359	7,512	705	102	-	36,126
Stage 2	25	563	2,956	430	306	-	4,279
Stage 3	-	-	-	-	-	1,552	1,552
Fair value through Profit and Loss	3,940	490	152	49	36	10	4,677
Total Gross Loans	80,697	17,316	14,156	2,161	1,674	1,967	117,970
Other Commitments	13,232	3,926	4,672	932	157	1,005	23,925
Stage 1	13,232	3,244	3,663	807	68	-	21,014
Stage 2	-	682	1,009	126	90	-	1,907
Stage 3	-	-	-	-	-	1,005	1,005
Total loans and other commitments	93,929	21,242	18,829	3,093	1,831	2,972	141,895

Group 31 Dec 2020 (NOK million)	Neither default or credit impaired					Default and credit impaired	Total
	Lowest risk	Low risk	Medium risk	High risk	Highest risk		
Gross Loans							
Fair value through OCI	61,617	8,152	2,957	864	1,001	284	74,876
Stage 1	61,542	7,241	1,218	263	232	-	70,496
Stage 2	75	911	1,739	601	769	-	4,096
Stage 3	-	-	-	-	-	284	284
Amortised cost	20,593	14,401	15,311	2,113	1,097	1,971	55,487
Stage 1	19,342	12,159	12,901	1,164	245	-	45,811
Stage 2	1,251	2,243	2,410	949	852	-	7,705
Stage 3	-	-	-	-	-	1,971	1,971
Fair value through Profit and Loss	3,597	465	135	48	39	2	4,285
Total Gross Loans	85,808	23,018	18,402	3,025	2,138	2,257	134,648
Other Commitments	12,568	4,832	4,690	640	237	192	23,160
Stage 1	12,095	4,582	3,311	447	56	-	20,492
Stage 2	473	250	1,379	193	181	-	2,476
Stage 3	-	-	-	-	-	192	192
Total loans and other commitments	98,376	27,851	23,092	3,665	2,375	2,449	157,808

Neither default or credit impaired

Group 31 Dec 2019 (NOK million)	Neither default or credit impaired					Default and credit impaired	Total
	Lowest risk	Low risk	Medium risk	High risk	Highest risk		
Gross Loans							
Fair value through OCI	56,284	8,904	3,536	977	1,230	405	71,336
Stage 1	56,284	7,839	1,480	306	200	-	66,109
Stage 2	-	1,065	2,056	671	1,030	-	4,822
Stage 3	-	-	-	-	-	405	405
Amortised cost	19,924	9,363	16,424	1,845	1,003	1,704	50,264
Stage 1	19,899	8,798	13,136	998	201	-	43,031
Stage 2	25	565	3,288	848	803	-	5,528
Stage 3	-	-	-	-	-	1,704	1,704
Fair value through Profit and Loss	3,940	490	152	49	36	10	4,677
Total Gross Loans	80,148	18,757	20,112	2,871	2,269	2,119	126,277
Other Commitments	13,234	3,941	4,753	940	164	1,005	24,036
Stage 1	13,234	3,259	3,739	807	68	-	21,106
Stage 2	-	682	1,014	133	96	-	1,926
Stage 3	-	-	-	-	-	1,005	1,005
Total loans and other commitments	93,382	22,698	24,864	3,811	2,433	3,124	150,313

Gross loans and commitments sold to SpareBank 1 Boligkreditt

(NOK million)	31 Dec 2020			31 Dec 2019		
	Gross loans	Other commitments	Total loans and commitments	Gross loans	Other commitments	Total loans and commitments
Lowest risk	40,790	2,481	43,271	34,808	2,410	37,218
Low risk	4,320	7	4,327	3,457	7	3,464
Medium risk	967	3	970	1,075	1	1,076
High risk	302	0	302	208	0	208
Highest risk	218	0	218	267	1	268
Default and written down	16	-	16	18	-	18
Total	46,613	2,491	49,105	39,834	2,419	42,253

Gross loans and commitments sold to SpareBank 1 Næringskreditt

(NOK million)	31 Dec 2020			31 Dec 2019		
	Gross loans	Other commitments	Total loans and commitments	Gross loans	Other commitments	Total loans and commitments
Lowest risk	1,455	-	1,455	1,667	-	1,667
Low risk	85	-	85	-	-	-
Medium risk	-	-	-	-	-	-
High risk	-	-	-	-	-	-
Highest risk	-	-	-	-	-	-
Default and written down	-	-	-	-	-	-
Total	1,540	-	1,540	1,667	-	1,667