

Note 10 - Losses on loans and guarantees

Parent Bank (NOKm)	2021			2020		
	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	-11	39	27	49	666	715
Actual loan losses on commitments exceeding provisions made	10	107	117	14	197	212
Recoveries on commitments previously written-off	-9	-1	-10	-7	-18	-25
Losses for the period on loans and guarantees	-10	145	134	56	846	902

In 2021, the Bank has written off NOK 184 million, which are still subject to enforcement activities, the corresponding figure for 2020 was NOK 116 million.

Group (NOKm)	2021			2020		
	RM	CM	Total	RM	CM	Total
Change in provision for expected credit losses for the period	-20	50	30	48	681	729
Actual loan losses on commitments exceeding provisions made	30	112	142	55	213	268
Recoveries on commitments previously written-off	-9	-3	-12	-25	-21	-46
Losses for the period on loans and guarantees	1	159	161	78	873	951

In 2021, the Group has written off NOK 200 million, which are still subject to enforcement activities, the corresponding figure for 2020 was NOK 130 million.

Parent Bank (NOKm)	1 Jan 21	Change in provision	Net write-offs/ recoveries	31 Dec 21
Loans as amortised cost- CM	1,377	38	-117	1,298
Loans as amortised cost- RM	35	8	-12	31
Loans at fair value over OCI- RM	147	-19	-	128
Loans at fair value over OCI- CM	0	1	-	1
Provision for expected credit losses on loans and guarantees	1,559	27	-129	1,458
Presented as				
Provision for loan losses	1,446	30	-129	1,348
Other debt- provisions	81	-2	-	79
Other comprehensive income - fair value adjustment	32	-1	-	31

Parent Bank (NOKm)	1 Jan 20	Change in provision	Net write-offs/ recoveries	31 Dec 20
Loans as amortised cost- CM	916	667	-206	1,377
Loans as amortised cost- RM	34	12	-11	35
Loans at fair value over OCI- RM	109	38	-	147
Loans at fair value over OCI- CM	1	-1	-	0
Provision for expected credit losses on loans and guarantees	1,060	715	-217	1,559
Presented as				
Provision for loan losses	937	725	-217	1,446
Other debt- provisions	100	-19	-	81
Other comprehensive income - fair value adjustment	23	9	-	32

Group (NOKm)	1 Jan 21	Change in provision	Net write-offs/ recoveries	31 Dec 21
Loans as amortised cost- CM	1,421	50	-128	1,343
Loans as amortised cost- RM	62	-1	-12	49
Loans at fair value over OCI- RM	147	-19	-	128
Loans at fair value over OCI- CM	0	1	-	1
Provision for expected credit losses on loans and guarantees	1,630	30	-140	1,520
Presented as				
Provision for loan losses	1,517	33	-140	1,410
Other debt- provisions	81	-2	-	79
Other comprehensive income - fair value adjustment	32	-1	-	31

Group (NOKm)	1 Jan 20	Change in provision	Net write-offs/ recoveries	31 Dec 20
Loans as amortised cost- CM	948	682	-209	1,421
Loans as amortised cost- RM	63	10	-11	62
Loans at fair value over OCI- RM	109	38	-	147
Loans at fair value over OCI- CM	1	-1	-	0
Provision for expected credit losses on loans and guarantees	1,121	729	-220	1,630
Presented as				
Provision for loan losses	998	739	-220	1,517
Other debt- provisions	100	-19	-	81
Other comprehensive income - fair value adjustment	23	9	-	32

Accrual for losses on loans

Parent Bank (NOKm)	31 Dec 2021				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail market								
Opening balance	35	97	47	180	25	73	45	143
Transfer to (from) stage 1	20	-20	-0	-	14	-13	-0	-
Transfer to (from) stage 2	-2	2	-0	-	-1	2	-0	-
Transfer to (from) stage 3	-1	-6	7	-	-0	-3	3	-
Net remeasurement of loss allowances	-22	24	-3	-1	-17	12	9	5
Originations or purchases	19	17	1	37	13	13	0	26
Derecognitions	-12	-32	-4	-48	-8	-23	-2	-33
Changes due to changed input assumptions	1	-0	-	1	10	38	2	50
Actual loan losses	0	0	-12	-12	-	-	-11	-11
Closing balance	39	82	36	156	35	97	47	180
Corporate Market								
Opening balance	88	387	823	1,299	66	210	540	816
Transfer to (from) stage 1	15	-15	-	-	14	-14	-0	-
Transfer to (from) stage 2	-5	5	-	-	-4	4	-0	-
Transfer to (from) stage 3	-2	-26	28	-	-0	-1	1	-
Net remeasurement of loss allowances	-26	26	38	39	-2	72	486	556
Originations or purchases	32	21	100	153	45	99	1	144
Derecognitions	-20	-145	-1	-166	-30	-96	-1	-127
Changes due to changed input assumptions	1	14	-	15	-0	113	2	115
Actual loan losses	-	-	-117	-117	-	-	-206	-206
Closing balance	84	268	871	1,223	88	387	823	1,299
Total accrual for loan losses	123	350	907	1,379	123	484	870	1,478

Group (NOKm)	31 Dec 2021				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail market								
Opening balance	42	107	58	207	32	84	56	172
Transfer to (from) stage 1	22	-22	-0	-	14	-13	-0	-
Transfer to (from) stage 2	-2	3	-0	-	0	-0	-0	-
Transfer to (from) stage 3	-1	-7	8	-	-1	-2	3	-
Net remeasurement of loss allowances	-23	26	-1	2	-17	11	11	5
Originations or purchases	22	20	1	43	12	15	5	31
Derecognitions	-14	-37	-9	-60	-6	-20	1	-25
Changes due to changed input assumptions	-0	-2	-4	-5	7	33	-6	35
Actual loan losses	-	-	-12	-12	-	-	-11	-11
Closing balance	45	89	40	174	42	107	58	207
Corporate Market								
Opening balance	98	399	845	1,342	71	218	560	849
Transfer to (from) stage 1	20	-20	-0	-	14	-14	-0	-
Transfer to (from) stage 2	-7	7	-0	-	-2	2	-0	-
Transfer to (from) stage 3	-2	-27	29	-	-1	0	1	-
Net remeasurement of loss allowances	-29	31	42	44	-2	72	484	555
Originations or purchases	35	23	112	169	46	103	3	151
Derecognitions	-21	-146	-2	-169	-26	-93	10	-109
Changes due to changed input assumptions	-2	12	-2	9	-2	111	-4	106
Actual loan losses	-	-	-128	-128	-	-	-209	-209
Closing balance	94	278	896	1,268	98	399	845	1,342
Total accrual for loan losses	138	367	936	1,442	140	507	902	1,549

Accrual for losses on guarantees and unused credit lines

Parent Bank and Group (NOKm)	31 Dec 2021				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	27	50	4	81	14	29	57	100
Transfer to (from) stage 1	6	-6	-0	-	2	-2	-0	-
Transfer to (from) stage 2	-7	7	-	-	-0	0	-0	-
Transfer to (from) stage 3	-0	-1	1	-	-0	-0	0	-
Net remeasurement of loss allowances	-9	4	0	-4	2	16	-54	-36
Originations or purchases	7	4	0	11	11	8	0	19
Derecognitions	-6	-5	-0	-11	-5	-13	-0	-19
Changes due to changed input assumptions	0	2	-	2	3	12	0	16
Actual loan losses	-	-	-	-	-	-	-	-
Closing balance	19	55	5	79	27	50	4	81
Of which								
Retail market				2				2
Corporate Market				76				79

Provision for credit losses specified by industry

Parent Bank (NOKm)	31 Dec 2021				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	2	31	6	39	2	34	5	41
Fisheries and hunting	6	7	0	13	6	2	-	8
Sea farming industries	1	0	0	2	2	0	3	5
Manufacturing	5	36	15	56	8	25	2	35
Construction, power and water supply	13	16	14	43	11	27	17	55
Retail trade, hotels and restaurants	8	28	11	46	10	30	17	58
Maritime sector	14	118	555	687	10	180	614	804
Property management	20	50	36	105	20	56	38	114
Business services	13	12	222	247	12	56	142	210
Transport and other services	7	6	17	30	8	10	2	19
Public administration	0	-	-	0	0	-	-	0
Other sectors	0	0	-	0	0	0	-	0
Wage earners	2	47	30	79	2	65	31	97
Total provision for losses on loans	91	350	907	1,348	91	484	870	1,446
Loan loss allowance on loans at FVOCI	31			31	32			32
Total loan loss allowance	123	350	907	1,379	123	484	870	1,478

Group (NOKm)	31 Dec 2021				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Agriculture and forestry	3	33	7	42	3	36	5	44
Fisheries and hunting	6	7	0	13	6	2	-	8
Sea farming industries	1	1	1	3	3	1	3	6
Manufacturing	7	38	21	66	10	27	7	44
Construction, power and water supply	16	19	18	53	13	31	20	64
Retail trade, hotels and restaurants	9	28	16	53	12	31	19	62
Maritime sector	14	118	555	687	10	180	614	804
Property management	20	50	36	106	20	56	39	115
Business services	14	14	227	255	13	57	143	213
Transport and other services	8	7	22	37	10	12	10	32
Public administration	0	-	0	0	0	-	-	0
Other sectors	0	0	-	0	0	0	2	2
Wage earners	7	53	34	95	7	73	41	122
Total provision for losses on loans	107	367	936	1,410	108	507	902	1,517
Loan loss allowance on loans at FVOCI	31			31	32			32
Total loan loss allowance	138	367	936	1,442	140	507	902	1,549

Parent Bank (NOKm)	31 Dec 2021				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market								
Opening balance	73,297	4,430	381	78,108	69,045	5,129	487	74,661
Transfer to stage 1	1,007	-1,002	-6	-	1,050	-1,019	-31	-
Transfer to stage 2	-1,325	1,332	-7	-	-1,433	1,470	-38	-
Transfer to stage 3	-61	-87	148	-	-30	-47	77	-
Net increase/decrease amount existing loans	-2,513	-102	-15	-2,630	-2,093	-136	-7	-2,237
New loans	43,464	1,198	118	44,780	49,001	1,464	111	50,575
Derecognitions	-31,569	-1,876	-156	-33,601	-42,243	-2,429	-196	-44,867
Financial assets with actual loan losses	0	-1	-20	-21	-1	-2	-22	-24
Closing balance	82,299	3,892	444	86,636	73,297	4,430	381	78,108
Corporate Market								
Opening balance	35,587	5,979	1,702	43,268	33,190	3,971	1,470	38,632
Transfer to stage 1	647	-647	-0	-	521	-521	-0	-
Transfer to stage 2	-1,434	1,434	-	-	-2,605	2,614	-9	-
Transfer to stage 3	-43	-593	637	-	-70	-685	754	-
Net increase/decrease amount existing loans	-1,202	-196	-39	-1,437	-1,541	-208	38	-1,711
New loans	13,125	-550	1,074	13,649	17,141	1,672	328	19,141
Derecognitions	-8,320	-236	-524	-9,081	-11,046	-753	-862	-12,662
Financial assets with actual loan losses	-1	-4	-193	-199	-2	-111	-19	-132
Closing balance	38,359	5,186	2,656	46,201	35,587	5,979	1,702	43,268
Fixed interest loans at FV	4,276			4,276	4,285			4,285
Total gross loans at the end of the period	124,934	9,079	3,100	137,113	113,169	10,409	2,083	125,660

Group (NOKm)	31 Dec 2021				31 Dec 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Retail Market								
Opening balance	78,206	5,208	453	83,867	73,675	5,924	570	80,169
Transfer to stage 1	1,227	-1,221	-6	-	1,260	-1,225	-35	-
Transfer to stage 2	-1,598	1,609	-11	-	-1,731	1,785	-54	-
Transfer to stage 3	-74	-132	206	-	-44	-89	133	-
Net increase/decrease amount existing loans	-2,599	-154	-28	-2,782	-2,136	-196	-15	-2,346
New loans	46,190	1,465	125	47,781	51,383	1,702	119	53,204
Derecognitions	-33,775	-2,161	-189	-36,125	-43,512	-2,624	-239	-46,375
Financial assets with actual loan losses	-0	-1	-20	-21	-689	-70	-25	-784
Closing balance	87,577	4,612	531	92,721	78,206	5,208	453	83,867
Corporate Market								
Opening balance	38,107	6,587	1,802	46,496	35,466	4,426	1,539	41,431
Transfer to stage 1	879	-876	-2	-	693	-690	-4	-
Transfer to stage 2	-1,795	1,797	-1	-	-2,897	2,909	-11	-
Transfer to stage 3	-57	-626	683	-	-107	-695	801	-
Net increase/decrease amount existing loans	-652	-257	-53	-963	-1,589	-265	34	-1,819
New loans	14,533	-455	1,085	15,164	18,238	1,875	349	20,462
Derecognitions	-9,159	-397	-561	-10,117	-11,287	-815	-883	-12,985
Financial assets with actual loan losses	-1	-4	-193	-199	-410	-159	-24	-593
Balance at 31 December	41,855	5,768	2,759	50,382	38,107	6,587	1,802	46,496
Closing balance								
Fixed interest loans at FV	4,198			4,198	4,285			4,285
Total gross loans at the end of the period	133,630	10,381	3,290	147,301	120,598	11,794	2,255	134,648