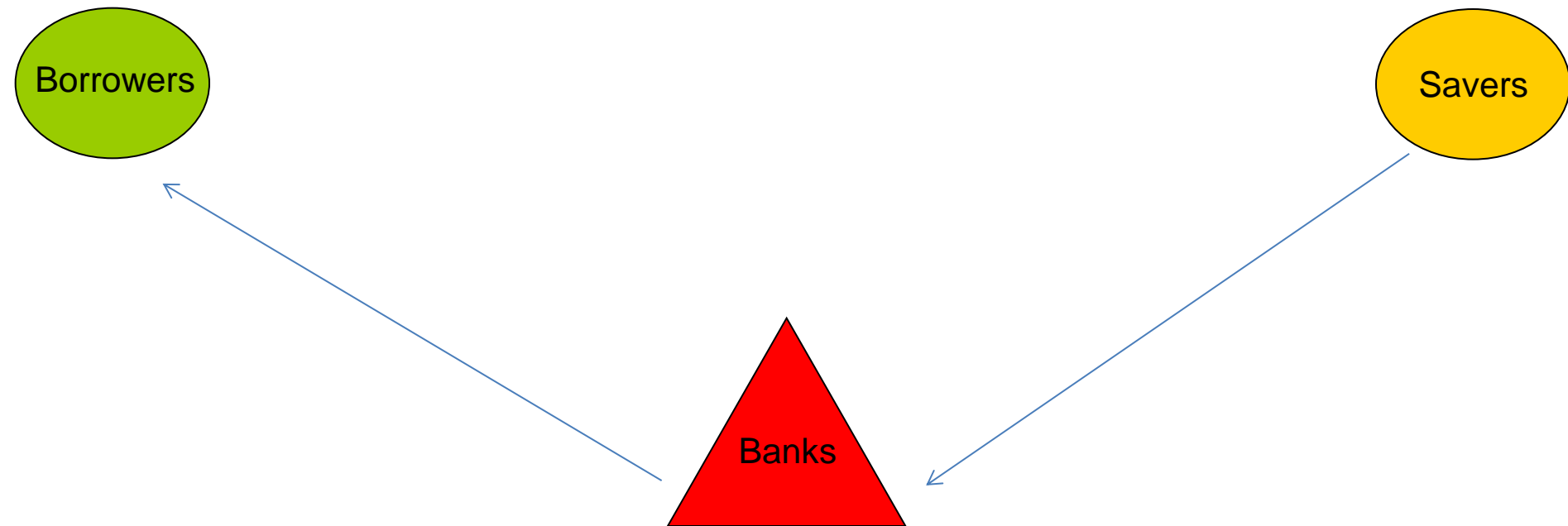


Macroprudential regulation and financial stability

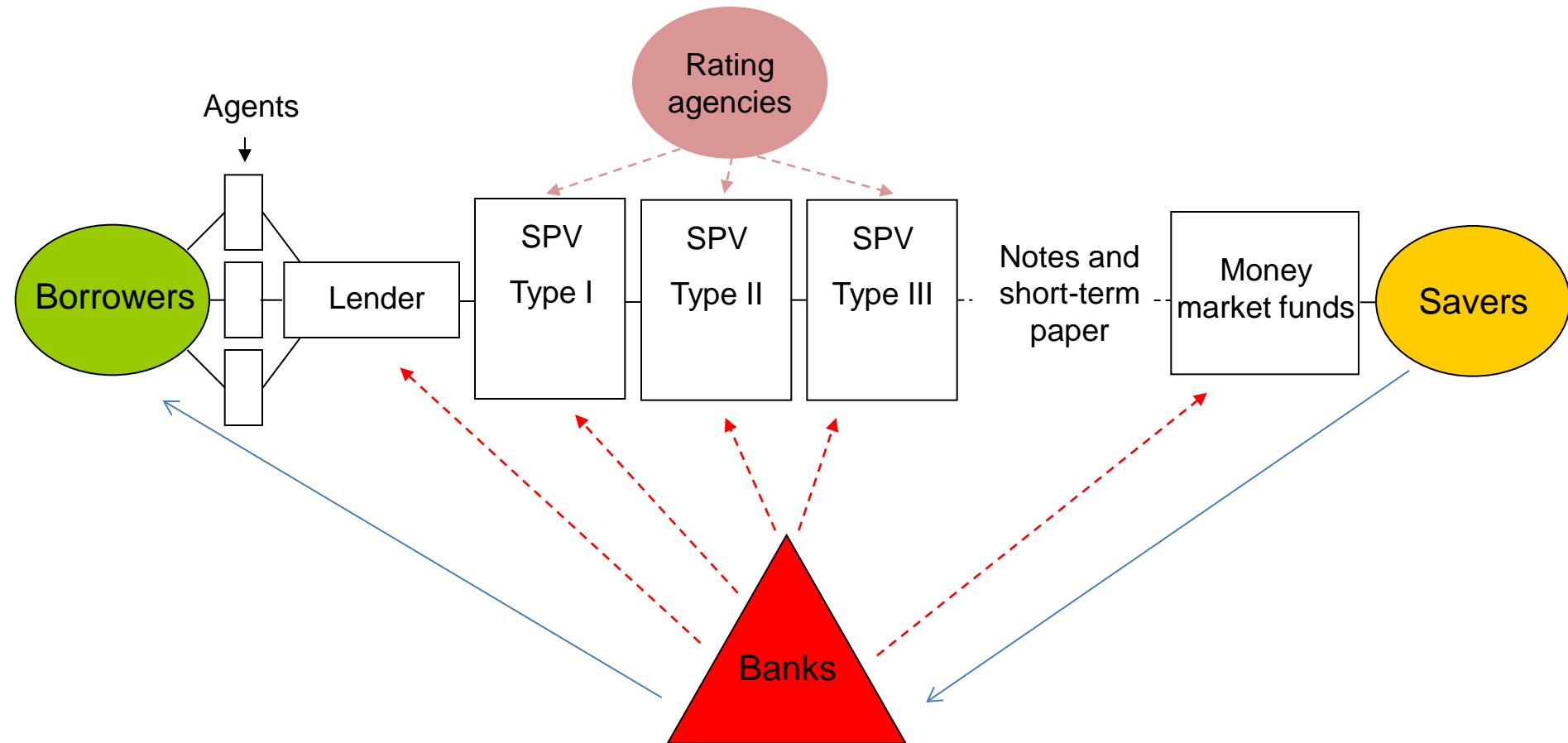
Governor Øystein Olsen

Norwegian Savings Banks Association, 31 October 2013

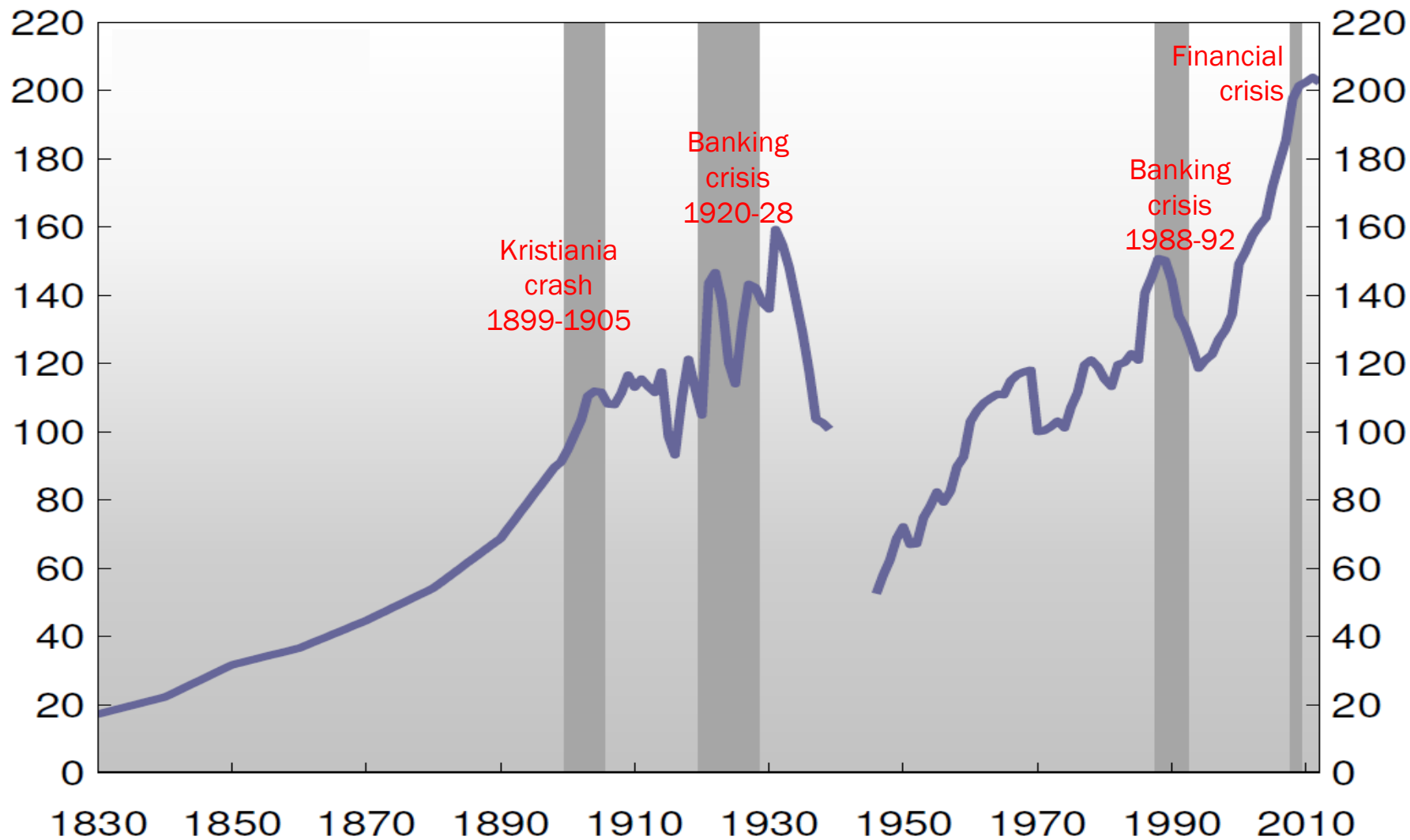
Banks play a key role



Securitisation resulted in complex and vulnerable structures

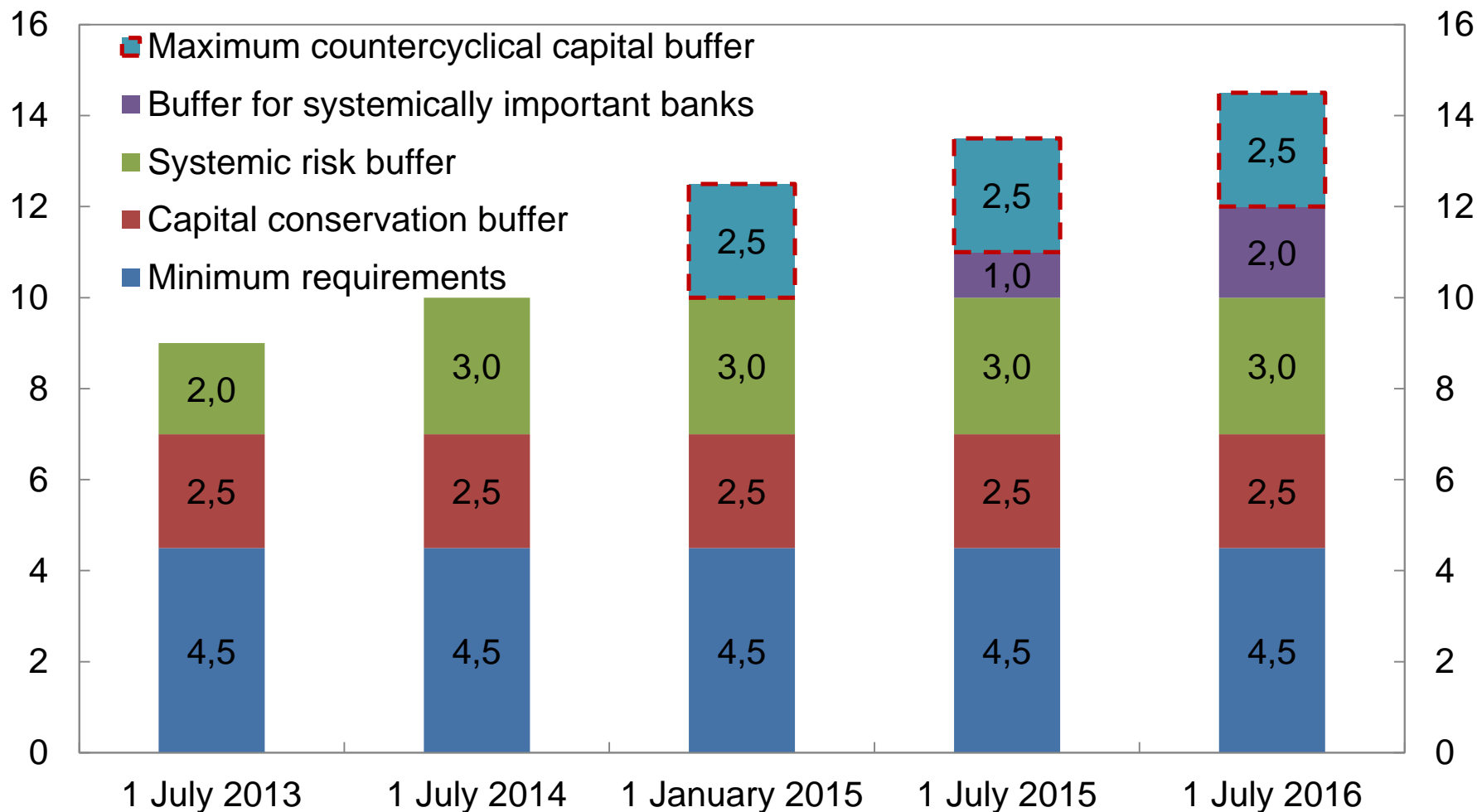


Total credit-to-GDP ratio



Sources: Statistics Norway and Norges Bank

New CET1 capital requirements for Norwegian banks



Sources: Ministry of Finance and Norges Bank

Criteria for an appropriate countercyclical capital buffer

1. Banks should become more resilient during an upturn
2. The size of the buffer should be viewed in the light of other requirements applying to banks
3. Stress in the financial system should be alleviated

Key indicators

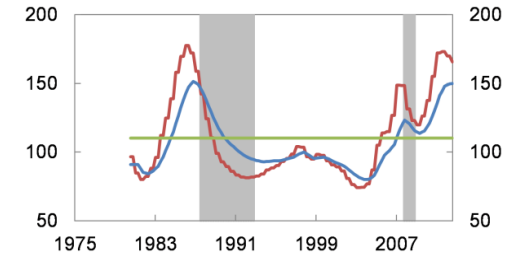
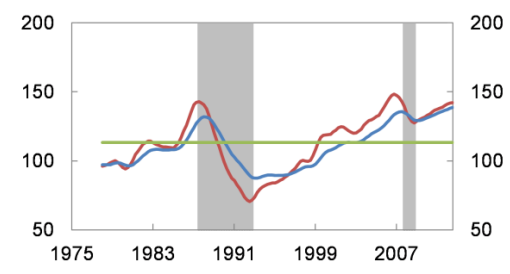
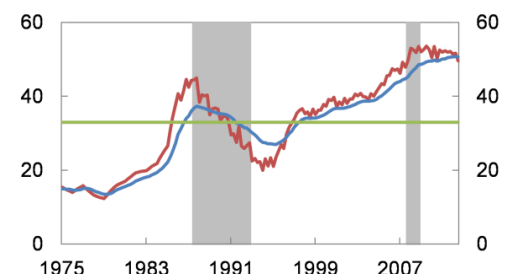
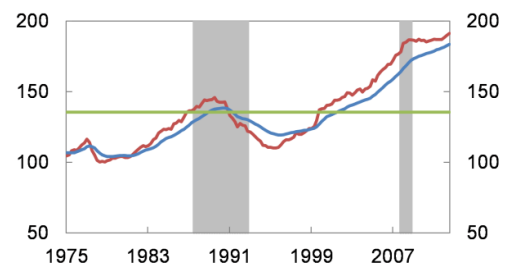
— Indicator — Trend — Mean Financial crises

$\frac{\text{Credit}}{\text{GDP}}$

Banks' wholesale funding ratio

$\frac{\text{House prices}}{\text{Disposable income}}$

Commercial property prices

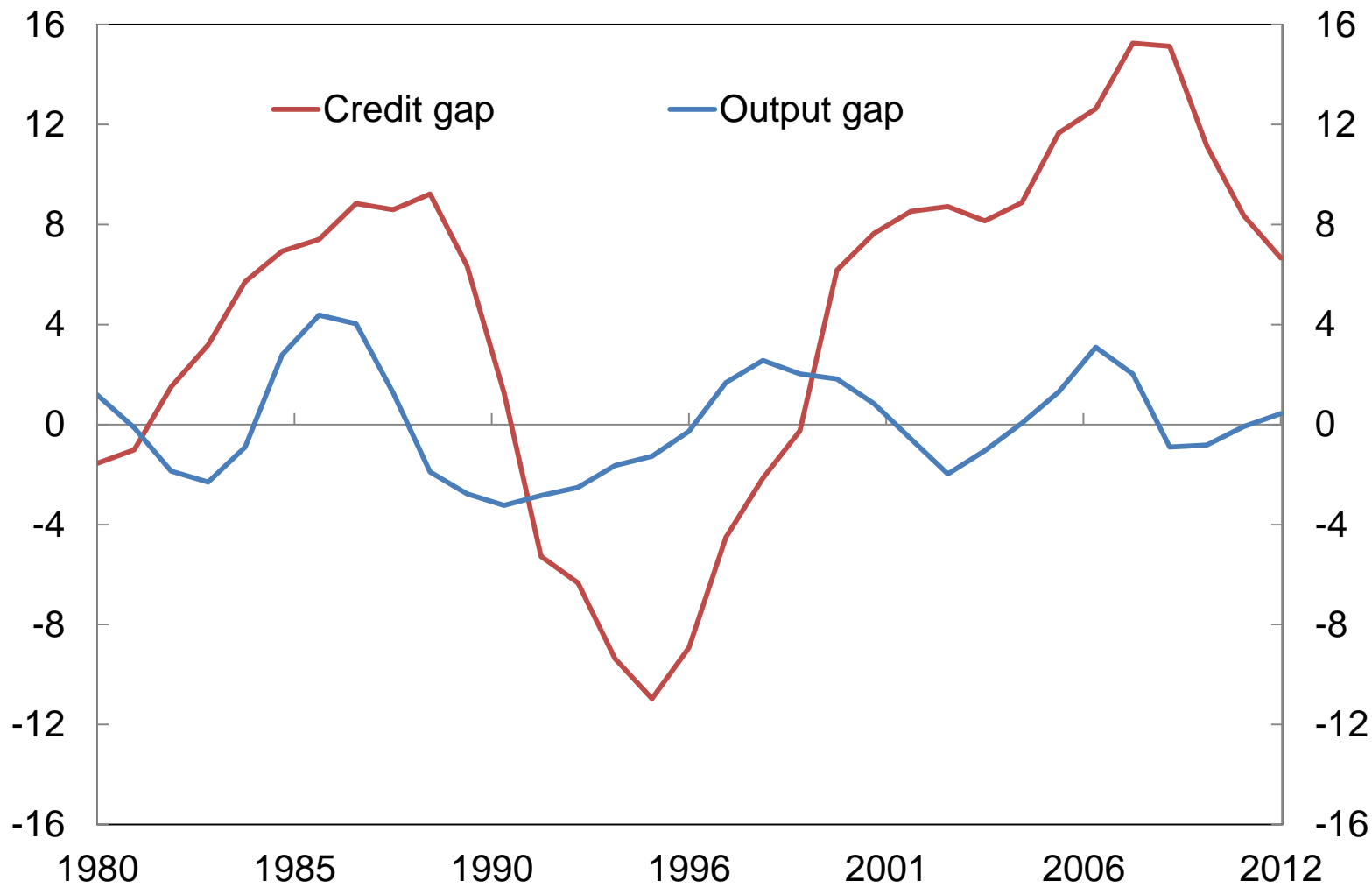


Sources: Statistics Norway, IMF, Norwegian Association of Real Estate Agents (NEF), Association of Real Estate Agency Firms (EFF), Finn.no, Eiendomsverdi, Dagens Næringsliv, OPAK and Norges Bank

Section 3 of the Regulation relating to a countercyclical capital buffer

“[...] The basis for the buffer decision shall contain an overview of the credit-to-GDP ratio and the extent to which it deviates from the long-term trend, as well as other indicators, and Norges Bank’s assessment of systemic risk that is building up or has built up over time.”

Credit cycles and business cycles in Norway



Net settlements at Norges Bank

