



FINANSTILSYNET

THE FINANCIAL SUPERVISORY
AUTHORITY OF NORWAY

Annual report 2024



Risk Outlook 2024 and reports from the supervised sectors

Analyses of trends in the financial market were covered in the Risk Outlook report, which was published in June and December. Separate reports on activities in the supervised sectors in 2024 were published in February 2025.

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Report by the Chair and the Director General



Report by the Chair and the Director General

Finanstilsynet's social mission is to promote financial stability and well-functioning markets. In 2024, Finanstilsynet largely discharged its tasks in line with the Ministry of Finance's letter of allocation and its adopted strategy. Emphasis was placed on maintaining an acceptable level of activity in all supervisory areas and a risk-based approach to ensure that resources are used in a targeted and effective manner.

The global inflation and interest rate shock over the past couple of years has so far not caused any major problems in the Norwegian economy or the Norwegian financial industry as a whole, although many consumers and businesses have been in a challenging financial situation. At the same time, the war in Europe, geopolitical tensions and political unrest create significant uncertainty about future developments. Extensive trade restrictions and escalating conflicts may lead to higher inflation, weaken the basis for economic growth and heighten the risk of financial crises.

Experience shows that crises can occur suddenly.

Finanstilsynet has broad supervisory responsibilities. Most institutions generally provide services that are of high quality and in compliance with applicable legislation. As in previous years, however, inspections, notifications received and media reports revealed major non-conformances and censurable conditions in some supervised entities in 2024. The non-conformances were followed up with the institutions, and in several cases, licences were revoked, orders for corrective measures made or administrative sanctions implemented, or a report was sent to the prosecuting authority. Offers of financial services from institutions and persons without a licence, including unlawful lending activities on social media, were also monitored.

The financial market area is mainly regulated by pan-European legislation. The legislation serves important purposes but has become extensive and complicated. In 2024, Finanstilsynet, together with the four other Nordic financial supervisory authorities, sent a letter to the European supervisory authorities responsible for banking, insurance and securities, respectively, expressing concern about the increased complexity of the pan-European legislation. A more proportionate regulatory framework may increase the social benefit of the legislation and contribute to a more pro-competitive regulatory framework for the Norwegian and European financial industries.

Finanstilsynet will continue to place emphasis on simplification, equal treatment and proportionality when regulations are to be prepared and followed up. At the same time, the objective of the regulation must be safeguarded. The defences that have been built up after the global financial crisis reduce the risk of serious crises in the financial system and provide a sound basis for economic growth over time. It is important that resilience is maintained and, in the event of new threats, further developed in periods when the general economic situation is strong.

Financial crime affects our common values. In 2024, Finanstilsynet strengthened its efforts to prevent and detect financial crime. An agreement was entered into with the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) on participation in the national Financial Intelligence Unit, starting in January 2025. Towards the end of the year, the Norwegian Data Protection Authority and Finanstilsynet invited banks to participate in the regulatory sandbox to explore data sharing solutions to combat financial crime. Such cooperation helps streamline the banks' and authorities' work against fraud and money laundering.

In 2024, on commission from the government, Finanstilsynet explored the possibility of establishing a new office outside Oslo. In its deliberations on the State Budget for 2025, the Storting (Norwegian parliament) decided that Finanstilsynet shall establish a new office in Hamar with up to 20 employees to strengthen its efforts to fight financial crime. The initiative provides the capacity to strengthen supervisory activities, expand cooperation with other authorities and the industry, and further develop working methods and digital tools.

A new Act on Finanstilsynet (the Financial Supervision Act) was adopted by the Storting in 2024 and is expected to enter into force in 2025. Under the new Act, Finanstilsynet will take over responsibility for supervising listed issuers' ongoing disclosure requirement from Oslo Børs, as well as the role of takeover supervisory authority. A new appeals board will also be established to process appeals against Finanstilsynet's decisions.

During 2024, Finanstilsynet worked to prepare for the necessary adjustments to its operations.

In 2024, Finanstilsynet was halfway through a major five-year digitalisation project. The deliveries are well in line with the milestones set and have yielded results in the form of better access to data, more streamlined internal processes and closer cooperation with other public authorities. Testing of digital services using artificial intelligence (AI) has been initiated, and around 70 employees participated in 2024.

More effective supervisory and administrative processes will remain a key priority in the future. Finanstilsynet will focus especially on changes in its own operations and processes that can ensure simplification and streamlining for supervised institutions. Towards the end of 2024, Finanstilsynet entered into an agreement with a supplier on a new reporting solution for the extensive pan-European reporting. The solution is expected to improve user-friendliness and ensure more streamlined processes for supervised institutions and will be introduced in consultation with the industry.

Oslo, 26 February 2025



Finn Arnesen
Board Chair

Per Mathis Kongsrud
Director General

Introduction and main figures



Introduction and main figures

Finanstilsynet's role and responsibilities

Finanstilsynet is an independent government agency that builds on laws and decisions emanating from the Storting (Norwegian parliament), the government and the Ministry of Finance. Finanstilsynet also participates in extensive international cooperation. Through the EEA Agreement, EU financial market regulation is implemented in Norwegian law.

Through its supervision of institutions and markets, Finanstilsynet promotes financial stability and well-functioning markets and helps to instil confidence that financial contracts will be honoured and services performed as intended.

Finanstilsynet supervises how the institutions operate in the financial markets, whether they are financially sound and able to cope with changing economic conditions, and whether they have an acceptable risk level.

Basis in law

Finanstilsynet's mission is set out in the Financial Supervision Act (Section 3):

'Finanstilsynet shall ensure that the institutions it supervises operate in an appropriate and proper manner in accordance with law and provisions issued pursuant to law and with the intentions underlying the establishment of the institution, its purpose and articles of association. Finanstilsynet shall ensure that the institutions it supervises attend to consumer interests and rights in their activities.'

Social mission

Finanstilsynet's social mission is to promote financial stability and well-functioning markets.

Strategy

Every four years, Finanstilsynet reviews the strategy underlying its activities. The strategy is an important basis for ongoing prioritisation and management of the authority's activities. Along with the letter of allocation from the Ministry of Finance, the strategy forms the basis for the annual plans for these activities. On 31 January 2023, Finanstilsynet's Board of Directors adopted the strategy for the period 2023–2026. The social mission underlying the strategy remains unchanged. The strategy emphasises the current uncertainty in society, both geopolitically and in financial markets, which Finanstilsynet needs to pay heed to. In addition, developments and tasks related to digitalisation, climate risk and sustainability are important items on Finanstilsynet's future agenda.

Main goals

In the strategy for 2023–2026, six main goals are formulated to help operationalise the social mission and evaluate operations. These goals are used in the reporting of goal achievement, see Chapter III.

These are the main goals:

1. Financially sound and well-capitalised financial institutions
2. Robust infrastructure
3. Investor protection
4. Consumer protection
5. Effective crisis management
6. Fight against crime

On 22 December 2022, the Board of Directors adopted a competence strategy for the period 2023–2026, and on 27 March 2023, the Board adopted a new digitalisation strategy for the same period.

Management

Finanstilsynet's Board of Directors has by law the overarching responsibility for Finanstilsynet's activities. Members and alternates are appointed by the Ministry of Finance for a term of four years. The alternates attend all board meetings. Two members elected by and from among the employees supplement the Board when administrative matters are on the agenda. In addition, board meetings are attended by an observer from Norges Bank who is also appointed by the Ministry of Finance.

As from 1 March 2018, **Finn Arnesen** has been Chair of Finanstilsynet's Board of Directors. He began his second term as Board Chair in March 2022, when the Ministry of Finance appointed a new Board.

The day-to-day management is in the hands of the Director General, who is appointed for a period of six years at a time. Finanstilsynet's management team consists of the Director General, the Deputy Director Generals, the General Counsel and the Communications Director.

Changes in the organisation and management in 2024

Finanstilsynet made certain changes to its organisation that became effective on 4 March. A significant change was that the Digitalisation and Analysis Department was divided in two: the Digitalisation and Reporting Department and the Risk Surveillance and Macroeconomic Supervision Department. In addition, some functions were moved between sections and departments. See also account in Chapter IV.

Kristin Tornling was appointed Deputy Director General, Digitalisation and Reporting from 11 April.

Anders Sanderlien Hole was permanently appointed to the position of Deputy Director General, Banking and Insurance Supervision from 22 April.

Knut Haugan was permanently appointed to the position of Deputy Director General, Risk Surveillance and Macroeconomic Supervision from 17 June.

Marte Voie Opland was appointed new Deputy Director General, Capital Markets Supervision and assumed this position on 1 December.

Anne Merethe Bellamy was Deputy Director General, Capital Markets Supervision until 1 December.

Board of Directors

Photo: Jarle Nyttिंगnes



Finn Arnesen

Chair

Lives in Åsgårdstrand, Professor – Scandinavian Institute of Maritime Law, Faculty of Law, University of Oslo



Giuditta Cordero-Moss

Deputy Chair

Lives in Oslo, Professor – Department of Private Law, Faculty of Law, University of Oslo



Mette Bjørndal

Board member

Lives in Frekhaug, Professor – Department of Business Management and Science, NHH Norwegian School of Economics



Helge Eide

Board member

Lives in Skedsmokorset – Director, Society, Welfare and Democracy, KS (Norwegian Association of Local and Regional Authorities)



Kristin Gulbrandsen

First alternate

Lives in Oslo, MSc in Economics and Business Administration, retiree



Jens-Henrik Lien

Second alternate

Lives in Hamar – Attorney-at-law and partner in the law firm Mageli



Sindre Weme

Observer

Director, Banking Analysis – Norges Bank



Gunnar Almklov

Senior Adviser

Representative for the employees from 1 March 2023



Alfred Ødegaard

Senior Adviser

Representative for the employees from 1 March 2023

Ylva Søvik

Alternate observer

Assistant Director, Banking Analysis – Norges Bank

From the same date, their alternates were Senior Adviser **Astrid Rindal**, Senior Adviser **Anne Cathrine Leren** and Head of Section **Linn Therese Jørgensen**.

Management team

Photo: Jarle Nytingnes



Per Mathis Kongsrud
Director General



Anders Sanderlien Hole
*Deputy Director General, Banking
and Insurance Supervision*



Marte Voie Opland
*Deputy Director General,
Capital Markets Supervision*



Knut Haugan
*Deputy Director General, Risk
Surveillance and Macroeconomic
Supervision*



Kristin Tornling
*Deputy Director General,
Digitalisation and Reporting*



Nina Moss
*Deputy Director General,
Administration*



Cecilie Ask
General Counsel



Lisbeth Strand
Communications Director

Licensable entities under supervision

- banks
- finance companies
- mortgage companies
- savings bank foundations and financial foundations
- debt information undertakings
- payment institutions
- e-money institutions
- account information service providers
- insurers
- insurance intermediaries
- pension undertakings
- market operators, incl. stock exchanges
- central counterparties
- central securities depositories
- investment firms
- fund management companies
- alternative investment fund managers (AIFMs)
- state authorised auditors and audit firms
- state authorised accountants and external accounting firms
- real estate agents and real estate agencies
- debt collection agencies
- financial benchmark administrators

Other supervisory tasks

- resolution authority
- macroprudential supervision and regulation
- prospectus control
 - transferable securities
- financial reporting enforcement
 - listed companies
- supervision of securities market trading and conduct
- supervision of various aspects of the derivatives market
- supervision of credit intermediaries
- supervision of ICT, payment services and financial infrastructure
- compliance with the anti-money laundering legislation among trust and company service providers and providers of exchange and storage services for virtual currencies, as well as entities under supervision

Personnel policy and organisation

Finanstilsynet's activities require both cross-disciplinary competence and spearhead competence in the various areas of supervision. Most of its employees have their training in economics, business economics, law, auditing or ICT. Finanstilsynet is working continuously to further develop its organisation in keeping with national and international recommendations and its own needs.

Finanstilsynet gives priority to measures designed to recruit, retain and further develop capable employees and managers. In addition, Finanstilsynet focuses on internal mobility to increase the overall level of competence. In 2024, Finanstilsynet initiated several measures from the new competence strategy. The requirements to be met by the organisation are comprehensive and on the rise, partly due to new regulations and rapid technological developments. The competence strategy forms the basis for securing the necessary expertise to handle Finanstilsynet's current and future tasks. In 2024, Finanstilsynet also prepared a digital competence plan with a description of the areas of competence and measures that are given weight in the process to increase digital competence in Finanstilsynet.

In 2024, Finanstilsynet conducted a working environment survey that was followed up by various measures. 84 per cent of the employees responded to the working environment survey, compared with 87 per cent in 2022. Most of the subjects addressed in the survey showed a positive trend compared with the 2022 results.

The Director General's salary at the end of 2024 was NOK 1,980,000. The Board Chair received a fixed annual remuneration of NOK 336,500, the Deputy Chair NOK 227,300 and the board members NOK 196,900. Remuneration to the first alternate was NOK 165,700 and to the second alternate NOK 138,900.

Facts and figures

- Finanstilsynet's organisation was strengthened in 2024 in keeping with the decision of the Storting in the National Budget. The reason for this is that Finanstilsynet has been given responsibility for supervising new sectors in recent years as well as an increasing number of tasks within regulatory development, licensing and guidance.
- Finanstilsynet had 340 permanent positions at the end of 2024, compared with 329 a year earlier. Not all permanent positions had been filled at the end of the year.
- The number of employees at Finanstilsynet at the end of 2024 was 354, compared with 349 at the end of 2023. This includes short-term appointments and persons paid by the hour.
- The number of contracted FTEs totalled 323 in 2024, an increase from 311 a year earlier. Contracted FTEs are calculated based on the total number of employment contracts. Days of absence have not been deducted.
- The number of FTEs worked was 310 in 2024, compared with 300 in 2023. Days of absence (such as leave of absence and sick leave) have been deducted, while overtime is included.
- Staff turnover was 8.4 per cent in 2024, compared with 8.3 per cent in 2023.
- All employees working part-time at Finanstilsynet in 2024 did so at their own volition. Employees that are not permanently employed are either temporarily employed or paid by the hour (students and pensioners).

Table 1: Number of FTEs in 2024

	Contracted FTEs	FTEs worked
Administration	23.5	20.1
Banking and Insurance Supervision	101.3	98.7
Digitalisation and Reporting	48.0	45.1
Risk Surveillance and Macroeconomic Supervision	44.7	44.2
Capital Markets Supervision	93.7	90.2
Communications	7.7	7.5
Director General and his staff	4.2	4.1
Total	323	310

Source: Finanstilsynet/SAP as at 31 Dec. 2024

Table 1 shows the number of FTEs broken down on departments and in total. The changes Finanstilsynet made to its organisation in 2024 are reflected in the table. The number of FTEs in the former Digitalisation and Analysis Department have been distributed according to where the sections are placed in the new organisation, either in the Digitalisation and Reporting Department or in the Risk Surveillance and Macroeconomic Supervision Department. See the description of the organisational changes on page 9.

Finanstilsynet has had a high recruitment rate for several years and announced 49 vacant positions in 2024. Some of the announcements included more than one position. A number of the positions were announced more than once, and some of the processes were completed early in 2025. Finanstilsynet is marketing itself primarily to the target groups it is recruiting from, which are mainly lawyers and business and ICT graduates. It proved challenging to recruit employees with various types of specialist expertise in 2024, which was also the case in 2023.

Table 2: Turnover	2020	2021	2022	2023	2024
Turnover (per cent)	7.3	10.7	12.2	8.3	8.4

Source: Finanstilsynet

Main figures from the annual accounts

Table 3: Main figures from the annual accounts	2023	2024
No. of FTEs worked	300	310
Overall allocation (items 01-99)	NOK 551,931,000	NOK 564,963,000
Utilisation ratio, items 01-29	98.6%	95.7%
Disbursement to operations	NOK 530,515,000	NOK 558,225,901
Salaries as a share of operating expenses	70.5%	69.6%
Salary expenses per FTE	NOK 1,276,227	NOK 1,252,390

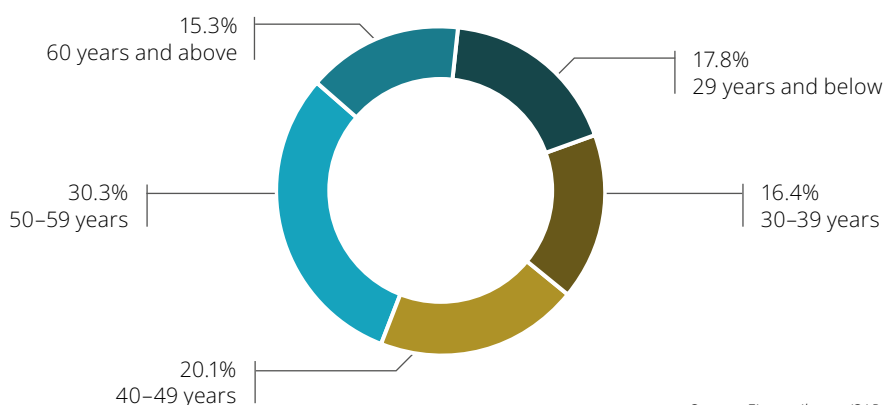
Source: Finanstilsynet

'Salary expenses per FTE' is the sum total of salary, employer's national insurance contributions, pension expenses and other payments, such as social benefits and personal insurance. Before the sum is divided by

the number of FTEs, any refunds relating to salaries are deducted. See also Chapter VI Annual Accounts, reporting by natural classification.

Age distribution

Chart 1: Age distribution at Finanstilsynet in 2024



Source: Finanstilsynet/SAP as at 31 December 2024

Table 4: Age distribution by department (per cent) in 2024

Department	29 years and below	30-39 years	40-49 years	50-59 years	60 years and above
Administration	17.4	17.4	13.0	34.8	17.4
Banking and Insurance Supervision	20.6	17.8	17.8	29.0	15.0
Digitalisation and Reporting	7.1	14.3	28.6	39.3	10.7
Risk Surveillance and Macroeconomic Supervision	24.1	22.2	16.7	14.8	22.2
Capital Markets Supervision	19.8	14.9	22.8	31.7	10.9
Communications			14.3	71.4	14.3
Director General and his staff				20.0	80.0
Overall age distribution at Finanstilsynet	17.8	16.4	20.1	30.3	15.3

Source: Finanstilsynet/SAP as at 31 December 2024

The chart shows the age distribution of Finanstilsynet's employees. The figures include permanent staff, temporary staff, persons on fixed-term employment contracts and persons paid by the hour – regardless of

FTE percentage. The average age at Finanstilsynet was 46.7 years at the end of 2024, down from 47.0 years a year earlier.

Gender distribution

Chart 2: Gender distribution at Finanstilsynet in 2024



Source: Finanstilsynet/SAP as at 31 December 2024

Table 5: Gender distribution by department (per cent) in 2024

Department	Women	Men
Administration	82.6	17.4
Banking and Insurance Supervision	46.1	53.9
Digitalisation and Reporting	52.7	47.3
Risk Surveillance and Macroeconomic Supervision	41.7	58.3
Capital Markets Supervision	52.7	47.3
Communications	42.9	57.1
Director General and his staff	60.0	40.0
Overall gender distribution at Finanstilsynet	51.1	48.9

Source: Finanstilsynet/SAP as at 31 December 2024 – excluding persons paid by the hour (students and pensioners)

Table 6: Gender distribution at Finanstilsynet – overall and by department in 2024 (number)

	All employees (incl. temporary staff, excl. persons paid by the hour)		Temporary staff		Persons paid by the hour (students and pensioners)	
	Women	Men	Women	Men	Women	Men
Administration	19	4	1	0	0	0
Banking and Insurance Supervision	47	55	0	0	4	2
Digitalisation and Reporting	29	26	0	1	1	0
Risk Surveillance and Macroeconomic Supervision	20	28	0	0	2	4
Capital Markets Supervision	49	44	0	1	6	2
Communications	3	4	0	0	0	0
Director General and his staff	3	2	0	0	0	0
Total for Finanstilsynet	170	163	1	2	13	8

Source: Finanstilsynet/SAP as at 31 December 2024

Equality, inclusion and diversity

Overall, there is an equal gender distribution at Finanstilsynet. There is a majority of women in senior management positions (Deputy Director Generals and Heads of Section). Among case officers in the supervisory departments, there are more men, while there is a majority of women among administrative staff. The gender distribution at Finanstilsynet was 48.9 per cent men and 51.1 per cent women at year-end 2024, and there were five women and three men in the management team, including the Director General. Among the Heads of Section, there were 50 per cent men and 50 per cent women. This includes acting Heads of Section as at 31 December 2024.

The average parental leave in 2024 was 21.3 weeks for women and 14.4 weeks for men.

The average salary for women was 96.5 per cent of men's average salary. Finanstilsynet reviewed the differences in salary in 2024, and statistics of salary differences were discussed with the employee representatives in connection with the local salary settlement in autumn 2024. The figures for the ratio of salary of women to men in 2024 were collected before the completion of the local wage settlement for 2024. When new candidates are employed, their salary is assessed against comparable employees with the same job code across the organisation. The salary differences within the groups of Deputy Director Generals (job code 1062) and Heads of Section (job code 1211) are partly due to the different work content of the management positions within each group.

Table 7: Ratio of salary of women to men in 2024

Job code		Ratio of salary of women to men	Number of women	Number of men
1062	Deputy Director General (excluding the Director General)	94.9%	5	2
1211	Head of Section (incl. acting Head of Section)	97.8%	11	11
1364	Senior Adviser	96.0%	120	112
1434	Adviser	101.4%	18	15
1408	Higher Executive Officer	98.0%	16	18

Other job codes and persons paid by the hour – including students and pensioners – are not included. The figures above were collected before the completion of the local wage settlement for 2024.

Source: Finanstilsynet/SAP as at 31 December 2024

Finanstilsynet abides by the qualification principle, and discrimination shall not occur. Finanstilsynet is committed to promoting diversity and to employing candidates with disabilities or gaps in their CV. All qualified candidates are encouraged to apply for vacant positions. 7 per cent of those who took up employment during 2024 had an immigrant background.

4 per cent of those who took up employment during 2024 had disabilities or gaps in their CV. This is a positive development compared with figures from 2020 and 2021, when no candidates with disabilities or gaps in their CVs were hired.

For Finanstilsynet, it is important to ensure that employees who are or who become disabled can continue to work. This is facilitated through both physical and digital measures. Employees may also opt to work from home for up to two days per week when their tasks can thus be performed in a satisfactory manner. Finanstilsynet's intranet pages include whistleblowing procedures explaining how the employees can notify bullying, harassment or other censurable conditions. Annual performance reviews are carried out, and everyone who leaves Finanstilsynet is invited to an exit interview.

Finanstilsynet has a standard attachment to all agreements, 'Corporate social responsibility and code of ethics', that sets out requirements to be met by subcontractors, including a prohibition of any form of discrimination in working life.

Apprentices

Finanstilsynet has not recruited any apprentices but makes extensive use of internships, with approximately 20 internships in ten sections. The reason why Finanstilsynet does not have apprentices is that it has few tasks requiring vocational skills and is therefore not well suited for apprentices. Internships, on the other hand, provide highly relevant work experience, for example for business and law students. Several of the students have been employed in Finanstilsynet after completing their studies.

Sickness absence

The overall sickness absence rate was 3.7 per cent in 2024, down from 4.2 per cent in 2023. Sickness absence in 2024 was higher for women than for men but decreased for both women and men. Compared

with 2023, short-term sick leave in 2024 was down 0.2 per cent to 1.7 per cent, while long-term sick leave was down 0.3 per cent to 2.0 per cent. For several years, Finanstilsynet's sickness absence target has been maximum 3.5 per cent. Finanstilsynet follows up employees on long-term and short-term sick leave. Sickness absence is regularly discussed in the Working Environment and Equality Committee.

Finanstilsynet is working actively to maintain a low sickness absence rate, which includes offering various physical activities and campaigns.

Table 8: Sickness absence by gender

	Total sickness absence in 2023	Total sickness absence in 2024
Women	5.0%	4.6%
Men	3.4%	2.9%
All employees	4.2%	3.7%

Source: Finanstilsynet/SAP as at 31 December 2024

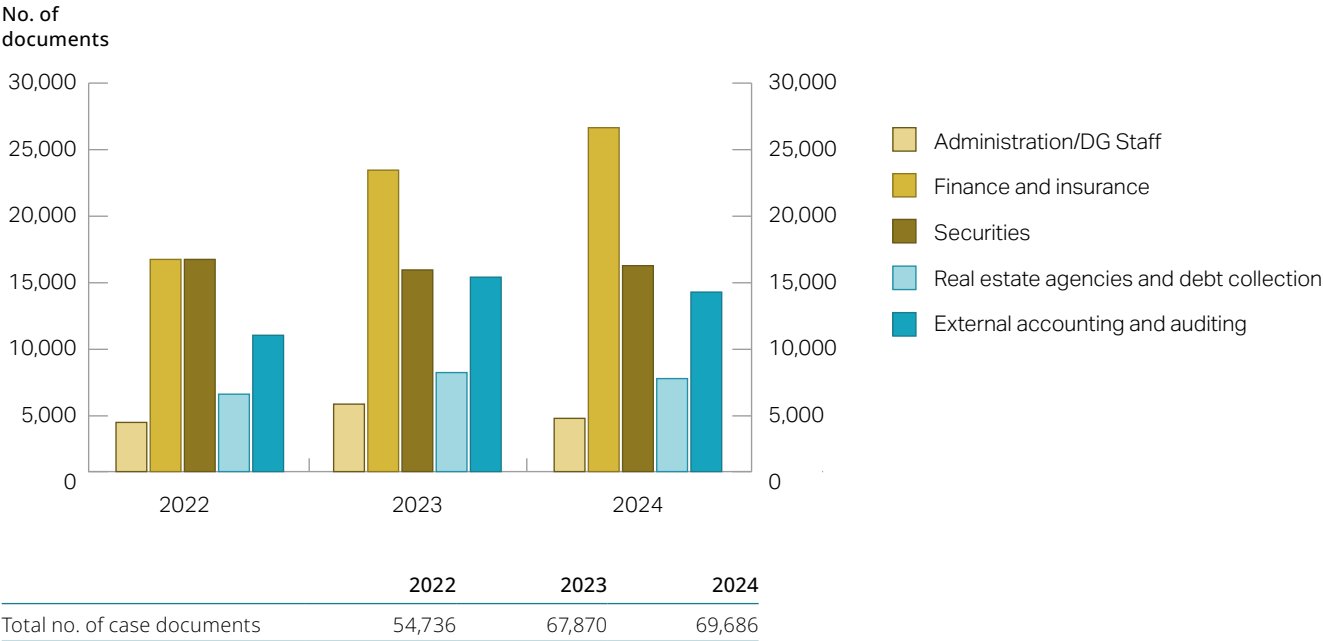
Document processing

The number of incoming and outgoing documents registered rose by 1,816 from 2023 to 2024, to 69,686. Chart 3 shows the number of documents per supervised sector. There was an increase in the finance and insurance sectors, while the numbers were more stable in the other sectors. The increase is partly due to the fact that companies engaged in credit intermediation must now apply to Finanstilsynet for authorisation and registration.

Document access at Finanstilsynet

Finanstilsynet received a total of 6,528 requests for document access in 2024, which was an increase of about 30 per cent compared with the previous year. 1,940 documents were not released since their entire content was barred from publication. Most access requests are received via the public electronic mail journal elnnsyn.no, used by all central government agencies.

Chart 3: Document processing



Source: Finanstilsynet

Communication and collaboration

Finanstilsynet's communication effort is directed primarily at entities and sectors under supervision but also at various public authorities, the media and the general public.

Finanstilsynet has an extensive network of contacts and good cooperation with other public authorities in Norway and the EEA countries. Regular meetings are held with various trade and professional organisations and the largest entities under supervision. Finanstilsynet also responds to many requests from consumers.

Finanstilsynet's communication strategy shows how it uses communication as one of several tools to achieve its objectives. We will be open about our assessments, supervisory practices, data and decisions.

Finanstilsynet's website is the main information channel and contains inspection reports, decisions, publications and analyses, guidelines and information on legislation.

Good internal communication shall contribute to effective knowledge sharing and a good working environment in the organisation. The communications staff facilitates information sharing in common channels such as the intranet and through joint events such as open meetings, training and seminars.

Information provision

The sectors supervised by Finanstilsynet are regulated by an extensive Norwegian body of rules that are largely harmonised with EU/EEA regulations. There is an increasing need for providing sound guidance to supervised institutions on the interpretation of and compliance with the regulations applying to the various supervised sectors.

Finanstilsynet arranged several seminars for institutions, markets and the general public in 2024, and several of these were webinars providing information and guidance to institutions on regulations and reporting. In addition, employees participated and held presentations at seminars organised by various industries and public sector agencies. In May, Finanstilsynet presented the report 'Risk and Vulnerability Analysis' (RVA) on the use of ICT in financial institutions, and the 'Risk Outlook' report' was presented in June and December. In 2024, these presentations were expanded with a seminar on the changes in the Capital Requirements Regulation. In autumn 2024, Finanstilsynet hosted the annual press conference on the residential mortgage lending survey, a seminar for listed companies, a seminar on the Sustainable Finance Disclosure Regulation (SFDR) and a webinar on the EU Digital Operational Resilience Act (DORA). A total of four press conferences were held and broadcast on web TV.

Media coverage

Finanstilsynet receives many requests from the media every year and was mentioned in more than 5,000 media entries in 2024. The 'Risk Outlook' reports and the residential mortgage lending survey received particular attention.

During 2024, the media were particularly interested in how Finanstilsynet followed up unlawful credit intermediation after a major fraud case in the Stavanger area. There was also increased interest in external accountants and auditors who have engaged in or facilitated illegal activities. In autumn 2024, Finanstilsynet's recommendation to retain the main points of the Lending Regulations received much attention. During the year, Finanstilsynet stopped illegal activities on TikTok, which also received media coverage. The regulatory framework for the financial industry and the regulatory burden are relevant topics that were also discussed.

Table 9: Overview of supervised entities as at 31 December 2024

	2020	2021	2022	2023	2024
Banks	118	117	110	106	99
Finance companies	28	29	28	26	27
Mortgage companies	31	31	30	29	29
Norwegian banks' and other credit institutions' branches abroad	16	15	14	12	12
Norwegian branches of foreign banks and credit institutions	34	35	35	35	34
Savings bank foundations and financial foundations	34	39	39	45	48
Payment institutions	30	33	29	24	20
E-money institutions	6	6	5	7	9
Exchange and storage services for virtual currencies	10	9	9	10	13
Credit intermediaries*	11	12	18	19	2,149
Account information service providers	0	1	1	1	2
Life insurers	12	11	11	10	10
Non-life insurers, incl. local fire insurance associations	52	51	51	48	48
Local marine insurance associations	5	5	5	4	4
Norwegian insurers' branches abroad	14	14	16	10	10
Foreign insurers' branches in Norway	30	32	32	33	32
Insurance intermediaries**	107	111	2,275	2,455	2,478
Private pension funds	49	48	48	43	42
Municipal pension funds	35	34	34	32	32
Defined-contribution pension providers	1	1	1	1	-
Pension funds	1	1	1	1	1
Holding companies	11	11	12	10	11
Investment firms	97	95	100	105	104
Norwegian branches of foreign investment firms	16	18	17	19	17
Fund management companies	29	29	29	28	29
Alternative investment fund managers (AIFMs)	47	50	56	59	61
Registered alternative investment fund managers (AIFMs)	154	180	190	175	179
Central securities depositories	1	1	1	1	1
Market operators, incl. stock exchanges	4	4	4	4	4
Financial benchmark administrators	1	6	6	6	6
State authorised auditors***	8,365	1,752	2,342	3,353	4,493
Audit firms	461	458	458	506	435
State authorised accountants	11,854	12,093	12,320	12,530	12,839
External accounting firms	2,728	2,779	2,699	2,597	2,469
Real estate agencies	527	537	525	518	513
Lawyers' practices that include estate agency	880	853	782	701	649
Debt collection agencies	90	81	76	71	63
Debt purchase businesses	5	5	6	5	6
Debt information undertakings	3	3	3	3	3

* In accordance with the new Credit Intermediation Act which entered into force on 1 July 2023 (with a one-year transitional rule), all credit intermediaries and ancillary credit intermediaries, i.e. firms that engage in credit intermediation as a secondary activity, are now licensed and registered in Finanstilsynet's Registry.

** In accordance with the new Insurance Intermediation Act which entered into force on 1 January 2022, all insurance agent firms and accessory insurance agent firms, i.e. firms that engage in insurance intermediation as a secondary activity, are now licensed and registered in Finanstilsynet's Registry.

*** With effect from 2021, this category has been changed to 'state authorised auditors'. Pursuant to the new Act, auditor register numbers are allotted in connection with the authorisation as a state authorised auditor. During a transitional period, not all state authorised auditors are allowed to carry out statutory audits. This applied to 6,665 auditors as at 31 December 2021 and 6,368 auditors as at 31 December 2022, which was the reason for the decline. Auditors who are not entitled to carry out statutory audits are excluded from the 2021 and 2022 columns.

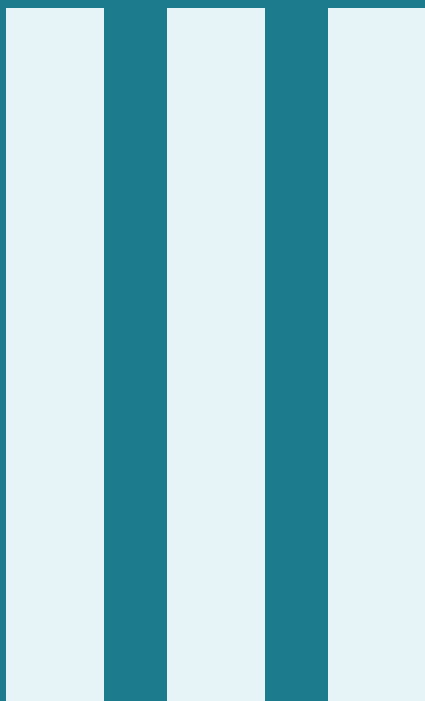
At year-end 2024, Finanstilsynet also oversaw the financial reporting of 277 listed companies.

Finanstilsynet's organisation

as at 31. December 2024



The year's activities and results



The year's activities and results

Finanstilsynet's main task is to promote financial stability and well-functioning markets by supervising and guiding institutions and markets in the financial sector. In addition, Finanstilsynet spends resources on analyses and reports and on regulatory work for the Ministry of Finance. The Ministry has delegated competence to Finanstilsynet for the implementation of Commission Delegated Regulations (level 2 regulations), which are many in number. See also the reports summarising activities in the various supervised sectors in 2024. The reports are available at finansstilsynet.no.

Finanstilsynet collaborates with other authorities globally and within the EEA on the supervision of financial markets and financial institutions. Finanstilsynet had ongoing cooperation with the European Supervisory Authorities for the banking, insurance and securities sectors (EBA, EIOPA and ESMA) in 2024 and attended several meetings of the European Systemic Risk Board (ESRB) and various supervisory colleges.

An important aim of cross-border supervisory cooperation is to identify risk factors present in the institutions and developments in the international financial market at an early stage. The supervisory cooperation also enables the implementation of coordinated measures to mitigate risk and handle crises.

Reporting of goal achievement

Finanstilsynet's strategy for 2023–2026 and the letter of allocation from the Ministry of Finance set out six strategic goals, cf. chapter II. The goals are supplemented by prioritised measures and governance indicators that show Finanstilsynet's activities in various supervised sectors in 2024. Goal achievement is reported to the Ministry of Finance according to these goals.

Goal 1 Financially sound and well-capitalised financial institutions

Financially sound and well-capitalised financial institutions are a prerequisite for the stability of the financial system, enabling institutions to meet their obligations to their customers and maintain vital functions in society. Finanstilsynet assesses the risk of instability in the financial system and uses instruments to reduce systemic risk based on information gained from the supervision of individual institutions and thematic inspections of groups of institutions, as well as from macroeconomic surveillance. Through licensing requirements, capital and liquidity requirements and ongoing supervision, Finanstilsynet plays its part in ensuring that institutions are financially sound and have robust financing, fit and proper management and satisfactory risk management and corporate governance. In addition, Finanstilsynet advises the political authorities on capital adequacy and liquidity requirements and other measures that help reduce risk in the financial system.

In 2024, Finanstilsynet gave priority to risk-based supervision to ensure that the institutions are financially robust and liquid and have sound governance and control procedures in order to be able to cope with negative events.

High household debt and elevated residential and commercial property prices remain the key vulnerabilities in the Norwegian financial system, and geopolitical tensions and political unrest create significant uncertainty about economic developments.

Given this risk landscape, Finanstilsynet has given priority to supervising regional banks and medium-sized and small banks with high credit risk, with particular emphasis on credit exposure, loss allowances and loss modelling. In light of the collapse of Silicon Valley Bank and the problems at Credit Suisse that contributed to the market instability in 2023, Finanstilsynet has also prioritised liquidity inspections at certain institutions that did not have their liquidity risk assessed in the SREP process (assessment of risk and capital needs) in 2024. As a result of considerable macroeconomic and geopolitical uncertainty it is also important to follow up the banks' corporate governance, their control of significant risks, and their use of internal risk models.

It is also a priority task to monitor, prepare for and inform about regulatory changes that are adopted in the EU/EEA and introduced in Norway. In 2024, Finanstilsynet prepared for the introduction of several new regulations, including new capital requirements regulation (CRR3/CRD6).

Norwegian life insurers and pension funds have strong profit and solvency levels. For non-life insurers, the increased scope and severity of weather and natural disasters have led to weaker earnings and heightened risk. In the summer of 2024, Finanstilsynet mapped the use of advanced technology, for example based on

artificial intelligence, at 31 insurers. The insurers were asked to account for their use of such technology, their expertise at various levels, their governance and control system, the degree of outsourcing, how they address ethical issues, and future plans for the use of advanced technology. The survey showed that such technology is increasingly being used by many insurers, especially within non-life insurance. Finanstilsynet published a summary of the survey on its website in September 2024. The authority has clear expectations that the undertakings will ensure that advanced technology is used more responsibly.

Finanstilsynet largely carried out supervisory activities in 2024 in line with the plans drawn up at the beginning of the year.

Finanstilsynet took the following actions during the year:

- monitored risk in the Norwegian and international economy, assessed the potential consequences for Norwegian banks and other financial institutions, and provided regular reports to the general public and the Ministry of Finance
- completed stress tests of the Norwegian economy and Norwegian banks
- prepared climate scenarios and estimated the consequences for Norwegian non-financial enterprises and banks of increased emission prices and climate investments
- assessed the competition between the banks and proposed certain measures to strengthen this
- followed up institutions' financial position based on reported figures
- followed up credit risk exposures and loss allowances (IFRS 9)

- further developed analytical tools to assess risks, including reciprocal effects within the financial system and between the financial system and the real economy
- published its assessments of the prospects for financial stability in the half-yearly 'Risk Outlook' report
- advised the Ministry of Finance on systemically important financial institutions
- mapped the use of risk weights to calculate capital requirements according to the standardised approach, including how the retail exposure category is used under the capital adequacy framework
- assessed applications from banks for changes to internal models for the calculation of capital requirements (IRB models)
- assessed risk and capital needs in banks and set capital requirements under Pillar 2
- reviewed the reinsurance market for non-life insurance contracts based on indications of challenges in this market
- engaged in closer follow-up of certain banks and non-life insurers facing challenges related to solvency and governance and control
- reviewed and followed up pension funds' calculation of the best estimate of obligations in solvency calculations
- followed up pension funds' premium rates for disability insurance in municipal pension schemes

Sustainability and climate risk have been incorporated in the various supervisory modules and were on the agenda at all ordinary inspections at banks and eight insurers in 2024. The banks' assessment of sustainability risk is also included as part of our assessment of risk and capital needs in Pillar 2. We have also mapped insurers' analyses of climate risk in their own risk and solvency assessment (ORSA).

On commission from the Ministry of Finance, Finanstilsynet drew up a consultation document proposing changes to the Lending Regulations. During the work on the consultation document, Finanstilsynet assessed the need for regulation of banks' lending practices at a time of rising interest rates, the calibration of each requirement in the regulations and the need for measures for individual groups. Finanstilsynet based its assessments primarily on national and international experience with such regulation, and also sought insight from national and international research in this field. After the consultation round, the Ministry of Finance decided to generally retain the Lending Regulations in line with Finanstilsynet's proposal, but lowered the down payment requirement for new residential mortgages from 15 to 10 per cent and adjusted the assessment criteria for customers' debt servicing capacity in the case of fixed-rate loans.

Governance indicators	Performance targets 2024 (planned figures)	2024 results (completed)	2023 results
Inspections at banks, mortgage companies and finance companies			
a) on-site inspections (incl. IRB)	31	30	17
b) off-site inspections	0	1	1
Completed SREP reviews (assessments of risk and capital needs)			
	32	45	41
Inspections at insurers and pension undertakings:			
a) on-site inspections, incl. supervision of the undertakings' models for calculating solvency capital requirements	8	9	11 (3 at life insurers, 6 at non-life insurers, 2 at pension funds)
b) off-site inspections	2	3	4

Goal 2 Robust infrastructure

A robust financial infrastructure is crucial to satisfactory systems for payments, trading, pricing and settlement in the financial market. Infrastructure failure could quickly result in an extensive collapse of critical services and thus have serious consequences for society. Low risk of systemic failure and a high degree of preparedness to enable rapid recovery in the event of failure are therefore of vital importance. Through licensing requirements and the supervision of financial institutions, investment firms and infrastructure entities, Finanstilsynet contributes to ensuring that the institutions maintain satisfactory management and control of ICT risk and other operational risks.

Finanstilsynet is closely monitoring changes in the infrastructure for the Norwegian commodity derivatives market, especially Nasdaq Oslo's activities related to trading in Nordic energy derivatives.

Finanstilsynet participates actively in the supervisory college for the Euronext Group, where an increasing number of joint supervisory projects are carried out.

Finanstilsynet has obtained various documentation from the banks that are contributors to the Norwegian interest rate benchmark Nibor. One of the aims of the project, which will be completed in early 2025, is to assess the banks' policies and procedures.

Supervision of institutions' governance and control of ICT activities and monitoring of potential threats to their ICT systems and implemented cybersecurity measures remain priority tasks, and there was ongoing cooperation with various government agencies in 2024 to ensure the security of the financial infrastructure. Again in 2024, Finanstilsynet considered vulnerabilities in the institutions' defences against cybercrime to be the principal threat to the institutions' ICT use. The risks associated with vendor management, governance models, internal control and access management are also key threats. During 2024, Finanstilsynet followed up changes in the technological infrastructure and financial institutions' payment services.

Finanstilsynet took the following actions during the year:

- completed the first inspection of Euronext Securities Oslo after it was licensed as a central securities depository pursuant to the Norwegian Central Securities Depository Act and the CSDR (Central Securities Depository Regulation), and submitted a report concerning its inspection of the undertaking in 2023
- carried out a joint thematic inspection of the Euronext Group, addressing Euronext's compliance function

- registered Euronext Growth Oslo as an SME growth market. The registration could lead to easier access to capital for small and medium-sized enterprises.
- received and considered a number of incident reports. The incident on 21 May 2024 where direct debits and eInvoice transactions were charged twice was subject to special follow-up.
- considered notifications of ICT outsourcing
- fulfilled its role as sectoral response environment (SRE) in cooperation with Nordic Financial CERT (NFCERT) through regular follow-up meetings and interaction when security incidents occur and provided input to the Norwegian National Security Authority (NSM) on the proposed revised SRE framework
- summarised the work on ICT security in the financial sector and how individual institutions and the industry comply with the regulations in the Annual Risk and Vulnerability Analysis (RVA), which was published in May 2024
- received and processed fraud data reports from payment service providers for the second half of 2023 and first half of 2024 and published fraud statistics
- monitored trends in threats, including cybercrime, and participated in the National Cyber Security Centre (NCSC) and in the Norwegian National Security Authority's interest group for ICT supervision
- continued the cooperation with Norges Bank on a framework for security testing of critical functions in the financial sector in Norway (TIBER-NO) and systemic ICT risk, and arranged a seminar on payment systems and ICT in the financial sector
- participated both in the working group and the steering group in the ongoing work of Norges Bank to assess the need for emergency preparedness solutions in the payment system

- prepared for the implementation in Norwegian law of the EU Digital Operational Resilience Act (DORA) and held webinars, gave several presentations and provided input to the Ministry of Finance's work on the bill
- provided input to the Ministry of Finance regarding which institutions should be covered by the scope of the Cybersecurity Act and to the consultation on the regulations to the Cybersecurity Act, and followed up weaknesses and deficiencies in account servicing payment service providers' interface for third-party providers' access to payment accounts under the Payment Services Directive (PSD2)
- published Finanstilsynet's understanding of the rules for combined payment cards after Visa set requirements for the use of such cards

Governance indicators	Performance targets 2024 (planned figures)	2024 results (completed)	2023 results
Inspections of institutions' use of ICT systems and cyber security measures	16	16 inspections*: 8 at banks 2 at insurers 1 at an infrastructure entity 1 at an investment firm 2 at audit firms 1 at a debt collection agency 1 at a real estate agency	21 inspections: 10 at banks 2 at insurers 2 at payment institutions 2 at audit firms 2 at fund management companies 1 at a debt collection agency 2 at real estate agencies
Inspections at payment institutions	2	1	2
Inspections at infrastructure entities	3	2	3

*In addition, eight off-site inspections were carried out on the use of ICT systems and cybersecurity measures.

Key figures

	2024	2023
Number of ICT incidents and share of ICT incidents that have been followed up	359 ICT incidents**; 20 security incidents 339 operational incidents	408 ICT incidents: 15 security incidents 393 operational incidents

**The Ministry of Finance was informed about three of the ICT incidents.

Goal 3 Investor protection

Reliable and adequate information is a crucial prerequisite for well-functioning markets that can contribute to effective allocation and pricing of risk and capital. Finanstilsynet helps ensure that current and periodic information from listed companies is correct and timely, and that their prospectuses are designed in keeping with prevailing requirements. Finanstilsynet also helps ensure that the preparation and auditing of financial statements is of satisfactory quality. Through its supervision of investment firms and effective and swift enforcement of market conduct rules in the securities market, Finanstilsynet contributes to market discipline and the safeguarding of investors' and issuers' interests.

Finanstilsynet actively promoted strong investor protection in 2024 through information measures, ongoing supervision of the securities market and financial reporting enforcement.

The capital raised in the Norwegian share market was significantly lower than the previous year and at its lowest level since 2017. Most of the issues were private placements (92 per cent). The high proportion of private placements entails a risk that shareholders are not treated equally because of the discounts offered and dilution. In its supervision of investment firms and Oslo Børs in 2023, Finanstilsynet focused especially on private placements. In a letter to the Ministry of Finance in 2024, it proposed that a public committee should be appointed to review the practice of private placements and assess whether the regulations should be amended to strengthen equal treatment of shareholders.

In 2024, Finanstilsynet published decisions on administrative fines of NOK 17 million and NOK 25 million on two investment firms for disclosing inside information without complying with requirements for due care in handling such information. Both firms disclosed inside information to investors without making an adequate assessment of whether it was defined as inside information. The firms also failed to ensure that those who received inside information gave their clear and unambiguous consent to receiving such information, or to inform the recipients of the obligations arising from receiving such information. In its reports, Finanstilsynet emphasises that the disclosure of inside information is likely to undermine confidence in the market, and that the firms, through their highly inadequate handling of the placements, have enabled and facilitated the misuse of inside information.

In 2024, Finanstilsynet published several decisions on administrative fines under the Auditors Act concerning audit firms' failure to fulfil their duties in the statutory audit of public interest entities.

Finanstilsynet took the following actions during the year:

- published an inspection report after completing the inspection of Oslo Børs' follow-up of equal treatment of shareholders in connection with issuers' use of private placements. The inspection triggered the stock exchange to update its procedure for monitoring issuers' compliance with the equal treatment rules.
- carried out inspections of KPMG, Deloitte and Forvis Mazars, all of which audit public interest entities. The inspection at KPMG took place in cooperation with the Public Company Accounting Oversight Board (PCAOB).
- reviewed the financial reporting of 25 institutions, including information about assumptions underlying the assessment of investment property
- reviewed the taxonomy reporting of 15 institutions and prepared a separate report on this
- reviewed 28 investment firms' role in placing unlisted shares and bonds
- ordered an AIF manager to implement corrective measures in connection with capital raising in real estate funds
- made nine decisions to impose administrative fines of between NOK 100,000 and NOK 300,000 on investors for violating the prohibition against market manipulation
- imposed two administrative fines for violation of the disclosure requirements and seven administrative fines for violation of the notification requirement for primary insiders etc. using the new surveillance system and TRS data

- reported 14 cases of suspected insider dealing to Økokrim (the National Authority for Investigation and Prosecution of Economic and Environmental Crime)
 - made a decision on administrative confiscation of gains from insider dealing
 - initiated a thematic inspection to map project finance companies involved in commercial real estate, including structures and property management
- carried out 39 inspections at external accounting firms, resulting in ten decisions to revoke their authorisation as an external accountant and six decisions to revoke their authorisation as a state authorised accountant

Governance indicators	Performance targets 2024 (planned figures)	2024 results (completed)	2023 results
Financial statements reviewed	30	25	26
Inspections at audit firms	20	30	24
Inspections at external accounting firms	20	39	51

Key figures

	2024	2023
Vetted prospectuses	91	105
Cases of non-compliance with the reporting requirement for short sales that have been followed up	1	11
Cases of non-compliance with the notification requirement for securities trading that have been followed up	7	6
Breaches of the obligation to notify major shareholdings that have been followed up	2	7

Goal 4 Consumer protection

Good consumer protection is important for the individual consumer and for maintaining confidence in financial market participants. Service providers shall safeguard customer interests, paying due heed to the customers' capacity for understanding the product characteristics. Finanstilsynet safeguards consumer protection by supervising that the provision and brokerage of loans, insurance and pension products, mutual fund products, other financial instruments and property take place in an acceptable manner. The supervision of debt collection agencies also strengthens consumer protection. Monitoring compliance with capital adequacy and prudential requirements helps create assurance that product providers meet their obligations to their customers.

The requirements of the law as regards consumer protection and conflicts of interest are of key importance in the supervision of investment firms, management companies and financial institutions. The firms shall act honestly, fairly and professionally in accordance with the best interests of their clients and ensure that the integrity of the market is attended to in the best possible manner. Legislation and supervision also aim to encourage the firms to maintain sufficient internal controls and to promote an informed attitude to risk.

As a result of changes in the pricing models for mutual funds, there is a lack of transparent price information for consumers. Against this background, Finanstilsynet reviewed prices of a number of mutual funds offered by various fund managers. The results from the review were published in February and November 2024.

The supervision of managers of alternative investment funds (AIF managers) focuses on funds targeting retail investors.

Consumers are dependent on good information, and Finanstilsynet has dedicated a web page to consumer information. Finanstilsynet also responded to many requests from consumers in 2024.

External accounting firms maintain an important function for the smallest limited companies and sole proprietorships. Finanstilsynet oversees that these firms establish a quality management system that ensures that clients' interests are properly safeguarded.

In order to help protect consumers and customers, Finanstilsynet took the following actions during the year:

- carried out inspections at several institutions at which customer protection was one of the items on the agenda

- initiated three thematic inspections at a total of 13 investment firms on their advice and information to retail clients, information handling and valuation of unlisted securities, as well as an on-site inspection at an investment firm, and completed 20 inspections that were started in 2023
- arranged a seminar on sustainability-related requirements in the SFDR and in sector legislation for fund management companies and investment firms
- prepared draft rule changes aimed to clarify that pension institutions' premium rates and management fees include remuneration to fund managers
- followed up new rules on buffer funds for private guaranteed pension products that came into force on 1 January 2024
- arranged contact meetings with the Norwegian Financial Services Complaints Board, the Consumer Authority, the Norwegian Association of Real Estate Agents, Finance Norway and the Financial Industry Authorisation Schemes (FinAut)
- carried out eleven inspections at real estate agencies, focusing on risk management and internal control and compliance with the anti-money laundering legislation, and on whether client funds are handled and controlled in an appropriate manner. Finanstilsynet withdrew the licence of one agency, partly due to non-compliance with the regulations on settlement of property transactions and the handling of client funds. The agency has appealed the decision, and Finanstilsynet agreed, on certain conditions, to delay the implementation until the appeal has been considered by the Ministry of Finance.
- withdrew a real estate agent's licence after the agent had prepared incorrect electronic valuations

- conducted an off-site thematic inspection of eight insurance intermediaries, addressing their handling of client funds and interest on client fund accounts
- granted 25 licences as financial agents and one licence as a financial intermediary. 35 firms are registered as providers of loans to businesses. More than 2,000 ancillary credit intermediaries sent requests for registration in 2023 and 2024.
- carried out, on commission from the Ministry of Finance, an analysis of consumer protection in the financial market area as part of preparations for the new Financial Supervision Act. In connection with Finanstilsynet's assessment of competition in the banking market, a consultation document was prepared in spring 2024, proposing changes to the regulation on bundled products.
- carried out inspections at six debt collection agencies. Finanstilsynet checked, among other things, whether consumer debt collection was carried out in line with generally accepted debt collection standards.
- followed up firms that, when transferring private portfolios between banks and merging entities, failed to complete the transfer within the deadline of ten business days stipulated in tax legislation
- followed up a number of financial institutions to make sure that they corrected errors in the process of collecting outstanding claims and returned funds that had been incorrectly collected to affected customers
- processed applications for the marketing of alternative investment funds to retail investors
- mapped insurers' use of advanced technology (AI), partly to review whether ethical issues (customer care) are being addressed
- handled payments, in its capacity as secretariat for the Non-Life Insurance Guarantee Scheme, to policyholders in Alpha Insurance A/S' Norwegian branch, and handled payments on behalf of the Norwegian government to policyholders who had taken out insurance directly with Alpha Insurance A/S.

Governance indicators	Performance targets 2024 (planned figures)	2024 results (completed)	2023 results
Inspections at financial institutions focusing on consumer protection	7	7	1
Inspections at investment firms	24	23	50
Inspections at fund management companies, including AIF managers	3	6	2
Inspections at insurance intermediaries	1	1	2
Inspections at real estate agencies	15	11	16
Inspections at debt collection agencies	6	6	7
Inspections at debt information undertakings	0	0	0

Goal 5 Effective crisis management

Preparedness to deal with critical situations is important in ensuring confidence in the financial system. Finanstilsynet maintains preparedness to deal with crises in both individual institutions and markets in order to mitigate the risk of wide-reaching, long-lasting harmful effects for the financial sector and customers. The requirement that banks and investment firms must prepare recovery plans and that Finanstilsynet must prepare resolution plans will help ensure that critical situations are handled in a satisfactory manner. Preparedness to quickly provide relevant information to the general public is also a key element of maintaining emergency preparedness.

Geopolitical tensions and uncertainty, including changes in the digital threat scenario, generally require a high level of preparedness to ensure adequate crisis management. High household debt coupled with rising interest rates and energy prices contribute to greater uncertainty. The European Banking Authority's (EBA) guidelines on improving banks' resolvability entered into force on 1 January 2024. Banks subject to the Minimum Requirements for Own Funds and Eligible Liabilities (MREL) submitted a self-assessment of their compliance with the requirements in 2024.

In order to promote strong emergency preparedness and effective crisis management, Finanstilsynet took the following actions during the year:

- prepared resolution plans and set Minimum Requirements for Own Funds and Eligible Liabilities (MREL) for banks with critical functions
- followed up the institutions' preparations to meet the resolvability requirements, see the EBA's resolvability guidelines, which included a questionnaire survey aiming to make the institutions better prepared to be resolved
- provided guidance to the institutions on the overarching requirements for internal recapitalisation ('bail-in mechanics')
- headed the resolution college for DNB and participated in corresponding colleges for the largest foreign banks with a subsidiary or branch in Norway
- participated in relevant international forums on crisis management and in the EBA's Resolution Committee and subgroups
- chaired the Financial Infrastructure Crisis Preparedness Committee (BFI), where three ordinary meetings were held, as well as one annual exercise, and kept in contact with authorities in Norway and other countries. BFI was also summoned to an extraordinary meeting in connection with an incident and was operational seven minutes after being notified.
- participated in a Nordic/Baltic government-oriented resilience workshop series (four workshops) to follow up the Nordic/Baltic emergency preparedness exercise 'Northern Bastion Exercise' in 2023, which focused especially on cross-border cooperation in the case of serious ICT-related incidents
- was involved in planning the 'Digital Exercise 2025', which was headed by the Norwegian Directorate for Civil Protection (DSB) and aimed to strengthen society's resistance to cyberattacks

Governance indicators	Performance targets 2024 (planned figures)	2024 results (completed)	2023 results
Resolution plans established by Finanstilsynet	13	9*	13
Recovery plans assessed by Finanstilsynet	15	17	7
MREL requirements set	13	9	13

* Due to ongoing merger processes, work on the resolution plans and MREL decisions for affected banks were postponed.

Goal 6 Fight against crime

Illegal activity brings heavy costs to society, contributes to weakening confidence in the financial markets and represents unfair competition for institutions operating in compliance with the regulations. It is up to the financial sector to prevent the exploitation of financial institutions and other market players for criminal purposes. Finanstilsynet oversees that the institutions comply with the obligations set out in the anti-money laundering and counter-terrorist financing legislation. Supervisory efforts help prevent illegal activities, and offences uncovered in supervised institutions are followed up. Suspicion of serious financial crime is reported to the police. Finanstilsynet's work to ensure satisfactory auditing and accounting also helps prevent and uncover financial crime and includes cooperation with other regulatory authorities.

In August 2024, Finanstilsynet contacted the Register of Company Accounts to stop changes to accounts submitted for previous years. The Register has changed its practices in this area.

In 2024, an agreement was signed with Økokrim whereby Finanstilsynet's employees may be on secondment at Økokrim's response centre from January 2025. The purpose is to strengthen supervision through better access to intelligence information.

The institutions that are subject to the anti-money laundering (AML) legislation play an important role in preventing and uncovering money laundering and terrorist financing. Just like the other European supervisory authorities, Finanstilsynet has intensified its efforts in this field in recent years. Supervisory experience shows that a number of institutions have intensified their efforts against money laundering and terrorist financing, but inspections have also revealed many instances of inadequate compliance with the AML legislation.

In 2024, administrative fines were levied on two banks, three audit firms and three external accounting firms for non-compliance with the AML legislation, and three real estate agencies received administrative fines for breaching their obligations under the AML legislation.

A new regulatory framework to strengthen the efforts to combat money laundering and terrorist financing was approved in the EU in 2024. It includes the establishment of a new European supervisory authority that will intensify this work and help enhance cooperation among national financial supervisory authorities. In 2024, Finanstilsynet worked to prepare for the upcoming regulations and also participates in the working group that will decide on the implementation of the regulations in Norwegian law.

In 2024, the Norwegian government presented a report to the Storting on financial crime, accounting for the current status and challenges, and proposed measures to intensify efforts against financial crime in Norway. In addition to the proposal to strengthen the various institutions that contribute to combating financial crime, it is a stated goal to ensure that regulations, systems and enforcement are designed to discourage criminal actors from committing financial crime. Finanstilsynet was involved in following up several of the measures in 2024.

Finanstilsynet's AML/CFT inspections have been evaluated by both the International Monetary Fund (IMF) and the EBA in recent years, and Finanstilsynet continued to work to follow up these inspections in 2024. The AML/CFT inspections will be evaluated again by the Financial Action Task Force (FATF) in 2027, and Finanstilsynet took part in preparing for this evaluation in 2024, which included a self-assessment of Norway's implementation of the FATF standards.

In order to supervise compliance with the AML legislation, Finanstilsynet took the following actions during the year:

- conducted and completed a number of on-site AML/CFT inspections at banks, including a large Norwegian branch of a foreign bank
- carried out AML/CFT inspections at three banks in connection with the loan fraud case in the Stavanger area
- followed up orders and action plans after the completion of on-site inspections in several banks
- followed up incidents in several banks based on indications of non-compliance with the AML legislation

- established an AML college for DNB
- initiated a thematic inspection on terrorist financing in ten selected banks
- carried out supervision of agents of a foreign payment institution with a large agent network in Norway
- issued a consultative statement on amendments to the AML legislation
- prepared a consultative statement with proposals for the implementation of regulations on crypto assets and transfers of funds (MiCA and TFR II) in Norwegian law
- organised the annual AML Conference in collaboration with Økokrim and Finance Norway and gave lectures at, among others, Finance Norway's AML/CFT seminar
- refined internal tools and methodologies for AML/CFT inspections and the risk-based AML/CFT supervisory model
- collaborated with several actors on risk assessments and measures to combat money laundering and terrorist financing, including the steering group for public-private cooperation in the financial sector, the government's contact forum against money laundering and terrorist financing, Økokrim, the police, Norwegian Customs, the Norwegian Criminal Investigation Service, the Norwegian Tax Administration and others
- participated in international cooperation on measures against money laundering and terrorist financing in the financial sector, including the EAB's Standing Committee on Anti-Money Laundering and Countering Terrorist Financing (AMLSC), and in several supervisory colleges following up individual institutions

Illegal activity

Illegal activity contributes to weakening confidence in the financial markets and represents unfair competition for firms operating in compliance with the regulations. Those who engage in illegal activity may operate outside or on the verge of regulation and supervision and create the wrong impression that they are regulated and under supervision. This may be the case for new digital platforms that challenge traditional business models. Social media are among the tools used to attract and defraud consumers and investors. These groups should check for themselves whether a firm is serious and reliable, which should include checking Finanstilsynet's registry and market warnings before accepting the investment services on offer. Finanstilsynet follows up illegal activities, which in some cases includes requiring firms to wind up their operations. Several serious cases were reported to the police in 2024.

In order to follow up illegal activity, Finanstilsynet took the following actions during the year:

- reported two firms to the police. Finanstilsynet issued an order for the termination of illegal accounting activities. 21 firms received a letter from Finanstilsynet, drawing their attention to the licensing requirements and emphasising that activities in breach of the requirements must stop.
- stopped several cases of illegal credit intermediation on Facebook
- adopted a decision to stop the illegal provision of investment services and an order for corrective measures against a so-called 'finfluencer' on social media

In 2024, Finanstilsynet investigated eight firms for possible illegal provision of investment services without the required licence. These firms take direct contact with Norwegian investors and/or market their activities on their websites. Finanstilsynet published four warnings specifying that the firm in question is not licensed to provide investment services in Norway. Finanstilsynet published a further 900 warnings from foreign supervisory authorities against firms providing services in the EEA without the requisite authorisation.

Finanstilsynet has cooperated with other agencies on several cases, especially with Økokrim, a number of police districts, Norwegian Customs, the National Criminal Investigation Service and the Norwegian Tax Administration.

Governance indicators	Performance targets 2024 (planned figures)	2024 results (completed)	2023 results
AML/CTF inspections at banks	5	5	5 on-site inspections at banks 1 off-site inspection at all banks
AML/CTF inspections at other types of obliged entities (Several of these inspections are also included under other goals.)	51	52 8 at real estate agencies 11 at AIF managers 2 at payment institutions 8 at audit firms 22 at external accounting firms 1 at an investment firm	10 at real estate agencies 2 at payment institutions 1 at an e-money institution 1 at a provider of virtual currency services 9 at audit firms 25 at external accounting firms 7 at insurers

Key figures

	2024	2023
Number of notifications of illegal activities and number of notifications that have been followed up	29 notifications, 8 cases concerning provision of investment services 21 notifications, 2 cases concerning real estate agency 7 notifications, 5 cases concerning external accounting services	13 cases concerning provision of investment services 2 cases concerning illegal credit intermediation 1 case concerning virtual currencies 24 cases concerning illegal external accounting services
Number of investigated suspicious cases related to market conduct	384	457

Other activities

Climate risk and sustainability / green finance

More knowledge is required about how climate change affects financial markets and how climate-related risk may affect financial stability. In accordance with the letter of allocation, Finanstilsynet has followed up international cooperation in this area, particularly the work on regulatory development, guidance and supervisory practices in the EU, and has also participated in the Network for Greening the Financial System (NGFS).

In 2024, Finanstilsynet arranged a seminar on sustainability-related requirements in the EU Sustainable Finance Disclosure Regulation (SFDR) and in sector legislation for fund management companies and investment firms.

Finanstilsynet prepared a consultation document on rules on educational requirements, practical training and transitional arrangements for sustainability auditors. An Altinn form has also been developed for applications for authorisation as a sustainability auditor. In 2024, 83 state authorised auditors were authorised as sustainability auditors.

A new directive on corporate sustainability reporting, CSRD, was incorporated into Norwegian law with effect from 1 November 2024, and reporting requirements will be introduced in stages from and including the 2024 financial year. In 2024, Finanstilsynet prepared for proper follow-up of this reporting in 2025.

Finanstilsynet reviewed the taxonomy reporting of 15 non-financial corporations for 2023 and conducted an overall review of all non-financial corporations covered by the regulations. Finanstilsynet's review revealed a number of weaknesses and deficiencies in the reporting. The results were published in a separate report.

In 2024, Finanstilsynet examined how all relevant investment firms comply with the SFDR. The SFDR is implemented in the Act on the Disclosure of Sustainability Information in the Financial Sector, etc. and regulates how managers of collective savings products and investment and insurance advisers shall provide information about their strategies for integrating sustainability risks and taking adverse sustainability impacts into account, and how they shall communicate sustainability information about the products. The regulation helps investors make informed decisions so that the financial markets can channel capital into businesses that are not only financially profitable but also sustainable. A total of 87 investment firms, banks and branches were examined. Finanstilsynet

assessed 10 per cent of the responses as very good, while 54 per cent of the responses were assessed as 'failed'. Finanstilsynet will follow up this area in 2025.

Insurers regularly report their own risk and solvency assessment (ORSA) to Finanstilsynet. Based on the most recent ORSA report submitted by insurers, Finanstilsynet reviewed analyses and assessments of climate risk at 31 insurers in the summer of 2024, including to which extent climate issues have been included in scenario analyses and which measures are considered relevant in such scenarios. Finanstilsynet is keeping a close watch on developments and addresses issues related to the treatment of climate risk in ORSA as part of its ongoing supervisory activity. The survey was published on Finanstilsynet's website in October 2024.

In these fields, Finanstilsynet took the following actions during the year:

- participated in a Common Supervisory Action (CSA) arranged by the European Securities and Markets Authority (ESMA) and reviewed nine investment firms' compliance with the sustainability-related requirements for suitability assessments and product governance. The CSA will be completed in the first half of 2025.
- started to prepare procedures and systems for processing applications for permission to conduct sustainability audits and sustainability assurances pending the entry into force of new legislation
- observed the work on the planned EU climate stress test
- included sustainability and climate risk in all inspections of banks, insurers and investment firms
- reviewed the assessment of climate risk in the own risk and solvency assessments (ORSA) of non-life insurers and life insurers
- conducted a climate scenario analysis that assesses how sensitive the profitability of Norwegian firms is to increased taxes on greenhouse gas emissions and rising costs related to the implementation of climate measures
- followed up and assisted the European Banking Authority (EBA) in investigating green lending

- followed up fund managers' integration of sustainability risk in their operations and information on sustainability factors to investors
- followed up climate-related issues in the financial reporting of listed companies
- carried out a thematic inspection of loans for the financing of office buildings, where sustainability and climate risk were on the agenda
- included sustainability/climate risk in analyses of banks' and insurers' exposures to commercial real estate

Fintech and regulatory sandbox

Finanstilsynet has participated in four meetings of the European Forum for Innovation Facilitators (EFIF). The EFIF meetings provide insight into activities carried out by the national supervisory authorities in the EEA to promote financial innovation.

One of the projects in the regulatory sandbox was completed in 2024. Qbig developed a data platform for quality and risk management for external accounting firms. Since the establishment of the regulatory sandbox in 2019, five firms have completed their projects. In addition, Finanstilsynet has participated in a project in the Norwegian Data Protection Authority's sandbox. Five of these six projects involved start-ups. All start-ups were in operation at year-end 2024.

In November 2024, the Norwegian Data Protection Authority and Finanstilsynet invited banks to apply for admission for projects exploring opportunities for data sharing to fight financial crime. Finanstilsynet and the Data Protection Authority received five applications in January 2025.

As part of its ongoing dialogue with various fintech communities in the financial industry, Finanstilsynet held two presentations at Fintech Norway's annual event in Bergen in 2024.

Management and control of Finanstilsynet's operations



Management and control of Finanstilsynet's operations

Management structure

Finanstilsynet's Board of Directors has the overarching responsibility for operations, and the Director General is in charge of the day-to-day management.

Finanstilsynet is divided into three supervisory departments, one department for digitalisation and reporting and one administration department. Each department is headed by a Deputy Director General. The departments are divided into sections, each headed by a Head of Section. The General Counsel, the Controller and the Data Protection Officer are organised in the Director General's staff. A communications unit reporting directly to the Director General is responsible for external and internal communication.

Finanstilsynet's activities are regulated by the Financial Supervision Act and special legislation governing the respective supervised sectors. Every four years, Finanstilsynet draws up a strategy for its activities. Along with the letter of allocation and other assignments from the Ministry of Finance, the strategy forms the basis for the annual plans for these activities. The daily management and the reporting to the Board are based on the annual activity plans.

The letter of allocation is the key governing document in the management dialogue between the Ministry of Finance and Finanstilsynet. At end-April and end-August, Finanstilsynet reports on the activities carried out and on other matters in accordance with the letter of

allocation. These reports form part of the basis for the Ministry's evaluation of Finanstilsynet's performance. Finanstilsynet's reporting also includes an annual report. The Board normally meets every month excluding July. The Board Chair regularly participates in reporting meetings with the Ministry of Finance. See also the description below of the Board's work in 2024.

Finanstilsynet bases its supervisory activities on risk assessments and undertakes annual risk assessments of its operations.

Finanstilsynet is subject to an annual audit by the Office of the Auditor General, and the report from the audit is published on Finanstilsynet's website. See also chapter VI Annual accounts.

New Financial Supervision Act

In 2024, the Storting (Norwegian parliament) adopted a new Financial Supervision Act which entered into force in April 2025. Finanstilsynet's social mission is still to promote financial stability and well-functioning markets and has been included in the section on the purpose of the Act. Finanstilsynet's Board of Directors shall consider and decide individual supervisory and licensing matters, while the Director General shall have the overarching responsibility for operations. A new Financial Supervision Appeals Board will consider appeals against individual decisions made by Finanstilsynet.

The Board of Directors' work in 2024

Finanstilsynet's Board of Directors has the overarching responsibility for operations. The Board shall have five members, two alternates and two members representing the employees. An alternate serves as a board member after a board member resigned in 2023. The Board of Directors has established rules of procedure for its work. These are available on Finanstilsynet's website. According to the rules of procedure, the Board Chair and the Director General shall ensure that relevant matters requiring consideration by the

Board are brought before the Board and that the work of the Board is organised in an appropriate and proper manner.

There were eleven regular and two extraordinary board meetings in 2024. The Board decided on 33 administrative and 46 professional matters. In addition, 36 administrative and 37 professional matters were presented to the Board in writing. Relevant matters are also presented orally to the Board.

The Board considers overarching and long-term plans for Finanstilsynet's work, including its strategy, activity plan, annual budget, annual

report and annual accounts. In 2024, the Board approved changes to Finanstilsynet's organisation. The Board also considers matters regarding measures against financial crime and the establishment of an office in Hamar.

Every year, the Board considers the distribution of supervisory levies on supervised institutions to cover Finanstilsynet's expenses. The distribution is based on detailed provisions in the Financial Supervision Act.

The Board considers matters of principle and other matters of particular importance.

In 2024, the Board considered several matters concerning notifications of administrative fines. The matters concerned market manipulation, unlawful disclosure of inside information, violation of the requirement for financial reporting and violation of duties under the anti-money laundering legislation. Once the Board has considered the matters of principle thus raised, similar future matters will normally be decided by Finanstilsynet's administration. The Board also considered a case regarding the forfeiture of profits in connection with insider dealing.

Other matters of principle and of particular importance considered by the Board included the rejection of an application by a manager of alternative investment funds to market a fund to retail clients. The Board also considered a complaint from a debt collection agency against Finanstilsynet's order for corrective measures, a complaint against a decision to revoke a debt collection authorisation and a complaint against the rejection of an application to engage in debt collection activities.

Finanstilsynet's proposed regulatory amendments shall be considered by the Board when the merits of the law result in material changes in the legal situation in the relevant area or otherwise are of major significance. In 2024, the Board considered Finanstilsynet's proposal for a consultation document on:

- the implementation of new rules on recovery and resolution of central counterparties
- the regulation of bundled products
- the implementation of changes to the Capital Requirements Regulations (CRR3/CRD6)

The Board also considered Finanstilsynet's consultative statements regarding:

- new regulations on access to shareholder information
- proposals for amendments to the new Natural Damage Insurance Act
- the new standard for auditing less complex institutions
- changes in the rules on private guaranteed pension products

The Board also considered Finanstilsynet's report to the Ministry of Finance on the overall regulation and supervision of consumer rights in the financial sector, and Finanstilsynet's recommendation that the Ministry of Finance should set up a public committee to assess current practices for private placements and any need for regulatory changes.

The Board considered the Risk Outlook report, which is published twice a year and summarises Finanstilsynet's analyses and assessments of the stability of the Norwegian financial system. Other matters on the Board's agenda in 2024 included Finanstilsynet's assessment of competition in the banking market, Finanstilsynet's proposal for the new Lending Regulations and Finanstilsynet's annual recommendation to the Ministry of Finance regarding which institutions should be identified as systemically important in Norway and be subject to a special buffer requirement of 1 or 2 per cent.

During the year, Finanstilsynet's administration presented several matters to the Board for information concerning reports on the performance of financial institutions, investment firms, fund management companies and managers of alternative investment funds, solvency reports for financial institutions, developments in consumer debt, an overview of losses and non-performing loans in banks and a report on financial institutions' use of the flexibility quotas in the Lending Regulations.

Operational efficiency and organisational development

Finanstilsynet is working continuously to identify and implement measures that may improve, streamline and digitalise supervisory practices, work processes and case processing.

In 2024, Finanstilsynet reorganised parts of its operations. The former Digitalisation and Analysis Department was divided into two new departments: the Digitalisation and Reporting Department and the Risk Surveillance and Macroeconomic Supervision Department. Other minor organisation adjustments were also made.

In 2024, Finanstilsynet assessed whether it would be prudent to establish governance indicators that place greater emphasis on the effects of its activities and worked on refining its goal and performance management system. As Finanstilsynet's goals are at the societal level, it is challenging to find good governance indicators that can measure the effect of the efforts made, and this process will continue in 2025.

Efforts to streamline and digitalise work processes included a review of the supervision process, aiming to harmonise and streamline supervision across sectors while ensuring uniform reporting for the supervised institutions. Processes, procedures and templates have, as far as practicable, been standardised across the supervised sectors and were taken into use in the second half of the year.

In 2024, Norges Bank and Finanstilsynet agreed on principles for data sharing, whereby they will collaborate on the collection, sharing and processing of data wherever possible and appropriate. The collaboration will contribute to the efficient use of public funds and benefit both institutions in their efforts to fulfil their social missions. In addition, it will benefit those reporting data. The collaboration is in line with the recommendations in the Digitalisation Circular and the coordination obligation in the Task Register Act.

In the letter of allocation for 2024, the Ministry of Finance asked Finanstilsynet to consider whether certain independent functions in the organisation or other parts of operations could be relocated to a new office outside Oslo with new positions. After a thorough process, Finanstilsynet submitted a concrete proposal to establish a new office to strengthen Finanstilsynet's efforts to combat financial crime. In December 2024, the Storting approved Finanstilsynet's proposal to establish an office in Hamar which will start operations in 2025.

Employees with good and relevant expertise represent Finanstilsynet key resource. The competence strategy emphasises Finanstilsynet's social mission, business and market understanding, industry knowledge, supervisory expertise, digital competence and management, and is followed up at section, department and organisational

level. In 2024, the competence strategy was followed up by introducing a course package in the learning portal that was mandatory for all employees.

Finanstilsynet's administrative functions support its supervisory activities. Finanstilsynet uses the document processing system WebSak (approved according to the Noark 5 standard) from ACOS as well as the elnnsyn and eFormidling solutions.

Finanstilsynet has an agreement with the Government Agency for Financial Management (DFØ) on payroll and accounting services and with the Norwegian National Collection Agency on the collection of supervisory levies from supervised institutions. In 2024, Finanstilsynet introduced the use of time registration in SAP Time for all employees, and from 1 January 2025, employees will also record the time they spend on the various supervised sectors and on ICT projects.

As from 2024, Finanstilsynet presents its accounts according to Government Accounting Standards (GAS).

Digitalisation

Finanstilsynet has initiated a project to streamline reporting. Towards the end of 2024, an agreement was signed to purchase a new solution that will improve reporting processes, both internally at Finanstilsynet and for the financial industry. In the longer term, this solution will improve data quality, ensure good communication with the financial industry and reduce the time spent on reporting.

Finanstilsynet emphasises that the digitalisation process must have a clear direction and be based on explicit goals in line with its digitalisation strategy and the government guidelines in the Digitalisation Circular and the digital strategy for the public sector. Finanstilsynet uses an agile development methodology with frequent deliveries and systematic follow-up through an established portfolio management structure.

Finanstilsynet's digitalisation project, which runs from 2022 to 2026, covers automation of licensing matters, digitalisation of supervisory processes, more efficient reporting and data capture, better analytical solutions and increased data sharing. The project aims to increase the scope and pace of digitalisation at Finanstilsynet, and the Ministry of Finance is updated through separate reports.

Finanstilsynet's digitalisation project was on schedule in 2024. The third year of the digitalisation project has been completed, and the set milestones have been reached with a few exceptions where some clarifications remain. Finanstilsynet notes that improved access to data, digitalisation and automation of processes raise the quality of the work performed and contribute to efficiency gains. The project involves employees from the entire organisation, and there is good and close cooperation between the technical developers and in-house experts.

Throughout 2024, there was a high level of activity in all sub-projects. Work processes were automated and activities that included the use of artificial intelligence implemented. A number of Altinn forms were converted, and prioritised datasets were prepared for use in analyses. A data catalogue was tested and decisions on tools were also made.

An increasing number of employees have been involved in the digitalisation process in recent years. In 2024, around 70 employees participated in the testing of Microsoft 365 Copilot. The participants represented all of Finanstilsynet's specialist areas and sections.

Finanstilsynet received advice and assistance from the Digitalisation Committee in autumn 2024 to further develop its digitalisation and innovation processes. This provided useful reflections and input.

Several measures in Finanstilsynet's digital competence plan were implemented and followed up by the relevant sections.

Reporting based on common government guidelines for consultancy services in 2024

In accordance with the letter of allocation, Finanstilsynet shall seek to reduce the use of consultants in areas where it is possible to use internal resources and expertise. Over the past few years, Finanstilsynet has recruited five persons with technical expertise in relevant specialist areas. They are working on developing a new data platform and on the transition to the Altinn 3 platform, business architecture, a new reporting solution, process automation and data management. This recruitment helps reduce Finanstilsynet's use of consultants.

Consultancy services for the management and development of ICT solutions

Finanstilsynet has an extensive system portfolio, and significant resources are required to ensure secure and stable operations. Errors need to be corrected, and integrations between systems must be maintained. The system portfolio requires a high degree of specialist expertise in various technology areas. It will not be

prudent to have internal professional environments with specialist expertise in all relevant areas.

Finanstilsynet must have adequate internal expertise to be at the helm of the operation and development of its own ICT solutions and is working systematically to further enhance this expertise. This includes the required capacity and competence to ensure necessary management and control of the development of ICT systems and the overall ICT architecture.

In 2024, Finanstilsynet hired external consultants to manage, operate and further develop:

- the data warehouse
- the new data platform
- the transition to Altinn 3, including the development of new forms
- reporting solutions – receipt, validation and forwarding to European supervisory authorities
- professional systems and registers
- robotic process automation (RPA)
- ICT security
- Finanstilsynet's website (finansstilsynet.no)
- the intranet solution

Consultancy services for strategic ICT development

During 2024, the consultancy firm Gartner provided advice relating to strategy, management and follow-up, new technology, use of cloud services, security, data management, procurement, change management and work methods.

Legal assistance and other consultancy services

Finanstilsynet has its own team of experts working on preparing for and carrying out procurements but occasionally needs external legal assistance.

Table 10: Consultancy costs (in NOK)

	2023	2024
Consultancy services relating to software development and ICT solutions*	38,312,886	4,013,708
Consultancy services relating to organisational development	3,630,500	472,810
Legal consultancy services	321,014	166,626
Other consultancy services	394,635	138,157

* The reason for the large reduction in consultancy costs related to the development of ICT solutions from 2023 to 2024 is that, as from 2024, Finanstilsynet presents its accounts according to the Central Government Accounting Standards (CGAS), and parts of the costs for software development are thus recognised in the balance sheet. Including the costs recognised in the balance sheet, consultancy costs for the development of ICT solutions totalled NOK 43.2 million in 2024.

Reporting environmental responsibility based on common government guidelines

Finanstilsynet aims to be an environmentally conscious and attractive employer offering employees a safe workplace and a good working environment and devotes increasing attention to the working environment and sustainable operations throughout the organisation. Finanstilsynet has adopted an overarching environmental standard and guidelines for promoting climate and environmentally friendly procurement and travel and has been certified as an Eco-Lighthouse since 2022.

The environmental footprint is documented through the Eco-Lighthouse's digital environmental management system and is used to compare developments over the years. Finanstilsynet's reported greenhouse gas emissions from daily operations mainly stem from travel and energy consumption.

Emissions from travel increased by approximately 20 per cent from 2023, of which nearly 80 per cent represented flights to Europe and other Nordic countries. Owing to Finanstilsynet's participation in various international organisations and other cross-border collaborative groups, some travel activity is required. Many of the regular meetings are digital, and Finanstilsynet is in the process of charting how much this contributes to reducing greenhouse gas emissions.

Finanstilsynet leases premises and will therefore have limited opportunities to influence energy efficiency. The number of employees has increased by 31 over the past two years, while the premises at Finanstilsynet's disposal have been reduced by 676 square metres. There are also benefits from increased use of remote working, which results in reduced commuter travel and less stress (working environment effect).

Emphasis is placed on efficient resource utilisation, and purchases of fixtures and fittings and other goods take account of their useful life, reuse and recycling. In 2020, Finanstilsynet entered into an agreement for the return of ICT equipment, whereby such equipment can be reused by, for example, school children. In 2024, 191 items were reused and 87 recycled. Finanstilsynet will be recertified as an Eco-Lighthouse in 2025, and this will be a good opportunity to evaluate the work so far and at the same time make plans for the way forward.

Internal control

Finanstilsynet has a set of common procedures and guidelines for operations, including case processing and security procedures. A code of ethics for all employees has been established, and there are procedures for following up compliance therewith, including annual

reporting of work performed by employees in addition to their position at Finanstilsynet. In addition, working procedures and checklists adapted to the various supervised sectors have been prepared. All guidelines and procedures are regularly updated.

Based on the risk assessments carried out by Finanstilsynet for its operations and the supervised sectors, all sections and departments prepare their own activity plans. An overall activity plan for Finanstilsynet shows the main priorities for the main goals and performance targets for the governance indicators, see Chapter III. Management follows up the activity plans throughout the year to assess whether resource input and results are in keeping with plans and priorities and ensure that any divergencies are explained and addressed. If necessary, the plans will be adapted to new needs and assumptions during the year.

The greatest risk to Finanstilsynet's supervisory activity relates to its ability to have adequate specialist expertise in the various supervised sectors and the required capacity to reduce key person risk. Finanstilsynet therefore places great emphasis on sound management, a good personnel policy and expertise enhancement.

The occurrence of irregularities in Finanstilsynet is regularly reviewed. It is Finanstilsynet's understanding that irregularities entail a deliberate and dishonest act, committed to obtain an unfair or unlawful advantage by one or more persons in the management team, by persons who have the overarching responsibility for management and control, by employees or by others. Measures to reduce irregularities shall be proportionate to the risks and not be an unnecessary obstacle to effective work processes. No significant irregularities were registered in 2024.

Finanstilsynet has an internal controller who oversees compliance with the code of ethics and other guidelines and procedures. The controller reports to the Board. No significant weaknesses, faults or deficiencies were brought to light through the internal control system in 2024. During the year, Finanstilsynet reassessed the need for an internal audit function. Since the previous assessment in 2020, operations have become more complex and the risk landscape has changed somewhat, and the current assessment is that Finanstilsynet should establish an internal audit function in 2026.

In 2024, Finanstilsynet appointed a new data protection officer. Work on processing protocols and internal control of data protection continued, including efforts to clarify roles and responsibilities in this area. The work on personal data protection is a continuous process, and policies and procedures must be regularly updated to reflect changes in the organisation and new national and international requirements. This process will continue in 2025, and new roles will be established.

Finanstilsynet's internal control system is designed to provide a sound basis for ensuring purposeful, efficient operations, reliable reporting and compliance with relevant rules, internal policies and procedures. Finanstilsynet is characterised by a high degree of stability, and significant errors or failure of procedures are rare.

Security and preparedness

Finanstilsynet attaches importance to maintaining security and preparedness for potential crises in individual institutions, the financial infrastructure and markets, as well as potential threats to ICT security both in supervised institutions and in its own operations. In addition, it is prepared to meet other potential incidents in its own organisation and conducts regular fire and evacuation drills in cooperation with Norges Bank.

Finanstilsynet participated in various international exercises in 2024, including the Nordic-Baltic financial crisis management exercise in September. Nearly 450 people participated in the crisis management exercise, representing relevant authorities in Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden and the EU. An exercise was also organised in August in collaboration with the Ministry of Finance, where the topic was the handling of crises in the payment systems, and another exercise was arranged by the Financial Infrastructure Crisis Preparedness Committee (BFI). Finanstilsynet also arranged internal exercises for various scenarios.

In order to make the employees better versed in ICT security and ICT threats, Finanstilsynet conducted regular phishing tests in 2024, followed by awareness training. Finanstilsynet regularly updates its ICT security and preparedness framework.

Crisis management

Higher interest rates and uncertain macroeconomic and geopolitical times generally require a high level of preparedness to ensure adequate crisis management. High household debt and elevated property prices, both in a historical perspective and compared with other countries, create vulnerability. Finanstilsynet monitors institutions and markets and is prepared to provide for the resolution of institutions in distress. It can respond quickly and draw resources from other areas of responsibility in the organisation. Emergency preparedness is important to mitigate the consequences of adverse incidents. In recent years, Finanstilsynet has gained experience in dealing with crises through the Covid-19 pandemic and the war in Ukraine, for example related to sanctions and cyber threats.

Assessment
of future prospects



Assessment of future prospects

Risk of financial instability

Geopolitical tensions and political unrest create significant uncertainty about global economic developments. Conflicts and extensive trade restrictions may lead to higher prices, weaken the basis for economic growth and heighten the risk of financial crises. Due to high pricing in several markets, there is a significant risk that prices will start declining. The financial sector and the authorities must be prepared to deal with incidents that can happen quickly, such as various crises, war and turbulence.

High debt in Norwegian households and elevated residential and commercial property prices are the key vulnerabilities in the Norwegian financial system. Norwegian household debt has decreased over the past couple of years, measured in per cent of disposable income, and credit growth is moderate. Nevertheless, the debt burden remains high, and Finanstilsynet's residential mortgage lending survey shows that many borrowers take out large loans relative to income and the value of their property. Lower interest rates and the easing of the lending regulation could lead to a further increase in house prices and household debt in the future.

In spite of a significant increase in interest rates, there are few signs of serious debt servicing problems for the Norwegian household sector overall. Weaker operating earnings and higher interest expenses have resulted in lower profitability and impaired debt servicing capacity for a number of non-financial corporations, but there are significant differences between industries. Commercial real estate companies have high debt levels and can therefore be especially vulnerable to interest rate increases. The interest expenses of many of these companies have risen more than operating earnings over the last couple of years. If the yield on secure government bonds remains high, the proportion of high-risk debt may increase further if risk premiums normalise. This will result in somewhat higher credit risk in the banks.

Emergency preparedness and cybersecurity

The digitalisation of society offers great opportunities and benefits but also growing vulnerabilities. The threat of cyberattacks has been one of the key concerns for financial institutions and could lead to severe business disruptions in the financial sector and in society at large. Pan-European rules (DORA) have been developed to strengthen the digital operational resilience of financial sector entities. Better prevention of ICT incidents in

the financial sector will reduce the likelihood of serious incidents, and effective crisis management will mitigate the consequences if such incidents were to occur.

In the coming years, Finanstilsynet will step up its efforts within crisis management and strengthen digital security to prevent cyberattacks. Preventive efforts include strengthening ongoing supervision, enhancing emergency preparedness and cooperating more closely with the industry and other relevant security environments. In addition, we will further develop structures and frameworks to be able to handle a situation where a severe incident with nation-wide consequences has occurred. It is also important to train for such situations. It will be pertinent to incorporate solutions that also cover the need for cross-border collaboration, especially in a Nordic perspective.

Financial crime

On account of a number of major cases and a rising number of criminal networks, there is a need to strengthen efforts to combat financial crime. Much of the criminal activity takes place via digital platforms. Both organised criminals pursuing financial gain and state actors with ample capacities and capabilities are involved in cyberattacks, and there is increasing interaction between them. Rapid technological advances within artificial intelligence also expand opportunities for criminal actors. It is important that both the financial industry and the authorities are aware of this in order to ensure strong protection against crime and to maintain confidence in the financial systems and the institutions.

Finanstilsynet is stepping up its efforts against financial crime. We attach importance to strengthening cooperation with the industry and with other authorities to both prevent and detect criminal activity, thus aiming to increase the effect of the resources employed. Among other things, Finanstilsynet will work together with the Norwegian Data Protection Authority and the firms admitted to the regulatory sandbox to explore opportunities for increased data sharing. The EU has recently established the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA), which will help harmonise measures within the EU and in cooperation with the national supervisory authorities. Finanstilsynet is keeping abreast of this process.

Advanced technology and artificial intelligence

There are rapid technological developments, and institutions are increasingly using advanced analysis methods, for example based on artificial intelligence (AI), in various parts of their operations. At the strategic level, it is important that the management teams at Norwegian financial institutions have good knowledge of the challenges and risks involved when using advanced technology in their operations. Institutions must have systems that ensure good management and control of data collection, model development and solution management.

At the European level, legislation has been developed through the EU AI Act, which will facilitate human-centric and ethical artificial intelligence. The rules emphasise security, transparency and fundamental human rights.

Climate risk and sustainability

New EU regulations on sustainability reporting in force from 2025 give the general public access to relevant information about institutions' sustainability risk and its implications for society at large. The introduction of sustainability reporting in the Accounting Act will result in a significant increase in Finanstilsynet's tasks, which will include guidance to and control of the institutions. Finanstilsynet will place emphasis on reducing institutions' reporting and compliance burdens and will engage in dialogue with the institutions on this.

Simpler legislation

Financial market regulation serves important purposes but has become comprehensive and complicated. Finanstilsynet and the other Nordic financial supervisory authorities have expressed concern about the increased complexity of the EU regulations and have asked the European financial supervisory authorities EBA, ESMA and EIOPA to give higher priority to simplifying the legislation without weakening important requirements for the industry. A simplification of the legislation could also result in considerable simplifications and savings for the institutions. The formulation of the regulations is largely outside Finanstilsynet's scope of authority, but Finanstilsynet will, among other things, seek to make simplifications wherever possible in its own operations and through participation in pan-European forums. During this process, Finanstilsynet will keep in contact with trade organisations, institutions and other government agencies.

Effective financial supervision

Finanstilsynet's supervisory activities shall be risk-based within the framework set out in laws and regulations, available resources and guidelines and assignments from the Ministry of Finance.

Based on EU regulations, Finanstilsynet receives large amounts of data that are increasingly being used in its supervisory activities. Finanstilsynet should also share more of the public data reported by the institutions to make it easier for professional market participants and consumers to retrieve information for their own use and decisions. It is also important that public authorities have open and accessible data and cooperate on good solutions for various user groups.

Finanstilsynet's process to digitalise more of its tasks will contribute to streamlining its supervisory activity by refining reporting and analysis solutions and information and cooperation channels, both within the organisation and for supervised institutions and the general public.

In order to conduct effective and risk-based supervision, Finanstilsynet needs competent employees who are well acquainted with the financial sector. Finanstilsynet seeks to recruit people with the right expertise, facilitate internal competence development, adapt to changes in the financial market and further develop its ability to analyse the risk landscape and market trends.

Annual accounts

VI

Annual accounts

Comments from the Director General

Finanstilsynet is a gross budgeted government agency under the Ministry of Finance.

The annual accounts are prepared and presented in accordance with the Regulations on Financial Management in Central Government and appurtenant circulars and requirements from the Ministry of Finance. The presented accounts with notes provide a true and fair view of Finanstilsynet's disposable appropriations, revenues and expenses, assets and liabilities in 2024.

As of 1 January 2024, Finanstilsynet introduced accrual accounting for operations in accordance with the Central Government Accounting Standards (CGAS), as stated in the note on accounting policies.

The Storting determines Finanstilsynet's expenditure budget and revenue budget as part of the National Budget. The 2024 operating expenditure budget (item 01) originally totalled NOK 518.9 million. The budget was later increased by NOK 9.9 million to compensate for the wage settlement. Including NOK 6.9 million carried forward from 2023, the aggregate disposable operating budget came to NOK 535.7 million.

Parts of Finanstilsynet's budget are allotted over item 45 *Major procurements and maintenance (IT)*. This appropriation is earmarked for ICT development projects, and unused funds can be transferred to subsequent budget years. In the budget for 2024, there was an appropriation of NOK 36.1 million which, together with NOK 11.6 million carried forward from 2023, brought disposable funds to NOK 47.7 million. This included a NOK 16.2 million increase in funds for digitalisation initiatives.

In 2024, NOK 90 million was allotted over item 70 *Compensation payments* for the payment of compensation secured on the bankruptcy estate of Alpha Insurance A/S. NOK 85 million of this was paid to the Non-Life Insurance Guarantee Scheme in 2024, which forwarded payments to the affected parties.

The appropriation report shows that aggregate operating expenses in 2024 came to NOK 514.4 million, up 4 per cent from 2023. The appropriation report also includes VAT charged to the government VAT netting arrangement. The expenditure underrun for item 01 *Operating expenditure* was NOK 21.3 million, which Finanstilsynet has applied to carry forward to 2025. The expenditure underrun for item 45 was close to NOK 4 million, which Finanstilsynet has also applied to carry forward to 2025. The calculation of underruns is shown in Note B.

Overall salary expenditure came to NOK 388.6 million – a 3.9 per cent increase from 2023. Disbursements to salaries accounted for 69.9 per cent of total disbursements to operations in 2024. The number of FTEs worked in 2024 was 310, compared with 300 in 2023. See a further account of the number of employees in Finanstilsynet in chapter II.

Finanstilsynet pays contributions for participation in international organisations, and its contributions have increased significantly in recent years. Fees totalling NOK 25.7 million were paid in 2024, compared with NOK 22.6 million in 2023. For more information, see 'Specification of contributions and fees to international organisations' under note 5.

The rules in the Financial Supervision Act on the distribution of Finanstilsynet's expenses were amended with effect from 1 July 2023. The amendments included the introduction of processing fees in certain areas as of 1 January 2024 for institutions that want to operate in Norway and are licensed by the supervisory authorities in other countries (cross-border activities). The introduction of these fees generated revenues of NOK 5.4 million in 2024. Finanstilsynet also charges fees for prospectus control under the Securities Trading Act and for processing applications for a licence to operate as a payment institution, an e-money institution or an account information service provider and to engage in debt collection. Total fees paid in 2024 were NOK 18.2 million, up from NOK 10.4 million in 2023. The increase in revenues in 2024 is due to the new fees and a higher number of controlled prospects than in 2023.

Pursuant to Section 9 of the Financial Supervision Act, Finanstilsynet's expenses, with the deduction of revenues from processing fees, are levied on the institutions that are under supervision during the budget year. Under the Act, the expenses shall be distributed among the various groups of institutions according to the extent of the supervision. The overall claim for supervisory levies came to NOK 589.3 million in 2024. The supervisory levy is apportioned on the individual institutions under detailed rules set out in regulations on the levying of expenses for supervision. After prior consultation with the trade organisations concerned, Finanstilsynet's supervisory levy for 2024 was communicated to the institutions for payment in May 2024. Levies were charged to a total of 16,962 entities under supervision. Of these, 91 were foreign branches and 1,076 were entities with cross-border activities. The largest category of supervised entities is external accountants, numbering 12,522 at the start of 2024.

Relinquishment of gain and administrative fines are entered under Finanstilsynet's revenue chapter. These revenues are not part of the basis for calculating the supervisory levy and accrue to the Treasury. Fines totalling NOK 41.1 million were paid in 2024, compared with NOK 192.4 million in 2023.

The Office of the Auditor General audits the activity of Finanstilsynet. The audit report for 2024 is due to be available by 1 May 2025 and will be published on Finanstilsynet's website.

Oslo, 26 February 2025



Per Mathis Kongsrud
Director General

Accounting policies – appropriation reporting and reporting by natural classification

The annual accounts are prepared in accordance with the guidelines in section 3.4 of the Regulations on Financial Management in Central Government, requirements in circular R-115 and requirements set by the Ministry of Finance. Finanstilsynet has a separate note for accounting policies for the accounts presented in accordance with the Central Government Accounting Standards (CGAS), see page 55.

The appropriation reporting and the reporting by natural classification have been prepared on the basis of the statements in section 3.4.2 – basic principles for the annual accounts:

- The accounts follow the calendar year.
- The accounts contain all reported expenditures and revenues for the accounting year.
- Expenditures and revenues are entered in the accounts on a gross basis.
- The accounts are kept on a cash basis.

The appropriation reporting and the reporting by natural classification have been prepared on the basis of different charts of accounts. The policies correspond to requirements in section 3.5 of the regulations for how institutions should report to the central government accounts. The line 'Net amount reported to the appropriation account' is the same in both statements.

Finanstilsynet is attached to the central government's consolidated accounts scheme at Norges Bank and has drawing rights equivalent to the Storting's appropriation. At year-end, the balance on each settlement account is reset to zero.

Appropriation reporting

Appropriation reports with notes show the appropriations at Finanstilsynet's disposal, collated with accounting data reported to the central government accounts.

The Norwegian Tax Administration, represented by the Norwegian National Collection Agency, is granted a debit authorisation in chapter 4602, items 03 and 86, and in chapter 5580, item 70. The Norwegian Government Agency for Financial Management has given Finanstilsynet special authorisation to diverge from the standard appropriation reports as laid down in the Regulations on Financial Management in Central Government, section 3.4.3.2, by adding further columns. Hence the report from the Norwegian Tax Administration / the National Collection Agency is shown in the column 'Entered by others in accordance with authorisations'. The actual difference between the appropriation and the accounts is shown in the column 'Deviation from allocation'. The authorisation to diverge from the standard report by adding further columns applies up to and including the 2025 accounting year.

Reporting by natural classification

The reporting by natural classification with notes shows Finanstilsynet's reports to the central government accounts in 2024 based on the standard chart of accounts in the accounting year with comparatives for 2023.

The lower part of the statement shows the preliminary account with the Treasury. In order to get a true and fair view of expenses and revenues, the standard statement is supplemented by a line under assets and liabilities – '*Bank accounts with central government funds outside Norges Bank*'. The amount refers to accounts that are used for payment of employees' contributions for welfare measures in Finanstilsynet.

Appropriation report for the 2024 accounting year, itemised

Expen- diture chapter	Chapter name	Item	Item text	Note	Total appropriation	Accounts 2024	Expense overrun (-) or underrun	Entered by others in accordance with authori- sations	Deviation from allocation
1602	Finanstilsynet	01	Operating expenses	A,B	535,694,000	514,378,438	21,315,562		
1602	Finanstilsynet	45	Major procurements and maintenance (IT)	A,B	47,773,000	43,847,463	3,925,537		
1635	Advance payment of compensation	70	Compensation payments	A,B	90,000,000	85,000,000	5,000,000		
1540	Norwegian Digitalisation Agency	25	Co-financing scheme for digitalisation projects		0	482,808			
1633	Govt. VAT netting arrangement	1	Govt. VAT netting arrangement		0	26,153,969			
Total expensed					673,467,000	669,862,678			

Revenue chapter	Chapter name	Item	Item text	Note	Total appropriation	Accounts 2024	Revenue overrun or underrun (-)	Entered by others in accordance with authori- sations	Deviation from allocation
4602	Finanstilsynet	03	Administrative processing fees	A,B	16,000,000	17,998,687	1,998,687	152,560	2,151,247
4602	Finanstilsynet	86	Relinquishment of gain, administrative fines etc.	A,B	30,000,000	0	-30,000,000	41,100,783	11,100,783
5580	Sectoral levies set by Ministry of Finance	70	Finanstilsynet, contributions from supervised entities	A,B	588,200,000	70,378	-588,129,622	588,828,075	698,453
5309	Occasional income	29	Occasional income		0	55			
5700	Contributions to the National Insurance Scheme	72	Employer's contribution		0	49,712,236			
Total taken to revenue					634,200,000	67,781,356			
Net amount reported to the appropriation account						602,081,322			
Capital accounts									
60050601	Norges Bank CA / receipts					30,990,332			
60050602	Norges Bank CA / payments					-636,742,374			
716106	Change in outstanding account with the Treasury					3,670,719			
Total reported						0			
Holdings reported to the capital account (31 Dec.)					2024	2023	Change		
716106	Outstanding account with the Treasury				-32,790,405	-36,461,125	3,670,719		

Note A Explanation of overall allocation

Chapter and item	Brought forward from last year	Current year's allocations	Overall allocation
1602 01 Operating expenses	6,879,000	528,815,000	535,694,000
1602 45 Major procurements and maintenance (IT)	11,625,000	36,148,000	47,773,000
1635 70 Compensation payments		90,000,000	90,000,000
4602 03 Administrative processing fees		16,000,000	16,000,000
4602 86 Relinquishment of gain, administrative fines etc.		30,000,000	30,000,000
5580 70 Contributions from supervised entities		588,200,000	588,200,000

Note B Explanation of utilised authorisations and calculation of possible amount to be brought forward to next year

Chapter and item	Headword	Expense overrun (-) / underrun	Expense overrun (-)/ underrun in accordance with debit authorisations	Overall basis for amount brought forward	Compensation for the 2024 wage settlement	Max. amount to be brought forward	Possible amount to be brought forward calculated by Finanstilsynet
1602 01		21,315,562	21,315,562	21,315,562	9,917,000	35,861,900	21,315,562
1602 45	'May be brought forward'	3,925,537	3,925,537	3,925,537		72,148,000	3,925,537
1635 70	'May be brought forward'	5,000,000	5,000,000	5,000,000		90,000,000	5,000,000

Explanation of debit authorisations received by revenue chapter

Chapter and item	Purpose	Debit authorisation 2024	Accounts as at 31 Dec. 2024	Deviation in accordance with debit authorisations
1540 25	Co-financing project 'ESA reporting solution'	497,482	482,808	14,675

Explanation of debit authorisations granted by revenue chapter

Chapter and item	Revenue overrun or underrun (-)	Taken to revenue by others in accordance with debit authorisations (+)	Revenue overrun/ underrun (-) in accordance with debit authorisations
4602 86 Relinquishment of gain and administrative fines	-30,000,000	41,100,783	11,100,783
5580 70 Contributions from supervised entities	-588,200,000	588,828,075	628,075

Explanation of the use of budget authorisations

Debit authorisations received

In a letter dated 21 March 2000, the Ministry of Finance authorised Finanstilsynet (then Kredittilsynet) to consider and make decisions in cases concerning the government's liability involving amounts below NOK 250,000. Other conditions are set out in the Ministry of Justice and Public Security's circular G-01/2017 'Compensation claims against the government – charges to budget chapter 471, item 71 and waiver of objections against time-barred claims'. Finanstilsynet did not make use of this authorisation in 2024.

Finanstilsynet has received a debit authorisation from the Norwegian Digitalisation Agency on chapter 1540, item 25 for the project 'ESA reporting solution'. The work will continue in 2025, and up to 50 per cent of the costs are expected to be covered through the co-financing scheme.

Debit authorisations granted (entered by others)

Finanstilsynet has granted the Norwegian Tax Administration, represented by the Norwegian National

Collection Agency, a debit authorisation on chapter 4602, items 03 and 86, and chapter 5580, item 70.

Headword 'may be brought forward'

Finanstilsynet's appropriation in items 45 and 70 is allocated under the headword 'may be brought forward'. The appropriation in item 45 covers development measures for the ICT systems, while the appropriation in item 70 represents compensation claims against the bankruptcy estate of the Danish Alpha Insurance A/S. For items with the headword 'may be brought forward', the sum of the last two years' appropriations under these items can be brought forward to the next budget year.

Authorisation to overstep operating appropriations against corresponding revenue overruns

Finanstilsynet received no revenue overrun authorisation in 2024.

Authorisation to resell retired movables

According to Section 2 of the Asset Retirement Instructions, the authority to decide on the retirement of movables rests with the government ministries. The Ministry of Finance has delegated authority to Finanstilsynet to decide on the retirement and sale of certain assets.

Possible amount to be brought forward

The expenditure underrun in item 01 is calculated at NOK 21,315,562. This figure is below the limit for transfer of 5 per cent of the year's appropriation in item 01, and the entire amount is deemed possible to bring forward to 2025. This amount includes NOK 9.9 million to compensate for the wage settlement in 2024, which was paid in February 2025. In connection with the delayed wage settlement in 2024, the maximum limit for the transfer of unused fixed assets to 2025

was increased by an amount corresponding to the compensation for the wage settlement for 2024.

The amount earmarked for the digitalisation project in item 01 was fully utilised in 2024. The entire unutilised appropriation of NOK 3,925,537 in item 45 may be brought forward upon application.

The unutilised appropriation of NOK 5.0 million in item 70 *Compensation payments* may be brought forward upon application.

Statement of reporting by natural classification as at 31 Dec.	2024	2023
Operating revenues reported to the appropriation account		
Receipts of fees	17,998,687	10,210,000
Total receipts from operations	17,998,687	10,210,000
Operating expenses reported to the appropriation account		
Disbursements to salaries	388,579,109	374,121,362
Other disbursements to operations	210,590,714	156,393,954
Total disbursements to operations	599,169,822	530,515,315
Net reported operating expenses	581,171,135	520,305,315
Investment and financial revenues reported to the appropriation account		
Receipts of financial revenues	0	0
Total investment and financial revenues	0	0
Investment and financial expenses reported to the appropriation account		
Disbursement to investments	44,538,886	2,911,910
Total investment and financial expenses	44,538,886	2,911,910
Net reported investment and financial expenses	44,538,886	2,911,910
Collection activities and other transfers to central government		
Receipts of taxes, charges, fees etc.	70,433	30,000
Total collection activities and other transfers to central government	70,433	30,000
Revenues and expenses reported on central government chapter		
Employer's contribution account 1986 (ref. chap. 5700, revenues)	49,712,236	48,650,580
VAT netting arrangement account 1987 (ref. chap. 1633, expenses)	26,153,969	24,059,705
Net amount reported on central government chapter	-23,558,266	-24,590,875
Net amount reported to the appropriation account	602,081,322	498,596,351

Overview of outstanding accounts with the Treasury

Assets and liabilities	2024	2023
Receivables from employees	0	0
Bank accounts with central government funds outside Norges Bank	2,600	2,842
Tax withholdings owed and other withholdings	-14,932,143	-17,654,576
Public charges owed	-173,010	-182,812
Pension premiums allocated to the Norwegian Public Service Pension Fund	-17,680,252	-18,623,737
Other short-term liabilities	-2,600	-2,842
Differences – bank and unidentified receipts	-5,000	0
Total outstanding account with the Treasury	-32,790,405	-36,461,125

Accounting policies – accounts presented according to the Central Government Accounting Standards (CGAS)

In consultation with the Ministry of Finance, Finanstilsynet has decided that, as of 1 January 2024, Finanstilsynet shall present and report its accounts in accordance with the Central Government Accounting Standards (CGAS), in addition to ordinary reporting on a cash basis. The accounts have been presented in accordance with the CGAS.

Opening balance sheet

When preparing the opening balance sheet, intangible and fixed assets are valued at replacement value. Where it has not been possible to determine the replacement value, the value is determined on the basis of historical cost and thereafter adjusted for wear and tear based on the expected useful life of the asset. Internal efforts made to further develop intangible assets are not included in the valuation.

The replacement value of individual assets is the amount of money needed to replace the asset today at the same quality, standard and functionality as the existing asset.

Current assets are recognised at fair value. Short-term liabilities are recognised at face value.

Pensions

CGAS 25 Contributions to employees is based on a simplified accounting approach to pensions. Government agencies shall not recognise net pension obligations in the Norwegian Public Service Pension Fund's (SPK) schemes in the balance sheet.

The employer's share of the pension premium is recognised as pension expenses in the income statement. Pensions are expensed as if the pension scheme in SPK was based on a defined-contribution plan.

SPK's pension premium model for government agencies is entity-specific and event-based. This means that calculations are based on the internal circumstances of each entity and that actual events in the entity's membership base are taken into account. The membership share of 2 per cent of salaries is unchanged.

Transaction-based revenues

Income is recognised in the income statement when earned. Transactions are recognised in the income statement at the value of the consideration on the transaction date. The sale of services shall be recognised as income on the transaction date.

Income from appropriations and transfers

Finanstilsynet uses a simplified principle of offsetting. This means that revenues from appropriations are calculated as the difference between expenses and recognised transaction-based revenues during the period, as well as any revenues from contributions and transfers to operations. The result of these activities during the period will thus be zero.

Expenses

Expenses related to transaction-based revenues are expensed in the same period as associated revenues.

Expenses that are financed by revenues from appropriations and transfers are expensed as the activities are carried out.

Classification and valuation of non-current assets

Non-current assets are long-term and significant assets at the institution's disposal. In this connection, 'non-current' means that the assets have a useful life of three years or more, and 'significant' means individual acquisitions (purchases) at a cost of NOK 50,000 or more. Non-current assets are recognised in the balance sheet at cost less depreciation.

Office furniture and computers (PCs, servers, etc.) with a useful life of three years or more are recognised as separate groups in the balance sheet.

Fixed assets are written down to fair value in cases where their use changes, provided that fair value is lower than carrying value.

In-house software development

Consultancy services relating to software development are recognised in the balance sheet. Expenses related to the use of the institution's employees during the application development phase of software development are not recognised in the balance sheet.

Fixed assets

Finanstilsynet capitalises the following assets as a pool:

- laptops
- projectors
- furniture, etc.

The fixed assets are recognised in the balance sheet and are depreciated over their expected useful life. Upon the sale or disposal of fixed assets, accounting gains or losses are recognised in the income statement.

Classification and assessment of current assets and short-term liabilities

Current assets and short-term liabilities include items that are due for payment within one year of the date of acquisition. Other items are classified as non-current assets / long-term liabilities. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are recognised in the balance sheet at nominal value on the date raised.

Receivables

Accounts receivable and other receivables are shown in the balance sheet at nominal value after deducting provisions for expected losses. Provisions for losses are made on the basis of individual assessments of each receivable.

Central government capital

Central government capital constitutes the net of assets and liabilities and is shown on the line for the final account with the Treasury in the balance sheet. Gross budgeted entities do not present the group accounts in Norges Bank as bank deposits. The group accounts are included in the line 'final account with the Treasury'.

Central government framework

Self-insurer principle

The central government operates as a self-insurer. Consequently, no items that reflect insurance costs or obligations have been included in the balance sheet or income statement.

The central government's group account scheme

Government agencies are included in the central government's group account scheme. The group account scheme means that all receipts and disbursements are settled against the entity's settlement accounts with Norges Bank.

Gross budgeted entities do not receive liquid funds during the year. These entities have a drawing right on their group account. For gross budgeted entities, the balance on each settlement account in Norges Bank is reset to zero at the start of each financial year.

Numbering of notes

Finanstilsynet uses the same numbering of notes as in DFØ's templates. Notes that are not relevant for Finanstilsynet are not included.

Income statement	Note	31 Dec. 2024
Operating revenues		
Revenues from appropriations	1	604,251,461
Revenues from fees	1	19,645,685
Total operating revenues		623,897,146
Operating expenses		
Salary costs	2	397,635,529
Depreciation of fixed and intangible assets	3,4	17,663,288
Impairment of fixed and intangible assets	3,4	0
Other operating expenses	5	208,598,330
Total operating expenses		623,897,146
Operating profit		0
Collection activities and other transfers to central government		
Fees and charges directly to the Treasury	7	70,433
Final account with the Treasury – collection activities		70,433
Total collection activities and other transfers to central government		0

Balance sheet	Note	31 Dec. 2024	1 Jan. 2024
ASSETS			
A. Non-current assets			
I Intangible assets			
Software and similar rights	3	57,201,765	69,326,041
Intangible assets under development	3	40,154,730	2,701,170
Total intangible assets		97,356,496	72,027,211
II Fixed assets			
Operating movables, furniture, tools, etc.	4	15,494,584	13,849,633
Total fixed assets		15,494,584	13,849,633
Total non-current assets		112,851,079	85,876,844
B. Current assets			
II Receivables			
Accounts receivable	8	1,370,000	2
Other receivables	9	6,271,068	4,894,280
Total receivables		7,641,068	4,894,282
III Bank deposits, cash, etc.			
Bank deposits	10	2,600	2,842
Total bank deposits, cash, etc.		2,600	2,842
Total current assets		7,643,668	4,897,124
Total assets, operations		120,494,748	90,773,968
Total assets		120,494,748	90,773,968

Central government capital and liabilities	Note	31 Dec. 2024	1 Jan. 2024
C. Central government capital			
II Final account with the Treasury			
Final account with the Treasury (gross budgeted)	6	22,596,011	-2,648,030
Final account with the Treasury		22,596,011	-2,648,030
Total central government capital		22,596,011	-2,648,030
D. Liabilities			
III Short-term liabilities			
Accounts payable		19,892,512	21,758,742
Tax deductions owed and other deductions		14,932,143	17,654,576
Public charges owed		7,777,624	6,689,880
Allocations for holiday pay		33,142,066	31,452,165
Other short-term liabilities	11	22,154,392	15,866,635
Total short-term liabilities		97,898,736	93,421,999
Total liabilities		97,898,736	93,421,999
Total central government capital and liabilities, operations		120,494,748	90,773,968
Total central government capital and liabilities		120,494,748	90,773,968

Note 1 Operating revenues	31 Dec. 2024
Revenues from appropriations*	604,251,461
Total revenues from appropriations	604,251,461

* According to the Central Government Accounting Standards, revenues from appropriations for gross budgeted entities are calculated as the difference between costs and transaction-based revenues earned during the period and any revenues from contributions and transfers to the entity. One consequence of this is that the result of these activities during the period is zero. For information on appropriations received, see the appropriation report.

Revenues from fees	
Fees	19,645,685
Total revenues from fees	19,645,685
Total operating revenues	623,897,146

Note 2 Salary costs	31 Dec. 2024
Salaries*	280,382,612
Holiday pay	33,885,280
Employer's national insurance contributions	50,806,091
Pension costs**	33,586,695
Sickness benefit and other reimbursements (-)	-8,746,439
Other benefits	7,721,290
Total salary costs	397,635,529

Number of FTEs worked	310
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* As the central government wage settlement for 2024 was not completed until the end of November, Finanstilsynet did not make payments resulting from the wage settlement in 2024. Finanstilsynet has therefore made an estimate of provisions for salaries resulting from the central wage settlement (local and any central supplements), totalling NOK 6,352,012. The provisions for salaries include holiday pay, and provisions have also been made for employer's national insurance contributions relating to the provisions.

** Pension costs in 2024 are based on an estimate of the pension premium calculated by the Norwegian Public Service Pension Fund (SPK) and do not represent the actual pension premium. The reason for this is that the central government wage settlement for 2024 was not completed until the end of November 2024. The premium rate for the employer's share was 11.5 per cent in 2024 (employer's share of the pension premium on classification account 542 / pensionable income in 2024 reported to SPK). For the 2023 accounting year, the premium rate was 15.3 per cent.

Note 3 Intangible assets	Software and similar rights	Intangible assets under development	Total
Acquisition cost at 1 Jan.	72,049,114	2,701,170	74,750,283
Additions during the year	1,805,988	37,453,561	39,259,549
Acquisition cost	73,855,102	40,154,730	114,009,832
Accumulated depreciation 1 Jan.	2,723,072	0	2,723,072
Ordinary depreciation during the year	13,930,264	0	13,930,264
Carrying amount at 31 Dec. 2024	57,201,765	40,154,730	97,356,496

Depreciation rates (useful lives): 3-15 years linearly.

Note 4 Fixed assets	Operating movables, furniture, tools, etc.	Total
Acquisition cost at 1 Jan.	20,846,098	20,846,098
Additions during the year	5,377,974	5,377,974
Acquisition cost	26,224,072	26,224,072
Accumulated depreciation 1 Jan.	6,996,465	6,996,465
Ordinary depreciation during the year	3,733,023	3,733,023
Carrying amount at 31 Dec. 2024	15,494,584	15,494,584

Depreciation rates (useful lives): 3-15 years linearly.

Note 5 Other operating expenses	31 Dec. 2024
Rent	21,390,970
Maintenance and conversion of rented premises	481,079
Other expenses on operation of property and premises	7,421,006
Lease of machinery, furniture, etc.	18,696,542
Minor equipment procurements	836,838
Repairs and maintenance of machinery, equipment, etc.	130,598
Purchases of consultancy services*	4,791,301
Purchases of other external services**	28,750,055
Travel and per diem	4,464,208
Losses, etc.***	85,140,000
Other operating expenses****	36,495,734
Total other operating expenses	208,598,330

*** This item concerns claims for compensation from the bankruptcy estate of Danish Alpha Insurance A/S, where NOK 85 million was paid and provisions of NOK 140,000 were made in 2024 to cover expected losses on accounts receivable.

* Purchases of consultancy services	2024
Development of software and ICT solutions	4,013,708
Other consultancy services, e.g. auditing, legal assistance, communication, recruitment	777,593,
Total purchases of consultancy services	4,791,301

** Purchases of external services	2024
Services related to ICT operations	27,383,322
Purchases of payroll and accounting services	384,814
Other external services	981,919
Total purchases of external services	28,750,055

**** Specification of contributions and fees to international organisations	2024
ESMA (European Securities and Markets Authority)	7,586,529
EIOPA (European Insurance and Occupational Pensions Authority)	5,506,734
EBA (European Banking Authority)	5,061,296
IOSCO (International Organization of Securities Commissions)	384,211
IAIS (International Association of Insurance Supervisors)	1,026,983
IFIAR – TOKYO (International Forum of Independent Audit Regulators)	187,106
EU programmes/agencies (EFTA-EU contribution)	5,917,560
Total	25,670,419

Additional information about operating leases

Remaining term	Intangible assets	Land, buildings and other real estate	Total
Term up to 1 year	0	0	0
Term 1–5 years	3,395,113		3,395,113
Term over 5 years	6,057,527	27,472,228	33,529,755
Expensed lease payments for the period	9,452,640	27,472,228	36,924,868

During 2024, Finanstilsynet exercised an option for a five-year extension of the lease agreement with Norges Bank. The lease agreement will remain in force until 2030. The annual rent is NOK 23.7 million.

Note 6 Difference between the final and the preliminary account with the Treasury (gross budgeted entities)

A) Explanation of why the the result for the period does not equal the change in the final account with the Treasury in the balance sheet (congruence discrepancy)

	31 Dec. 2024	1 Jan. 2024	Change
Account with the Treasury in the balance sheet	22,596,011	–2,648,030	25,244,041

The reason why the result for the period does not equal the change in the final account with the Treasury in the balance sheet for gross budgeted entities is that the group accounts in Norges Bank are included as part of the account with the Treasury in the balance sheet. In addition, consideration has been given to certain transactions that are not related to the entity's operations and transactions and do not involve receipts or payments. The items that represent the reason why the change in the final account with the Treasury in the balance sheet does not equal the result for the period are specified in the table below.

Changes in the account with the Treasury

Group accounts with Norges Bank			
– Payments – group account			–636,742,374
+ Receipts – group account			30,990,332
Net drawn on group account			–605,752,041
Receipts and payments that are not included in operations (in-transit items)			
– Receipts – collection activities and other transfers			–70,433
+ Payments – grant management and other transfers			0
Booked items that do not go through a bank account but directly to the account with the Treasury			
+ Recognised as income from appropriations (sub-account 1991)			604,251,461
– Group life/employer's national insurance contributions (sub-accounts 1985 and 1986)			–49,712,236
+ Net scheme, VAT paid by the central government (sub-account 1987)			26,039,208
Other reconciling items			
Specification of other reconciling items			0
Difference between recognised income and net drawn on group account			–25,244,041
Result of activities in the period before final account with the Treasury			0
Total changes in the account with the Treasury			–25,244,041

B) Difference between final and preliminary account with the Treasury

	31 Dec. 2024 Specification of booked account with the Treasury	31 Dec. 2024 Specification of reported account with the Treasury	Difference
Intangible and fixed assets			
Intangible assets	97,356,496		97,356,496
Fixed assets	15,494,584		15,494,584
Total	112,851,079	0	112,851,079
Current assets			
Goods and consumables	0	0	0
Accounts receivable	1,370,000	0	1,370,000
Non-invoiced earned income	0	0	0
Other receivables	6,271,068	0	6,271,068
Bank deposits, cash, etc.	2,600	2,600	0
Receivables related to collection activities and other transfers to central government	0	0	0
Total	7,643,668	2,600	7,641,068
Short-term liabilities			
Accounts payable	-19,892,512	0	-19,892,512
Tax deductions owed and other deductions	-14,932,143	-15,915,263	983,120
Public charges owed	-7,777,624	-173,010	-7,604,614
Allocations for holiday pay	-33,142,066	0	-33,142,066
Advance payments received	0	0	0
Other liabilities to employees	-22,151,791	0	-22,151,791
Pension premiums allocated to SPK, employer's share	0	-16,697,132	16,697,132
Other short-term liabilities	-2,600	-7,600	5,000
Liabilities concerning grant management and other transfers to central government	0	0	0
Total	-97,898,736	-32,793,005	-65,105,731
Total	22,596,011	-32,790,405	55,386,416

The preliminary account with the Treasury consists of short-term receivables and liabilities that, according to the Financial Management Regulations, are reported to the central government accounts (S-report). The final account with the Treasury shows the financing of the entity's net assets and liabilities.

Note 7 Collection activities and other transfers to central government	31 Dec. 2024
Transfers from other central government accounts	0
Transfer from municipalities/county municipalities' operating budgets	0
Direct and indirect taxes, interest income and dividends, etc.	70,433
Total fees and charges directly to the Treasury	70,433

Note 8 Accounts receivable	31 Dec. 2024	1 Jan. 2024
Accounts receivable at face value	1,510,000	2
Provisions for expected losses (-)	-140,000	0
Total accounts receivable	1,370,000	2

NOK 140,000 has been set aside to cover expected losses on accounts receivable as a result of a change in the practice of collecting processing fees for cases concerning the marketing of EuVECA and EuSEF funds in Norway and to reflect the fact that amounts invoiced for 2024 are credited.

Note 9 Other short-term receivables	31 Dec. 2024	1 Jan. 2024
Prepaid salaries	0	0
Travel advance	0	0
Employee loans	0	0
Other receivables from employees	0	0
Prepaid rent	3,679,767	0
Other prepaid expenses	1,725,028	4,269,573
Other receivables	866,274	624,707
Total other short-term receivables	6,271,068	4,894,280

Note 10 Bank deposits, cash, etc.	31 Dec. 2024	1 Jan. 2024
Other bank accounts (outside the central government group account scheme)	2,600	2,842
Cash	0	0
Total bank deposits, cash, etc.	2,600	2,842

Note 11 Other short-term liabilities	31 Dec. 2024	1 Jan. 2024
Accrued salaries	0	0
Other liabilities to employees	15,799,779	15,405,094
Provisions for the 2024 wage settlement*	6,352,012	0
Accrued costs	0	458,699
Reconciliation difference when reporting to the central government accounts	0	0
Pension premiums allocated to SPK, employer's share	0	0
Other short-term liabilities	2,600	2,842
Total other short-term liabilities	22,154,392	15,866,635

* As the central government wage settlement for 2024 was not completed until the end of November, Finanstilsynet did not make payments resulting from the wage settlement in 2024. Finanstilsynet has therefore made an estimate of provisions for salaries resulting from the central wage settlement (local and any central supplements), cf. note 2. The provisions also include the entity's own contributions to the wage negotiations beyond what was negotiated centrally.

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