



Ministry of Finance
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OUR REFERENCE
22/3836

YOUR REFERENCE

DATE
31 March 2025

Advice on systemically important institutions

According to the regulations on capital requirements and national adaptation of CRR/CRD IV ([CRR/CRD IV regulations](#)), Finanstilsynet shall each year, by the end of the first quarter, give the Ministry of Finance qualified advice on which institutions should be regarded as systemically important in Norway the following year and be required to meet a special buffer requirement of 1 or 2 per cent.¹ According to the regulations, systemically important institutions shall be subject to institution-specific buffer requirements. The main criteria for the identification of systemically important institutions are described below.

Systemically important institutions based on the main criteria in the regulations

According to the regulations, the assessment of systemic importance shall be based on the institutions' total assets as a share of mainland Norway's GDP and the institutions' lending to the private non-financial sector in Norway.

Institutions that meet at least one of the following criteria shall, pursuant to Section 30, second subsection of the CRR/CRD IV regulations, be considered to be systemically important in Norway and be subject to a special buffer requirement of 1 per cent:

- a. institutions that at the end of the previous year had total assets corresponding to at least 10 per cent of mainland Norway's GDP
- b. institutions that at the end of the previous year had a share of lending to the private non-financial sector in Norway of at least 5 per cent of total lending to this sector

Institutions that meet at least one of the following criteria shall, pursuant to Section 30, third subsection of the CRR/CRD IV regulations, be considered to be systemically important in Norway and be subject to a special buffer requirement of 2 per cent:

- a. institutions that at the end of the previous year had total assets corresponding to at least 20 per cent of mainland Norway's GDP
- b. institutions that at the end of the previous year had a share of lending to the private non-financial sector in Norway of at least 10 per cent of total lending to this sector

¹ See Section 14-3 (4) of the Financial Institutions Act.

Calculations of the indicators shall be based on the institutions' consolidated financial statements as at 31 December 2024 plus loans in partly owned mortgage companies issuing covered bonds that are not included in the consolidated financial statements.²

Total assets as a share of mainland Norway's GDP

Table 1 shows total assets in NOK billion and in per cent of mainland Norway's GDP for the largest Norwegian banks and mortgage companies.³ Total assets are calculated at consolidated level, whereby Norwegian institutions' loans abroad are also included in the calculations.

Table 1 Norwegian institutions (groups) with total assets in excess of 5 per cent of mainland Norway's GDP, nominal values in NOK billion as at 31 December 2024

	Total assets (in NOK billion)	Share of mainland Norway's GDP	Change from 2023 (percentage points)
DNB Bank ASA	3 614	89.2 %	0.0
Kommunalbanken AS	575	14.2 %	0.7
Sparebank 1 Sør-Norge ASA	513	12.7 %	(new)
Nordea Eiendomskreditt AS	463	11.4 %	2.4
Sparebanken Vest	339	8.4 %	0.4
Sparebank 1 SMN	328	8.1 %	0.1
Sparebank 1 Østlandet	295	7.3 %	0.8
Santander Consumer Bank AS	212	5.2 %	-0.3
Sparebanken Norge (Sparebanken Vest and Sør)	516	12.7 ⁴ %	(new)

Based on this indicator, DNB Bank ASA, Kommunalbanken AS, Sparebank 1 Sør-Norge ASA and Nordea Eiendomskreditt AS meet the criterion for systemically important institutions in Norway. Pursuant to Section 30 of the regulations, DNB Bank ASA shall be subject to a special buffer requirement of 2 per cent, while Kommunalbanken AS, Sparebank 1 Sør-Norge ASA and Nordea Eiendomskreditt AS shall be subject to a special buffer requirement of 1 per cent.

The merger between Sparebanken Vest and Sparebanken Sør is scheduled to be completed on 2 May 2025. Finanstilsynet has approved the merger. This makes it necessary to assess whether the new bank 'Sparebanken Norge' should be designated as a systemically important institution in Norway. The assessment is based on figures for Sparebanken Vest and Sparebanken Sør as at 31 December 2024. Based on the indicator 'total assets as a share of mainland Norway's GDP', Sparebanken Norge will, according to Finanstilsynet's calculations, fulfil the criterion for systemically important institutions in Norway, and shall be subject to a special buffer requirement of 1 per cent according to Section 30 of the regulations.

² Ownership interests below 50 per cent, consolidated proportionately based on holdings in the institutions at year-end 2024.

³ No finance companies come close to the thresholds for systemic importance set out in the regulations.

⁴ To arrive at the indicator 'total assets as a share of mainland Norway's GDP', Sparebanken Norge's total assets are calculated as the sum of the total assets of Sparebanken Vest and Sparebanken Sør. If the banks have exposures to each other, these exposures will be netted after the merger is completed. It should therefore be noted that calculated total assets may differ from actual total assets after the merger.

Market share of lending to the private non-financial sector in Norway

In the market share calculation, loans to the private non-financial sector from all banks, mortgage companies and finance companies, including branches of foreign institutions, are included in the denominator. Table 2 shows total loans to the private non-financial sector from Norwegian institutions with the highest market shares in Norway.

Table 2 Norwegian institutions (groups) with market shares for loans to the private non-financial sector above 2 per cent, nominal values in NOK billion as at 31 December 2024

	Loans	Market share	Change from 2023 (percentage points)
DNB Bank ASA	1 602	25.5 %	0.1
Nordea Eiendoms kreditt AS	449	7.2 %	1.8
Sparebank 1 Sør-Norge ASA	400	6.4 %	(new)
Kommunalbanken AS	353	5.6 %	0.1
Sparebanken Vest	282	4.5 %	0.4
Sparebank 1 SMN	248	4.0 %	0.2
Sparebank 1 Østlandet	228	3.6 %	0.4
Sparebank 1 Nord-Norge	149	2.4 %	0.1
Sparebanken Sør	134	2.1 %	0.0
Total	3 745	61.3 %	5.2
Sparebanken Norge (Sparebanken Vest and Sør)	415	6.6 ⁵ %	(new)

Based on this indicator, DNB Bank ASA, Sparebank 1 Sør-Norge, Nordea Eiendoms kreditt AS and Kommunalbanken AS will be systemically important institutions in Norway. DNB Bank meets the criterion for a special buffer requirement of 2 per cent. Sparebank 1 Sør-Norge, Nordea Eiendoms kreditt and Kommunalbanken meet the criterion for a special buffer requirement of 1 per cent. Based on this indicator, Sparebanken Norge will, according to Finanstilsynet's calculations, fulfil the criterion for systemically important institutions in Norway, and shall be subject to a special buffer requirement of 1 per cent according to Section 30 of the regulations.

Foreign branches

Nordea Bank Abp's branch has total assets corresponding to 19.8 per cent of mainland GDP, and the bank has a market share of lending representing 6.1 per cent of total lending. Branches of foreign banks are not covered by the Norwegian rules on systemic importance.

Other criteria

According to Section 31 of the regulations, Finanstilsynet shall also base its advice on ‘*an assessment of, among other things, the institution's size, the scope of its activities in Norway and in other countries, its complexity and role in the financial infrastructure, and its interconnectedness to the rest of the financial system*’. Finanstilsynet has chosen to take [recommendations from the](#)

⁵ Sparebanken Norge's market share is calculated as the combined market shares of Sparebanken Vest and Sparebanken Sør.

[European Banking Authority \(EBA\)](#) on the identification of systemically important national institutions into consideration.

The EBA recommends a set of quantitative criteria, which can be complemented by discretionary assessments, for institutions that are not considered systemically important according to the quantitative analysis. The EBA recommends that the discretionary assessment is made using individual scores on the quantitative criteria or by using 49 optional qualitative and quantitative indicators. Both indicators in the Norwegian regulations are among these. In the quantitative analysis, a score is calculated for each institution based on the following criteria:

Criterion	Indicators	Weight
Size	Total assets	25%
Importance	Value of domestic payment transactions	8.33%
	Private sector deposits from depositors in the EU	8.33%
	Private sector loans to recipients in the EU	8.33%
Complexity	Value of OTC derivatives	8.33%
	Cross-jurisdictional liabilities	8.33%
	Cross-jurisdictional claims	8.33%
Interconnectedness	Intra-financial system liabilities	8.33%
	Intra-financial system assets	8.33%
	Debt securities outstanding	8.33%

For each indicator, a value representing the institution's amount of the indicator value, expressed in basis points, is calculated. These indicator values are then weighted to arrive at a score per criterion and thereafter a total score. Institutions with a total score equal to or higher than 350 basis points should, according to the EBA's recommendation, be automatically designated as systemically important. National authorities may raise or decrease this threshold to reflect national specificities. The recommendation also allows identification of systemically important institution by use of discretion.⁶

Table 3 Norwegian institutions (groups) with a total score above 100 based on the EBA methodology as at 31 December 2024

	Total score	Size	Importance	Complexity	Interconnectedness
DNB Bank ASA	4 017	3 344	3 383	5 796	3 543
Sparebank 1 Sør-Norge ASA	456	550	416	405	454
Kommunalbanken AS	448	582	6	464	740
Sparebank 1 SMN	263	356	279	136	283
Sparebanken Vest	261	347	302	133	263
Nordea Eiendomskreditt AS	250	475	235	12	279
Sparebank 1 Østlandet	229	305	231	84	294
Santander Consumer Bank AS	216	217	195	371	83
Sparebank 1 Nord-Norge	156	203	156	54	213
Sparebanken Sør	130	181	143	47	147

⁶ The calculation challenges associated with the EBA's methodology are explained in the appendix to [Finanstilsynet's advice in 2015](#) (in Norwegian only).

Sparebanken Norge (Sparebanken Vest and Sør)	391⁷	528	445	180	410
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Table 3 shows the indicators for Norwegian institutions with a total score above 100 based on the EBA methodology as at 31 December 2024. DNB Bank ASA, Kommunalbanken AS and Sparebank 1 Sør-Norge ASA have a total score above 350, while Nordea Eiendomskreditt AS has a total score above 200. The total score for Sparebanken Norge is estimated at 391 as at 31 December 2024.

Overall assessment and advice

Systemically important institutions are of particular importance to the financial system and the real economy. Such institutions shall be subject to a higher common equity Tier 1 capital requirement in order to have a higher loss-absorbing capacity, thus reducing the probability that the institutions will face financial problems that may have serious negative consequences for the financial system and the real economy.

Based on the criteria in the CRR/CRD IV regulations, Finanstilsynet recommends that DNB Bank ASA, Kommunalbanken AS, Sparebank 1 Sør-Norge ASA and Nordea Eiendomskreditt AS continue to be designated as systemically important institutions in Norway in 2026. Finanstilsynet also recommends that Sparebanken Norge be designated as a systemically important institution in Norway.

Finanstilsynet recommends that DNB Bank ASA shall be subject to a special buffer requirement of 2 per cent, and that Kommunalbanken AS, Sparebank 1 Sør-Norge ASA and Nordea Eiendomskreditt AS shall be subject to a special buffer requirement of 1 per cent. Finanstilsynet further recommends that Sparebanken Norge shall also be subject to a special buffer requirement of 1 per cent. In light the upcoming merger, it is considered appropriate that Sparebanken Norge's buffer requirement becomes effective after 1 January 2027.

For Finanstilsynet

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This document has been electronically approved and does not require handwritten signatures.

⁷ Indicator values for Sparebanken Norge are calculated as the combined indicator values for Sparebanken Vest and Sparebanken Sør. As total assets are included in the indicator calculation, the same reservations will apply as for table 1.