

# Housing finance in Norway

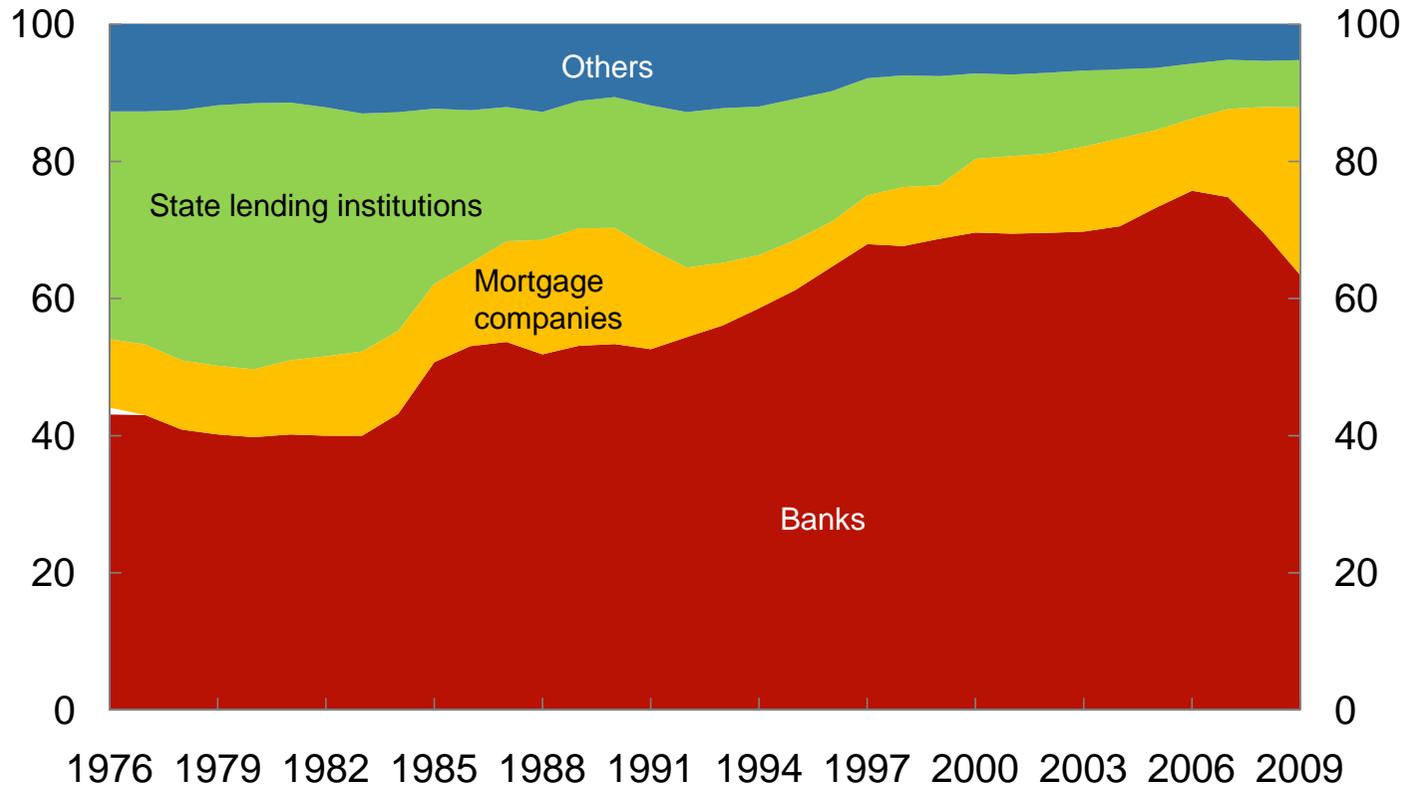
*Governor Svein Gjedrem*

*Norwegian Covered Bond Forum*

*27 January 2010*

# Lending by lender sector. Norway

As a percentage of total lending. 1976 – 2009<sup>1)</sup>

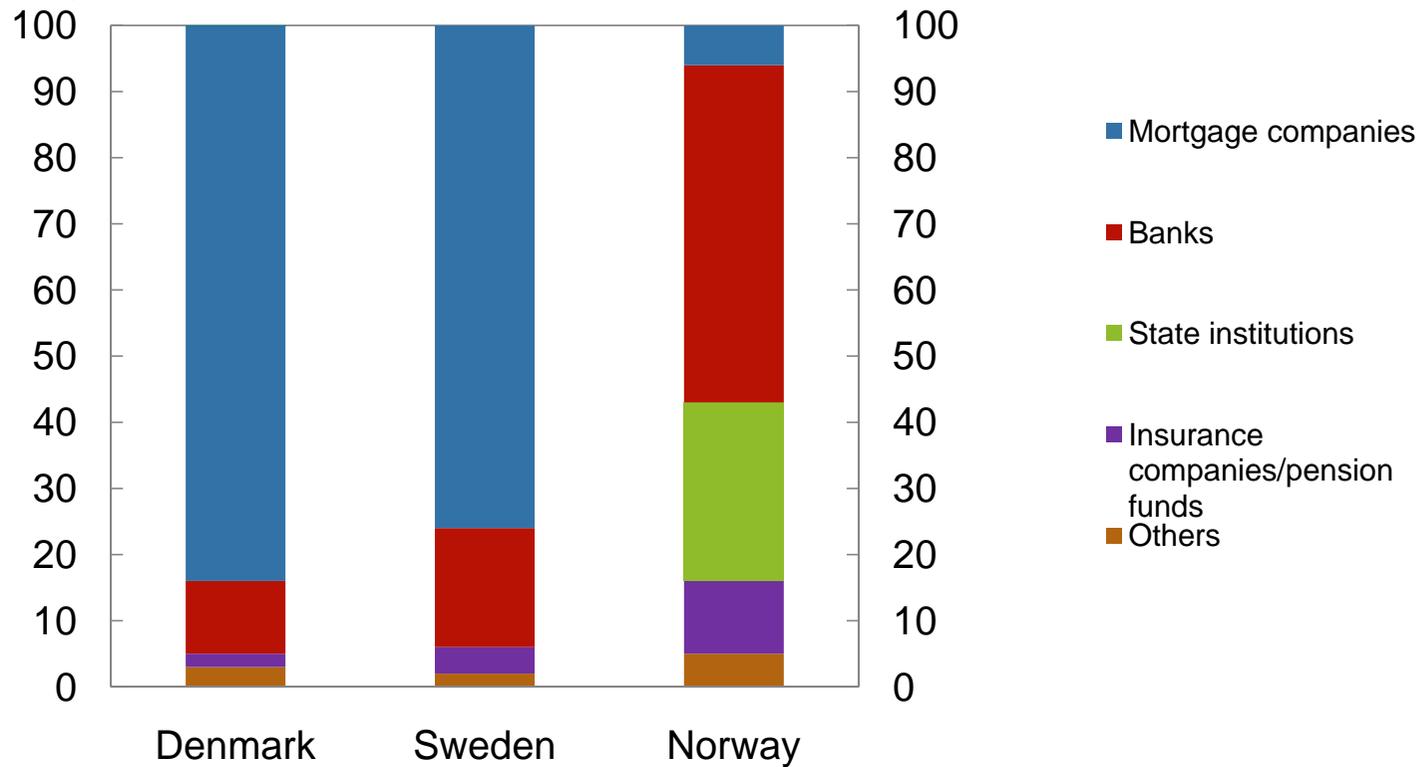


1) Statistical break in 1985. Figures for 1976-1984 for state lending institutions include Norges Bank

Sources: NOU (Official Norwegian Report) 1989:1, Statistics Norway and Norges Bank

# Housing finance in selected countries in the 1990s

By lender sector. Per cent<sup>1)</sup>

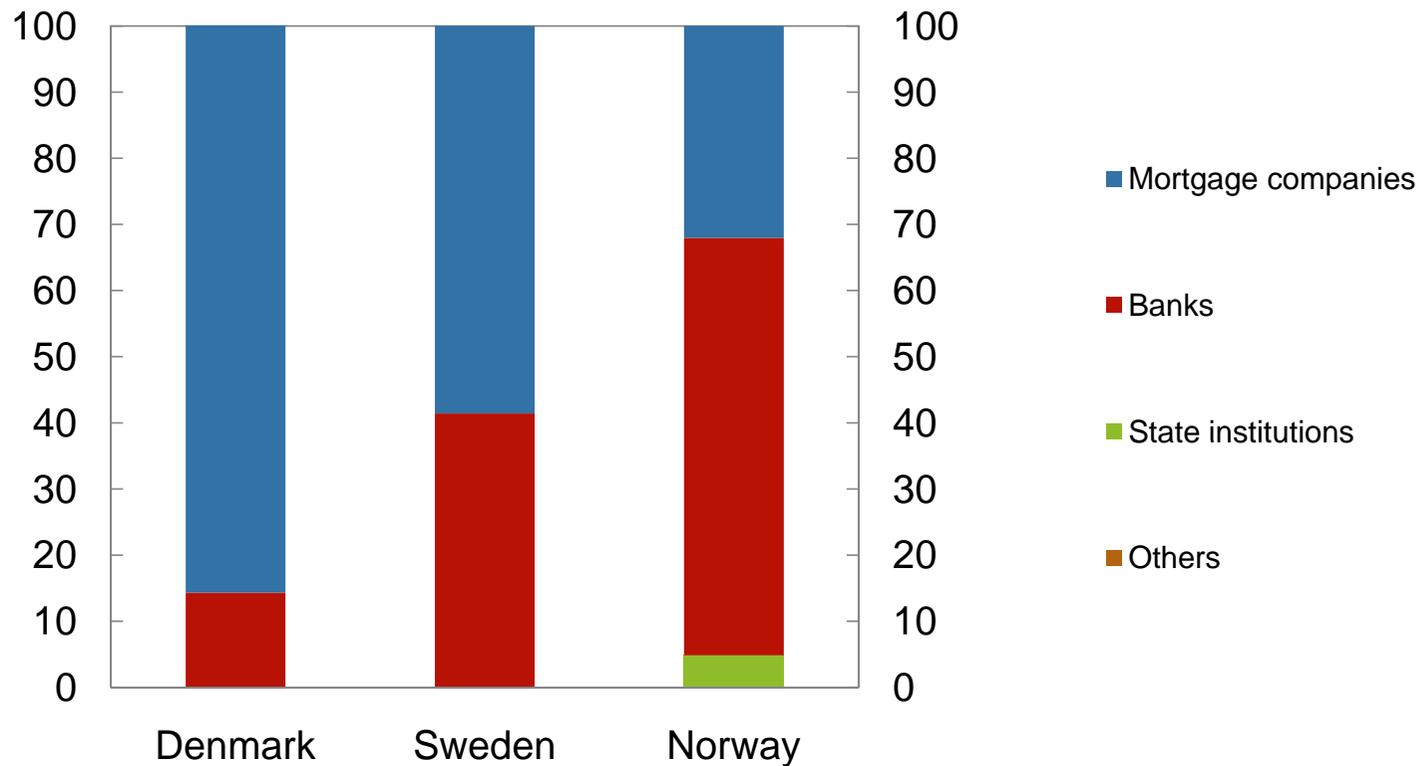


1) 1992 for Denmark and Norway and 1989/1990 for Sweden.  
Residential mortgage loans from state lending institutions are not specified for Denmark and Sweden

Source: NOU (Official Norwegian Report) 1995: 11

# Housing finance in selected countries. 2009

By lender sector. Percent<sup>1)</sup>

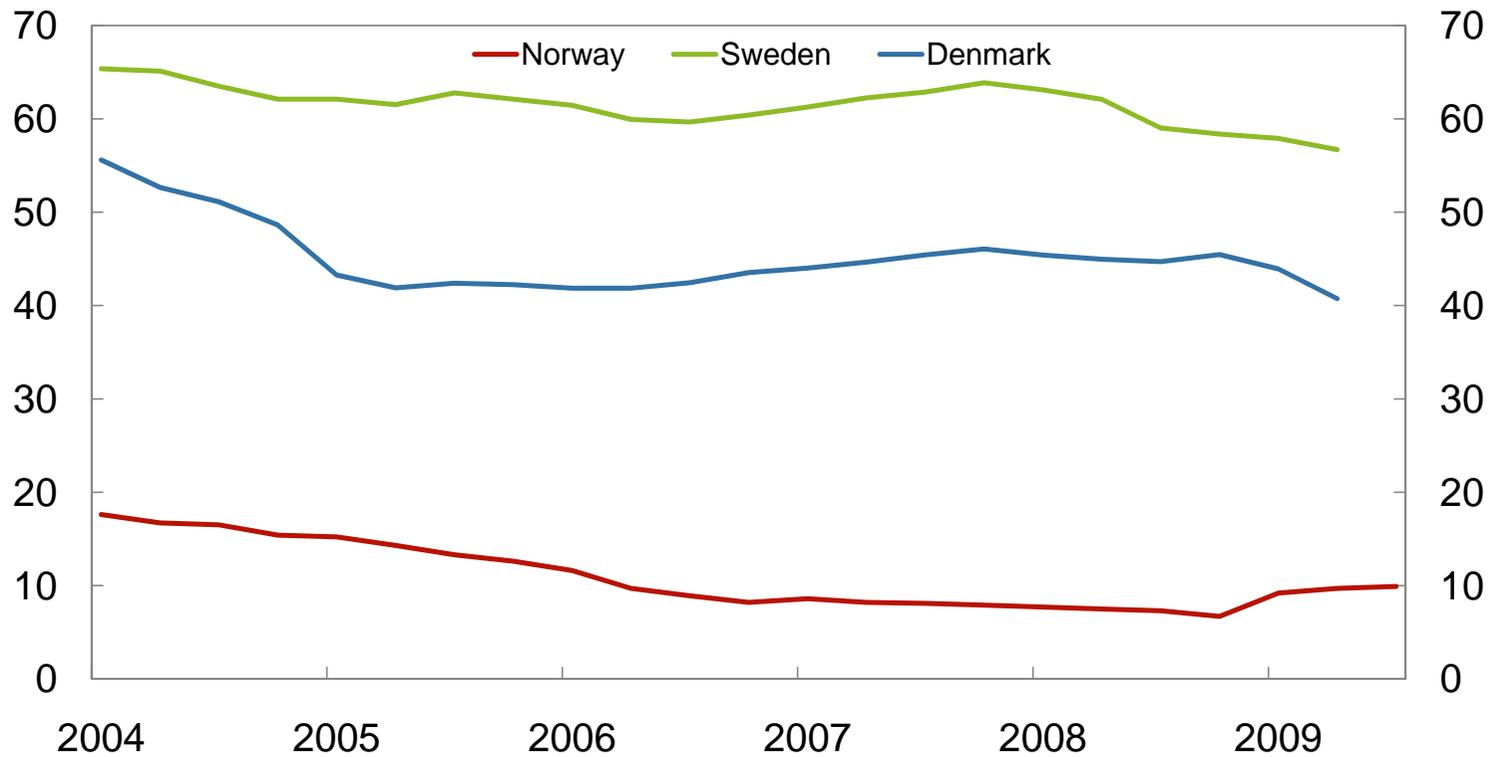


1) Residential mortgage loans from state lending institutions are not specified for Sweden

Source: Danmarks Nationalbank, Sveriges Riksbank, Statistics Norway and Norges Bank

# Fixed-rate loans as a percentage of total household lending<sup>1)</sup>

2004 Q1– 2009 Q2

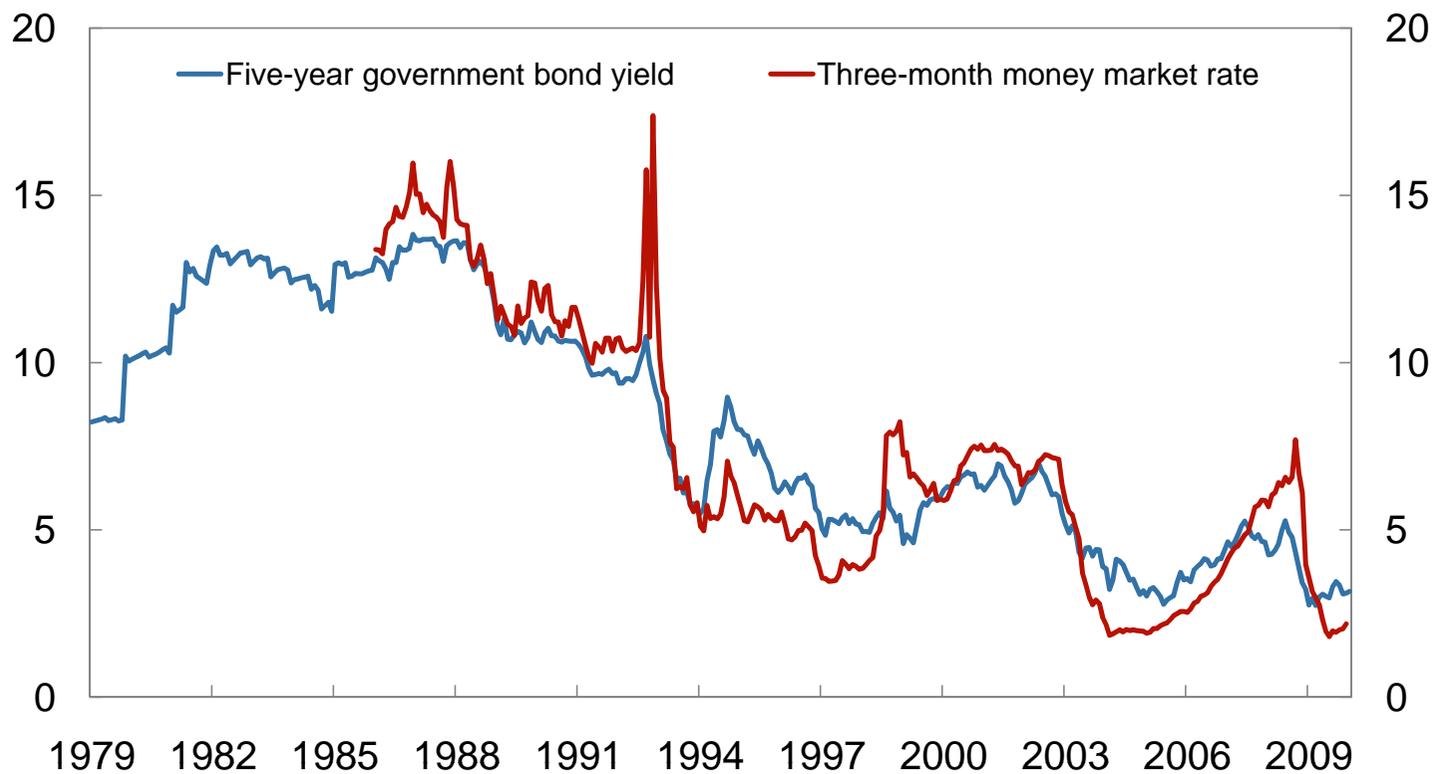


1) Figures for Denmark refer to residential mortgages only

Sources: Danmarks Nationalbank, Sveriges Riksbank, Statistics Norway and Norges Bank

# Five-year government bond yield and three-month money market rate

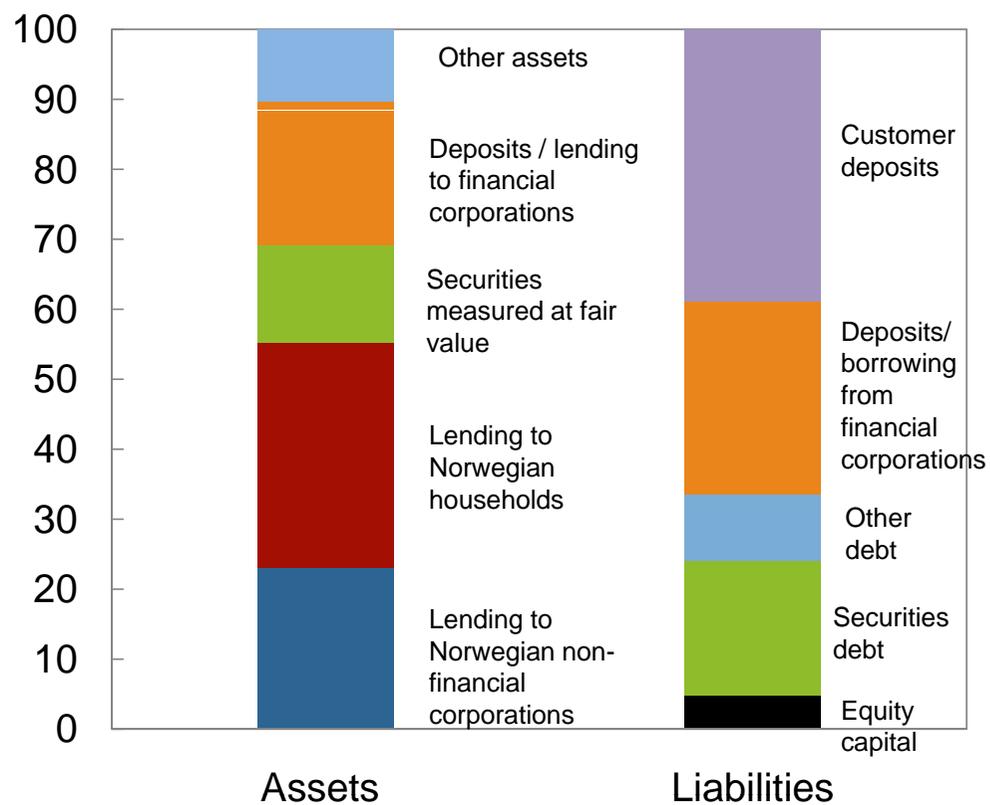
January 1979 – January 2010



Source: Thomson Reuters

# Banks' assets and funding

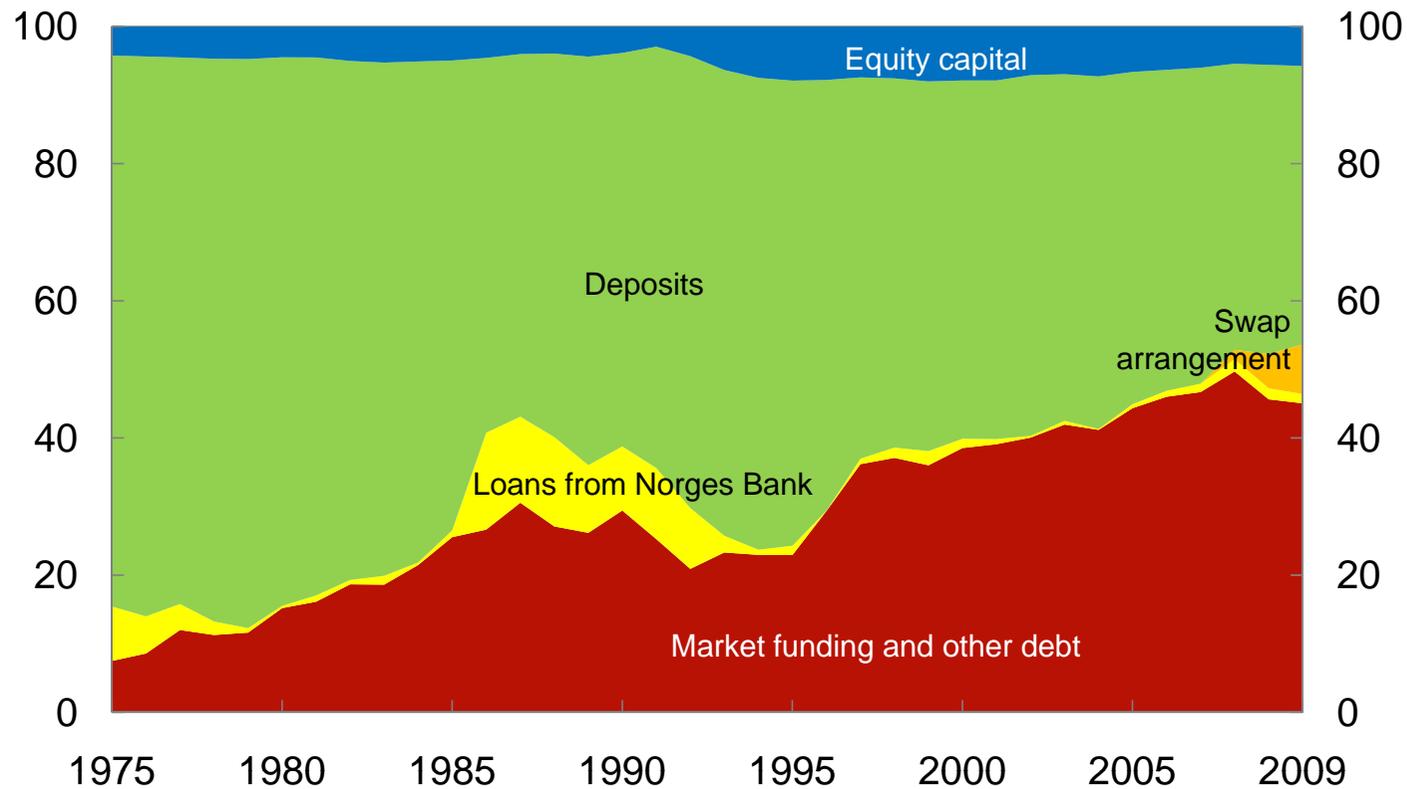
2009 Q2. Per cent



Sources: Statistics Norway and Norges Bank

# Sources of bank funding in Norway<sup>1)</sup>

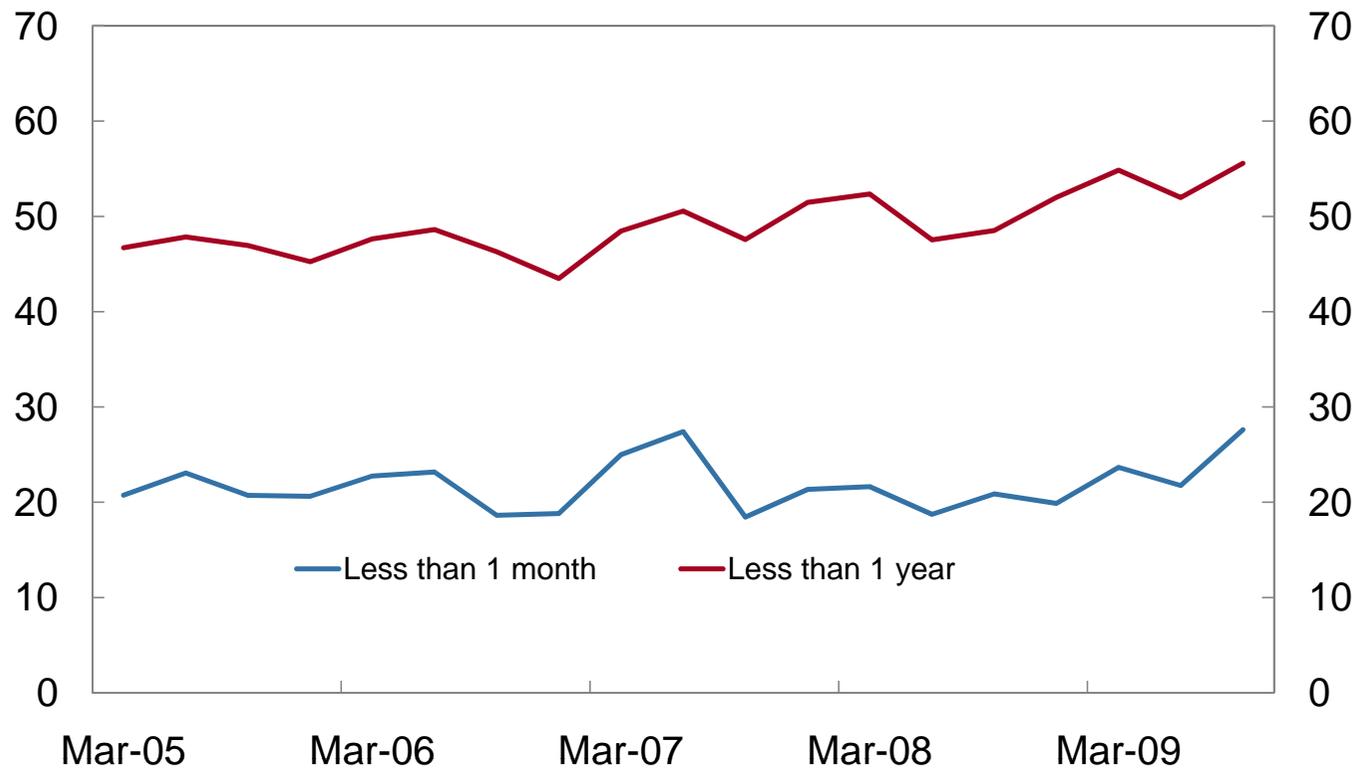
As a percentage of total assets. 1975 – 2008 and 2009 Q3



Sources: Klovland (2007), Matre (1992), Statistics Norway and Norges Bank

# Banks' market funding by residual maturity

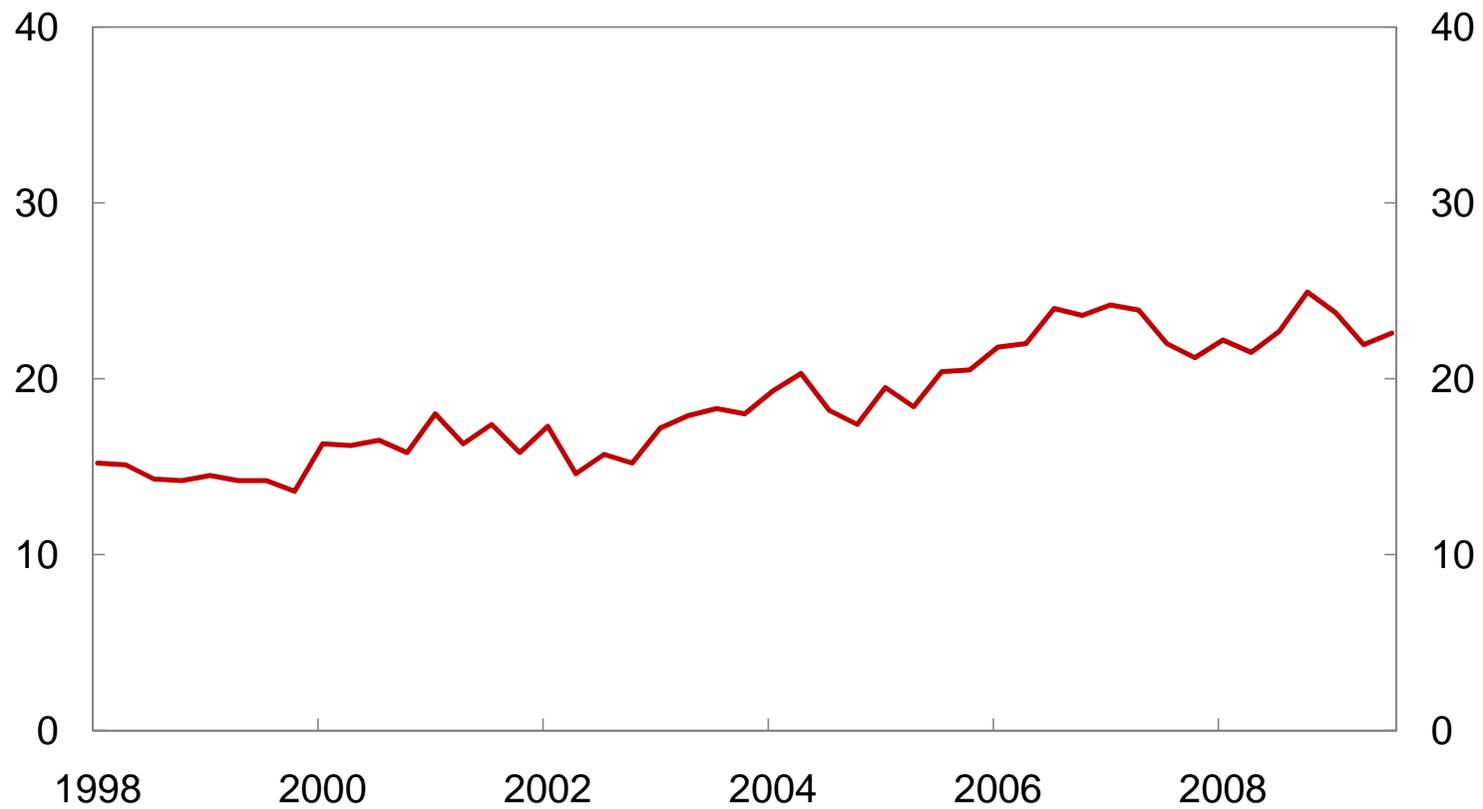
Per cent. 2005 Q1 – 2009 Q3



Source: Norges Bank

## Banks' foreign currency funding

As a percentage of total assets. 1998 Q1 – 2009 Q3



Source: Norges Bank

An efficient bond market is characterised by:

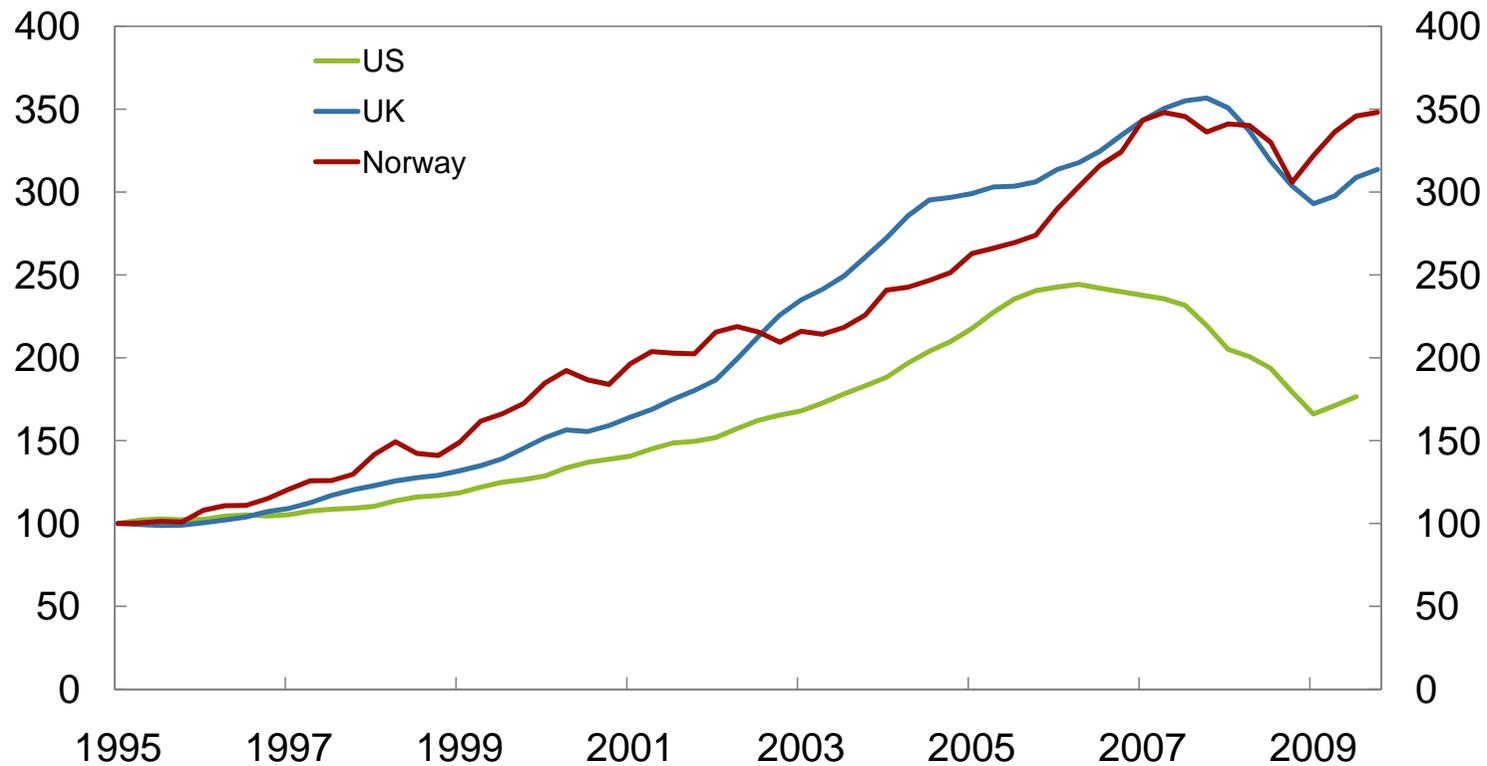
- instruments that are easy to understand
- clear regulation
- transparency in trading
- multiple independent bidders and askers
- high trading volumes in primary and secondary markets

## Proposed changes in the collateral requirements for loans from Norges Bank

- No new securities under the temporary rules are approved as collateral as from 22 October 2009
- Securities already approved under the temporary rules may be pledged as collateral until maturity, at the latest until 15 February 2012
- Debt instruments issued by foreign banks will be included in the bank quota as from 1 December 2010
- Securities issued by banks will no longer be eligible as collateral for loans from 15 February 2012
- Norges Bank will continue to accept covered bonds (OMF) as collateral for loans

# House prices in selected countries

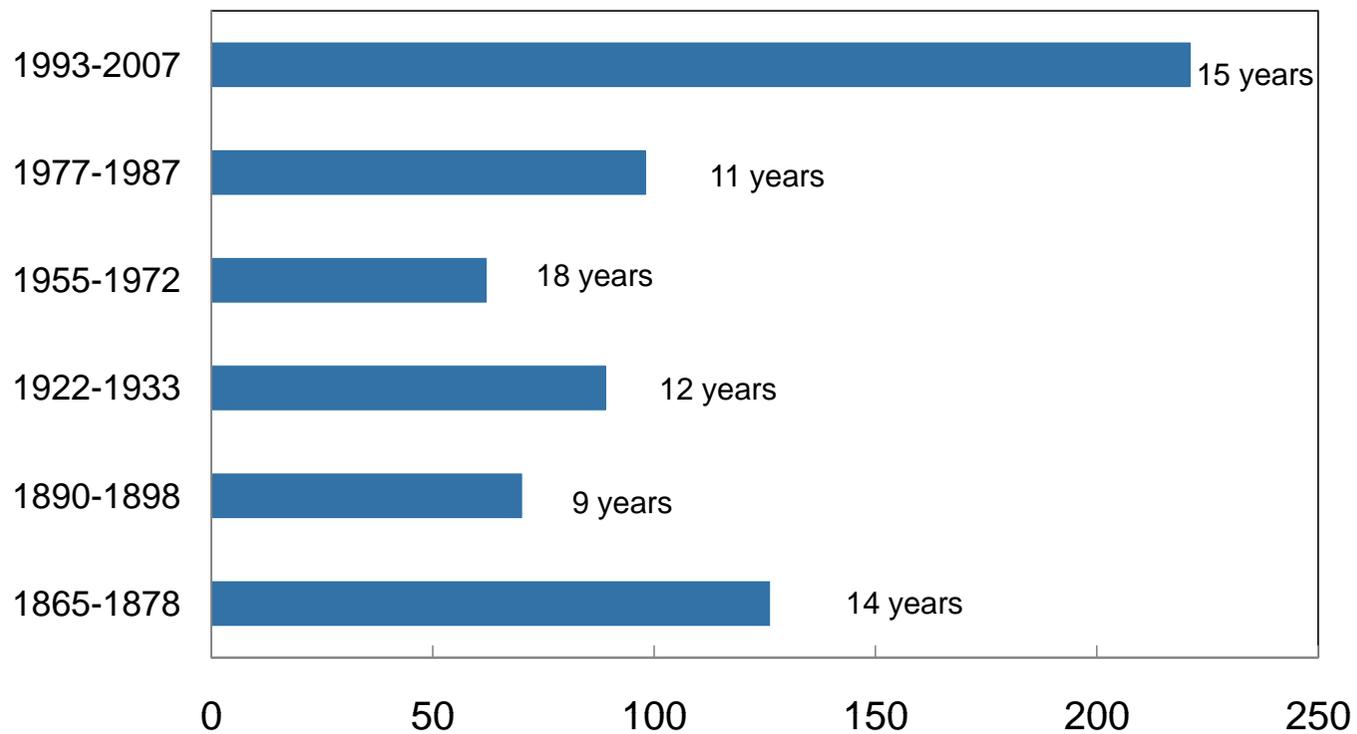
Index. 1995 Q1 =100. 1995 Q1 - 2009 Q4



Sources: Thomson Reuters, Standard & Poor's, Case-Shiller, Association of Norwegian Real Estate Agents, ECON Pöyry, Finn.no, Association of Real Estate Agency Firms and Norges Bank

# Periods of rise in real house prices in Norway

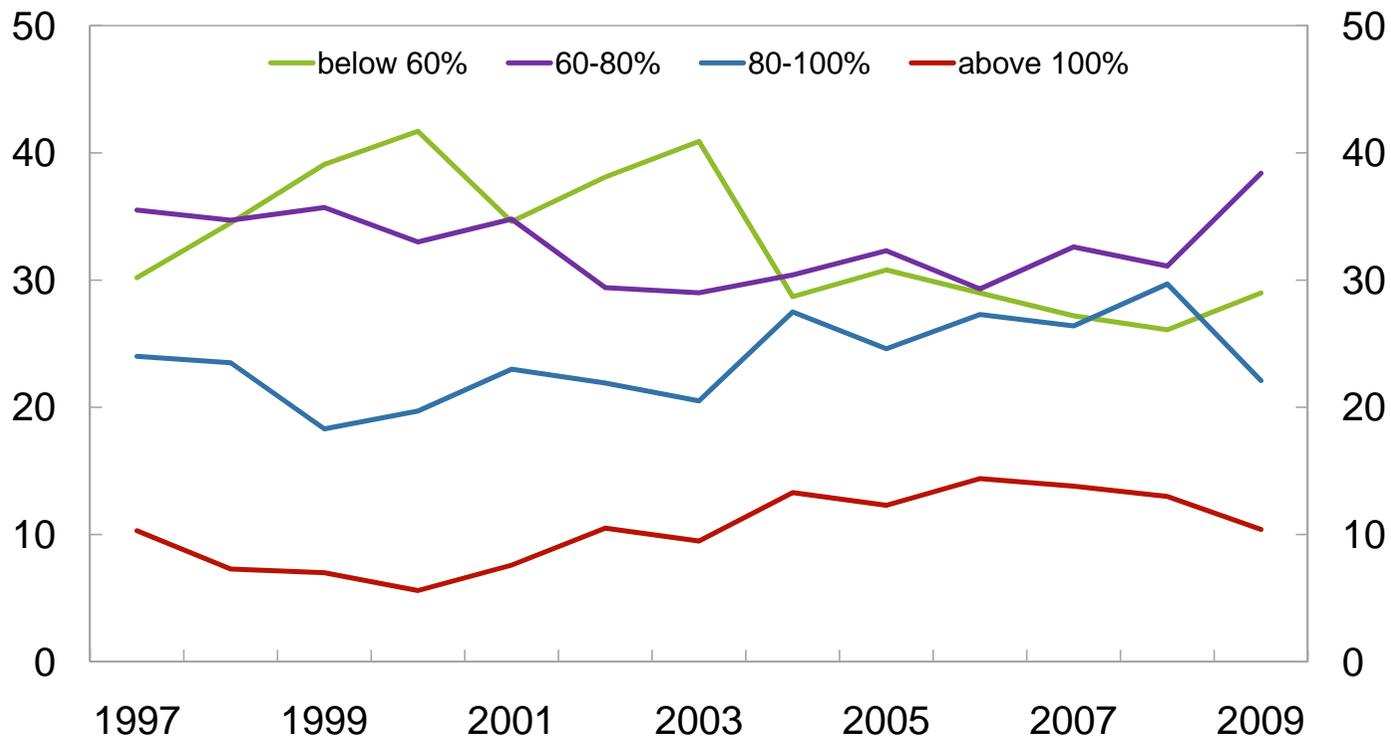
Number of years and total rise in per cent. 1819-2008



Sources: Statistics Norway and Norges Bank

# Residential mortgages by loan-to-value ratio. Norway

As a percentage of total residential mortgages<sup>1)</sup>. 1997-2009

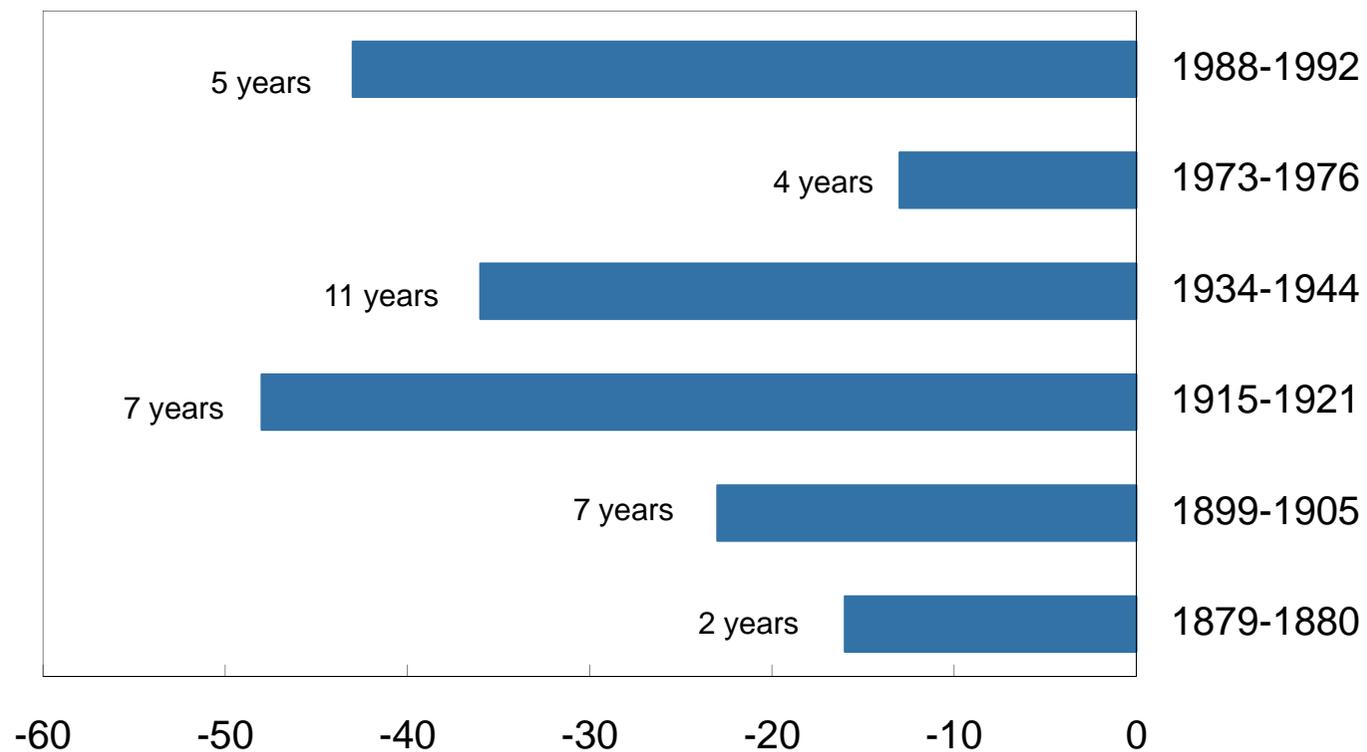


1) Total residential mortgage loans in the survey. The figures for 2009 are based on the spring 2009 residential mortgage loan survey, which contains fewer observations than previous surveys.

Source: Finanstilsynet's (Financial Supervisory Authority of Norway) residential mortgage loan survey

# Periods of decline in real house prices in Norway

Number of years and total decline in per cent. 1819-2008



Sources: Statistics Norway and Norges Bank

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