



 **NORGES BANK**

Economic Bulletin
2011

Economic Bulletin is published on the Bank's website only, as an annual volume. Articles are added as they are finalised.

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Typography: Burson-Marsteller
Typesetting: Norges Bank

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ISSN 1503-8831 (online)

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- Further analysis of the stress test of banks' capital adequacy in Financial Stability 2/2010** 4
Gøril Bjerkehol Havro, Cathrine Bolstad Træe and Bjørn Helge Vatne
 Economic Bulletin includes more detailed information about the stress tests that are presented in the report series Financial Stability. In the tests, banks' accounts are projected over a four-year period. In this analysis, the construction of the stress alternative in Financial Stability 2/2010 is presented as well as the sensitivity of the results to changes in key assumptions. The results of the stress tests show that banks can maintain a sound level of capital adequacy even if economic growth should prove to be weak several years ahead. A broad range of sensitivity analyses show that banks can also absorb more severe economic shocks than those incorporated in the stress test. (The article was added to this volume at 4 March 2011)
- Comparing Norwegian banks' capital ratios** 14
Henrik Andersen
 The use of different approaches makes it difficult to compare the banks' reported capital ratios. To improve the basis for comparing banks' financial strength, in this article the same approach is employed to calculate capital ratios in all Norwegian banks. The calculations indicate that the financial strength of the banks using the standardised approach is underestimated compared with IRB banks in their reported capital ratios. The calculations also produce a different ranking of financial strength within the group of IRB banks. (The article was added to this volume at 2 May 2011)
- Fiscal policy and financial crisis – what are the actual effects of fiscal policy?** 24
Nina Larsson Midthjell
 The actual effects of a change in fiscal policy on the real economy will be influenced by the choice of fiscal policy instrument, cyclical conditions, fiscal policy credibility and fiscal leeway. The article discusses the extent to which the fiscal policy measures implemented in response to the financial crisis have had the intended effects on the real economy. It is too early to draw conclusions about the long-term effects, but there appears to be no doubt that fiscal policy measures have had short-term effects and prevented a sharp drop in demand in many countries. (The article was added to this volume at 7 September 2011)
- Norges Bank's stress test in Financial Stability 2/10 compared with banks' projections** 39
Gøril B. Havro, Rønnaug Melle Johansen, Jørgen Ruud and Cathrine B. Træe
 In autumn 2010, at the request of Finanstilsynet, seven Norwegian banks projected their capital adequacy based on Norges Bank's macro scenarios in Financial Stability 2/10. A summary of the results was included in Risk Outlook Report 2011. This article compares the banks' results with Norges Bank's results. There is a somewhat greater difference between the banks' loan loss projections and Norges Bank's projections compared with a similar exercise conducted in 2005. The main conclusions from 2005 are still valid. The stress tests have not identified fundamental weaknesses in the Norwegian banking sector. (The article was added to this volume at 8 November 2011)
- Markets for Norwegian banks' long-term funding – implications of changes in market conditions and the regulatory framework** 51
Haseeb Syed
 Norwegian banks rely on market funding to a further extent than they did previously. Bond markets in Norway and abroad are important sources of bank funding. The composition of banks' wholesale funding is affected by changes in market conditions and in the regulatory framework. Amendments to the rules on collateral for loans from Norges Bank and proposals for new international rules for banks' liquidity coverage and net stable funding ratios are affecting Norwegian banks' investment and funding structure. (The article was added to this volume at 10 November 2011)
- CSAs – Regulating counterparty risk through the use of collateral payments** 64
Jermund Molland
 Counterparty risk associated with trading in financial instruments can be substantial. This applies especially to certain types of derivatives trades with long-dated contracts. The most common way to mitigate this risk for OTC derivatives transactions is to use bilateral CSAs. CSAs enable parties to a trade to reduce risk by posting collateral to counterparties. This article describes in detail how such agreements are structured. (The article was added to this volume at 13 December 2011)