Finanzgruppe
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INTERNATIONAL SAVINGS BANKS

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The Savings Banks Organisation in Norway

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There are two types of banks in Norway: commercial banks and savings banks. The Norwegian commercial banks are predominantly subsidiaries or branches of foreign institutions and are usually organised as public limited companies. The savings banks, on the other hand, were originally independent and ownerless foundations which fed their equity capital from retained earnings. Since 1987, it has been possible to raise external equity by issuing Equity Capital Certificates (ECCs), which are similar to shares. The ECCs are also traded on the Oslo Stock Exchange. The ECCs are also traded on the Oslo Stock Ex-change.

Traditionally, the commercial banks have been responsible for corporate and business customers and the savings banks for private customers. The majority of Norwegian savings banks have formed alliances. These are not geographical alliances, but rather interest groups.

The first savings bank was founded in Oslo on 29 June 1822 under the name Christiania Sparebank. This was followed by a number of other savings banks spread throughout the country. They contributed to local growth and development and facilitated self-financing for residents and businesses. The number of savings banks has declined in recent years due to a wave of mergers.

Although there are no legal obligations, the savings banks foundations allocate considerable funds to support cultural and social purposes. The savings banks are expected to act within the framework of responsible lending to promote economic development in their region.

The Norwegian banking market

Compared to other European countries, the banking sector in Norway has less overall economic significance. The total assets of all Norwegian banks amounted to around 1.5 times GDP in 2025, compared with a European average of 2.1.

The share of non-performing loans at Norwegian banks stood at 0.8% in 2025, which was below the European average of 1.6%. The cost-to-income ratio stood at 39.5%, showing a slight increase from the previous year. Nevertheless, it remained well below the level of other European countries. Profitability, measured by return on equity, decreased by about 3 percent, but was still well above the European average (see charts 2 and 3).

The DNB remains Norway's leading banking institution, while Nordea and numerous regional savings banks continue to play an important role. Since the end of 2024, the competitive environment has intensified due to high customer mobility in the mortgage and deposit markets, allowing smaller banks to gain market share. This competition has eroded the institutions' interest margins. Combined with rising operating costs, this led to a slight decline in profitability in 2025 compared with the previous year, although the overall level remained high and credit losses stayed low.

The institutions remain well capitalised and competitive; the combined Common Equity Tier 1 (CET1) ratio of the six largest banks rose to 17.9% in the first quarter of 2026 (up from 17.6% at the end of 2025) and thus remains well above regulatory requirements. Nevertheless, risks remain due to high household debt, exposure to the commercial property market and geopolitical uncertainties. Stress tests conducted by the Norwegian Financial Supervisory Authority (Finanstilsynet)[1] show that a severe economic downturn could place a noticeable strain on the institutions' capital positions. In parallel with these developments, consolidation in the savings bank sector continued: in 2025, Finanstilsynet approved a total of seven mergers involving savings banks, with the merger of Sparebanken Vest and Sparebanken Sør to form the new Sparebanken Norge being particularly noteworthy.

According to the OECD Economic Outlook, the Norwegian economy is proving resilient, with mainland GDP forecast to grow by 1.7 per cent in 2026 and 1.5 per cent in 2027, driven by private consumption and rising real wages. Whilst investment remains subdued due to the restrictive monetary environment, Norges Bank raised the key interest rate to 4.25% in May 2026 to counter domestic inflationary pressures.[2]

[1]Finanstilsynet is Norway's independent financial supervisory authority. It implements national legislation and EU financial market regulations via the EEA Agreement and cooperates internationally.

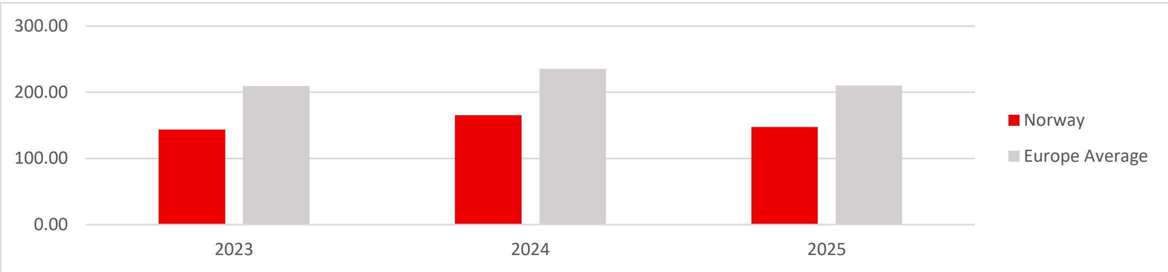
[2] OECD. (2026). Norway. In OECD Economic Outlook, Volume 2026 Issue 1.

Table 1: The largest Scandinavian banking groups

Group	Country	Total Assets
Nordea Bank	Finnland	654
Danske Bank	Dänemark	503
Skandinavska Enskilda Banken (S	Schweden	339
Svenska Handelsbanken	Schweden	313
DNB Group	Norwegen	312
Swedbank	Schweden	283

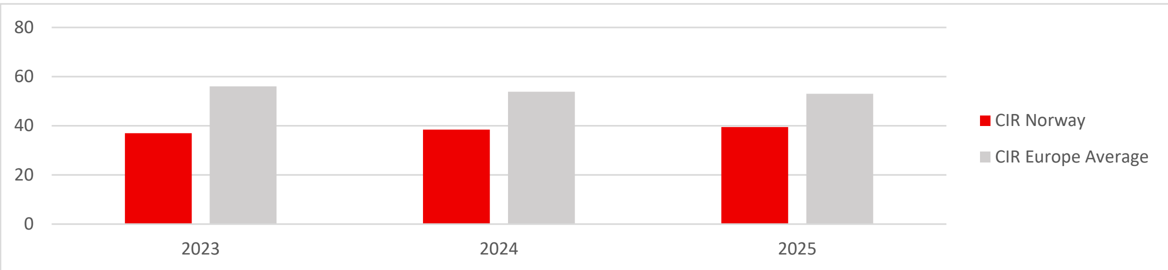
Source: Financial reports of the respective group 2025, in EUR billion

Chart 1: Banks' balance sheet total to GDP in %



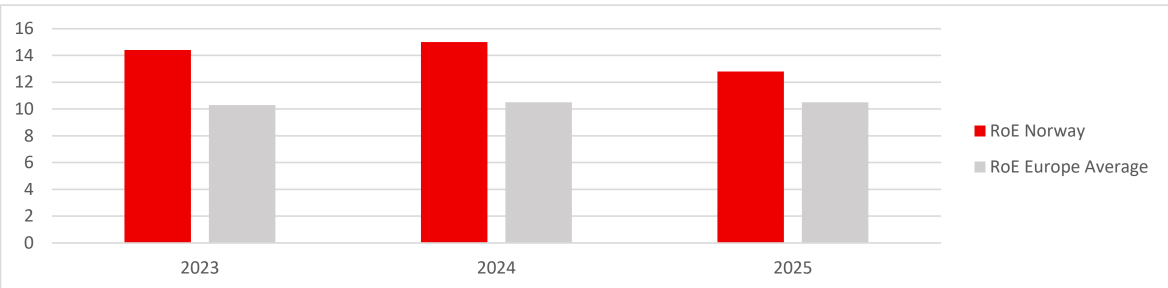
Source: Norges Bank, own calculations 2025

Chart 2: Cost-income ratio (CIR) in %



Source: EBA Dashboard, 2026

Chart 3: Return on equity (RoE) in %



Source: EBA Dashboard, 2026

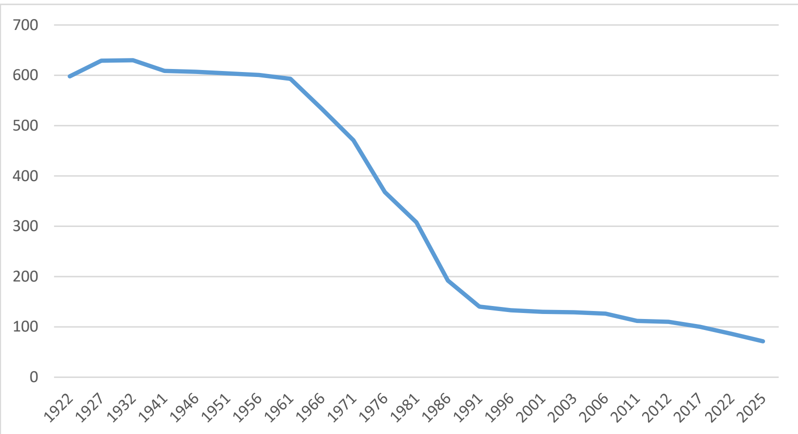
The Norwegian savings banks

72 of the total of 109 banks in Norway are savings banks (including DNB Bank ASA[3]). The highest administrative body, the representative assembly, is composed of employees, customers and representatives from public administration. The 20 largest savings banks account for approximately 84% of the balance sheet total[4] of the entire savings bank sector. Consolidation in the Norwegian savings bank sector reached an all-time high. In 2025, Finanstilsynet approved a total of seven mergers involving savings banks, marking the highest level of consolidation activity in over 40 years. Among the most significant structural mergers was the merger of Sparebanken Vest and Sparebanken Sør to form the new Sparebanken Norge, which established itself as the largest independent savings bank in the market[5].

The majority of the savings banks are organised into alliances. The Sparebank 1 Alliance, Norway's second largest financial services group, is an association of 12 predominantly larger savings banks, while the Eika Group (formerly: Terra Alliance) consists of 37 predominantly smaller institutions. In addition, there are 17 independent savings banks in the LOKALBANK network, whilst only five institutions operate as completely independent (free) savings banks, alongside DNB Bank, which alone accounts for 58.4%[6] of the balance sheet total of the savings bank sector.

The alliances are interest groups rather than geographical alliances. Their internal cooperation generally covers the areas of technology and processing, advertising and communication, exchange of experience and purchasing. There are also joint subsidiaries, e.g. in the insurance sector or for the issuance of mortgage bonds.

Chart 4: Trend in the number of Norwegian savings banks



Source : Association website, 2026

[3] Since 2015, DNB Bank has been treated as a private bank rather than a savings bank in some statements. The reason for this is that the shareholding of the savings bank foundations in DNB Bank has fallen below 10%. Nevertheless, DNB Bank continues to be a member of the Savings Banks Association (see also section "Legal form and equity").
[4] Excluding DNB ASA
[5] Deloitte, Sparebankforeningen und Bankeye (2026) Sparebankrapporten 2025
[6] DNB Bank Group

Table 2: Largest Norwegian banks and savings banks

	Total assets in EUR bn
DNB Bank ASA	260
SpareBank 1 Sør-Norge*	35
Sparebanken Norge**	31
SpareBank 1 SMN	20
Santander Consumer Bank Nordic Group	18
SpareBank 1 Østlandet	18
SpareBank 1 Nord-Norge	12

*On 1 October 2024, merged with SpareBank 1 SR-Bank to form the new SpareBank 1 Sør-Norge ASA.
*As of 2 May 2025, SpareBanken Vest and Sparebanken Sør have merged to form Sparebanken Norge.
Source: Financial reports of the respective banks, 2025[7]

Table 3: Structural characteristics of Norwegian savings banks

Legal form and equity	Savings Banks were originally founded as independent ownerless companies. Their equity capital was derived from retained profits. Since 1988, it has been possible to raise external equity capital by issuing Equity Capital Certificates (ECCs) which are similar to shares. Since 2009, it has also been possible, in cases of savings banks mergers, to establish local foundations that hold shares in the new institution via ECCs . Tier 1 ECCs confer limited ownership of the bank. The right of co-determination is limited to 40% of the shareholders' representatives. Decisions directly affecting ECC require a two-thirds majority of ECC representatives. Moreover, ECCs only absorb losses incurred by the savings bank once the primary equity capital (i.e. retained earnings) has been used up. 39 savings banks have issued ECCs so far, 28 of which are listed on the Oslo Stock Exchange. Since 2002, savings banks can be converted into private limited companies. The equity capital of these savings banks must then be transferred to foundations. Only institutions in which more than 10% of the equity capital is held by a savings banks foundation (Sparkassenstiftung) are allowed to call themselves a savings bank and belong to the joint institutions of the savings bank sector.
Business activity	Since an amendment to the Savings Banks Act in 1961, savings banks have not been subject to any restrictions on their business activities.

[7] The figures for total assets represent only the Norwegian banks at the level of the parent bank

Regional principle	There is no regional principle. A banking licence is valid nationwide. DNB, in particular, uses this. The 40 smallest savings banks (total asset up to EUR 1 billion) have a very local focus, but their business areas may overlap. The 26 medium-sized savings banks (up to EUR 10 billion) often maintain their customer relationships outside their traditional business area - a reaction to the high mobility of Norwegians within their country.
Public welfare orientation	Profits may be used without restriction for public welfare purposes. In case of a distribution of more than 30%, the financial supervisory authority must be informed; above 60%, its approval must be obtained. The savings bank sector is one of Norway's largest private contributors to sport, culture and voluntary projects. According to a survey by the Savings Banks Association, savings banks provided 5.2 billion NOK (approx. EUR 443 million) to public welfare projects in 2025[8].
Deposit guarantee	The state deposit guarantee fund was established in 2004. Membership is obligatory for all institutions based in Norway. The previously existing deposit protection funds of the savings banks and commercial banks have been incorporated into this fund. The fund protects deposits up to NOK 2 million per person.

[8] Sparebankforeningen has indicated that allocations are expected to continue to rise in the coming years, driven by solid financial results from savings banks and the growing involvement of savings bank foundations.

The umbrella organisation: Sparebankforeningen

Sparebankforeningen

The umbrella organisation of Norwegian savings banks was founded in 1914.

The Norwegian financial association Finance Norway (FNO) was established on 1 January 2010. FNO represents savings banks, commercial banks, insurance companies and other finance companies. The savings banks remain members of the Savings Banks Association, which in turn is a member of FNO. The Association of Commercial Banks, unlike the Savings Banks Association, has been completely absorbed into the FNO. The merger was triggered by the amalgamation of the largest Norwegian bank DNB with the largest savings bank Gjensidige Nor to form DNB Nor in 2003. However, most of the employees of the Savings Banks Association now also work for Finance Norway.

Table 4: Key structural features of the Norwegian Savings Banks Association

Members	72 savings banks including DNB
Legal form	Association
Tasks	• Articulating the interests of savings banks and foundations vis-à-vis the authorities, politicians and other relevant stakeholders. • Engaging in dialogue and cooperation with authorities and others on framework conditions and regulations relevant to savings banks and savings banks foundations. • Reputation building and fostering a better understanding of the business and social contributions made by savings banks. • Increasing knowledge and competence among the members of the Savings Banks Association in areas that are relevant to a well-functioning savings bank sector.

The umbrella organisation of the Norwegian savings banks is a member of the World Savings and Retail Banking Institute (WSBI) and the European Savings and Retail Banking Group (ESBG).

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