

European Department

# Nordic-Baltic Financial Linkages



Mahmood Pradhan

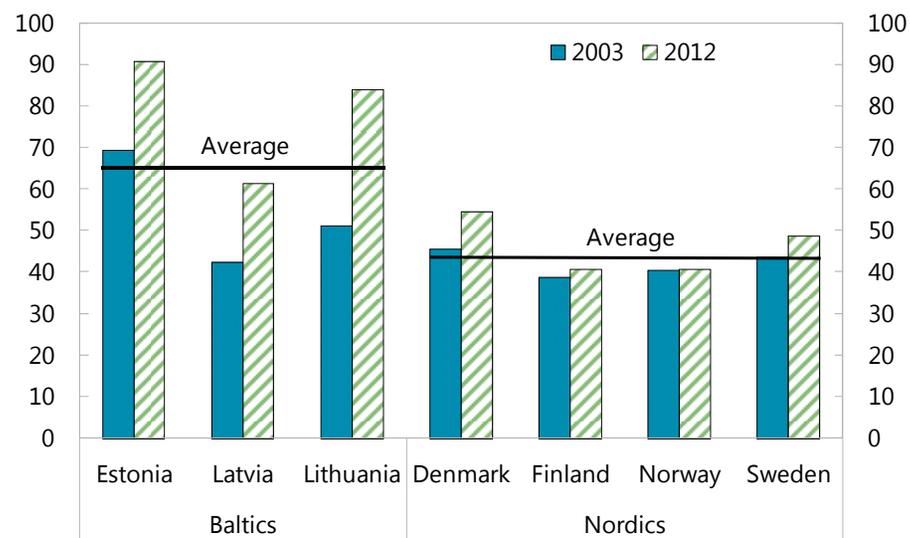
December 13, 2013

# Trade Openness



## The Nordic's and Baltic's.

### Exports: Percent of GDP



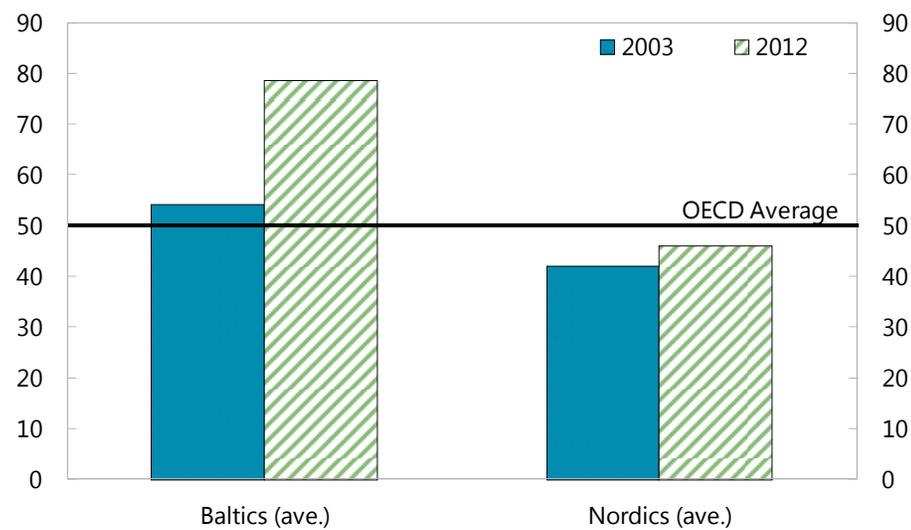
Source: WEO.



# Trade Openness

The Baltic's openness well above the OECD average.

Exports: Percent of GDP



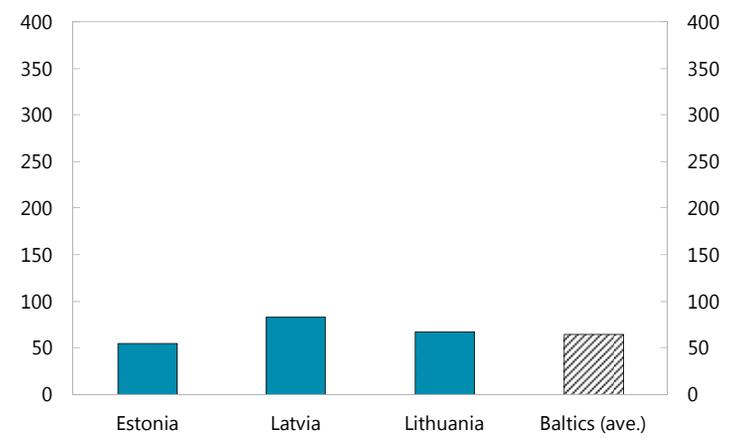
Source: WEO.



# Nordic-Baltic Size of Banking System

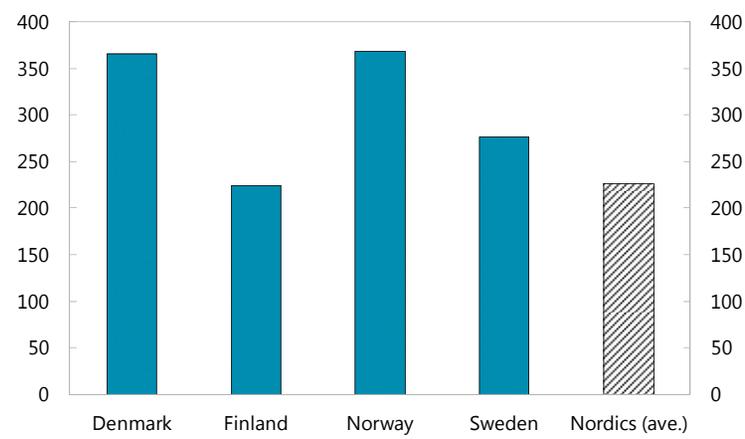
**The Nordic-Baltic banking system is highly integrated, concentrated and dominated by a handful of large banks.**

**Assets of the Four Largest Banks**  
(Percent of GDP, 2012)



Source: Bankscope.

**Assets of the Four Largest Banks**  
(Percent of GDP, 2012)



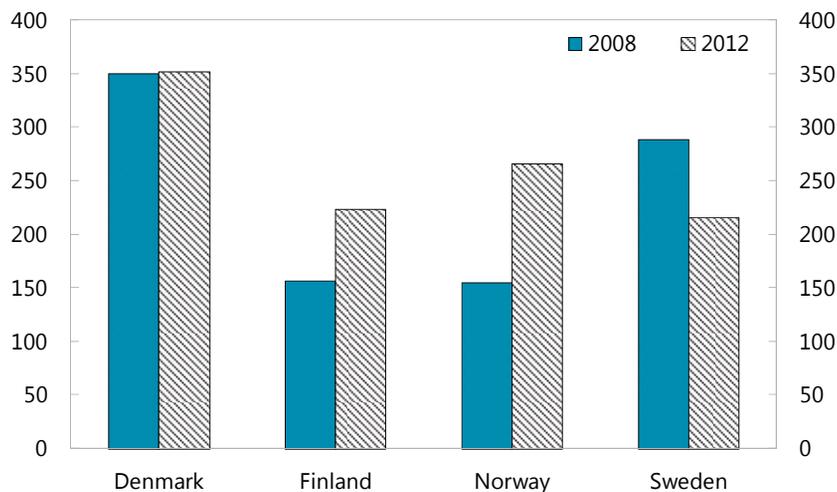
Sources: Bankscope; national authorities; and IMF staff calculations.



# Nordics: Dependence on Wholesale Funding

The large size of the Nordic banking system implies a considerable need for external funding.

Loans to Deposits Ratio  
(Percent)

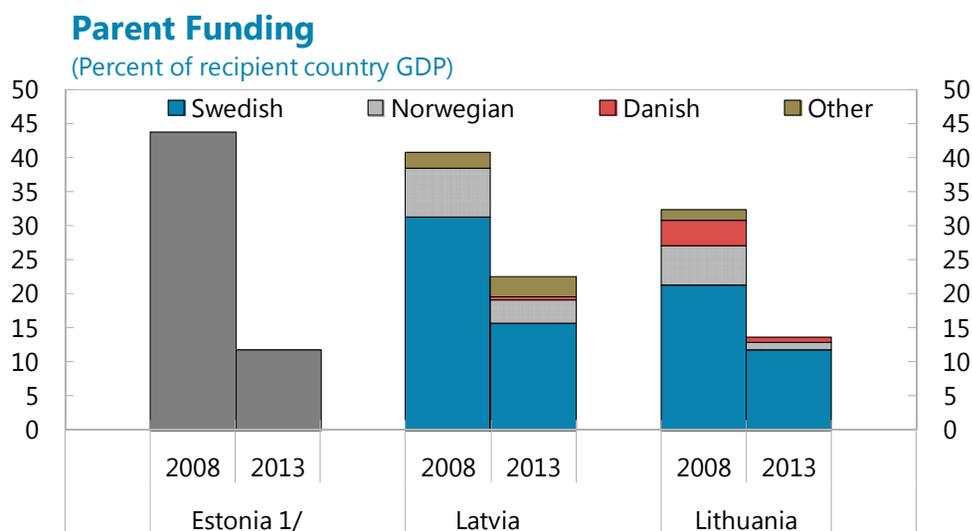


Source: Bankscope.



# Baltics: Dependence on Parent Funding

**Baltic banks remain heavily dependent on parent funding, albeit to a much lesser extent than before the crisis.**



Sources: National authorities; and IMF staff estimates.  
1/ No breakdown by country available for Estonia.

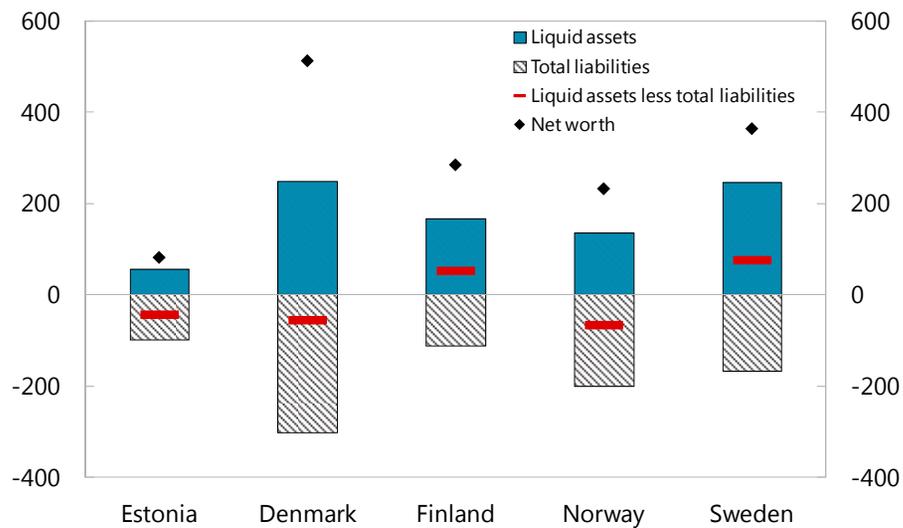


# Households Liquid Assets and Liabilities

**Households have little or no liquid buffers.**

**Household Liquid Assets and Liabilities**

(Percent of disposable income, 2011)

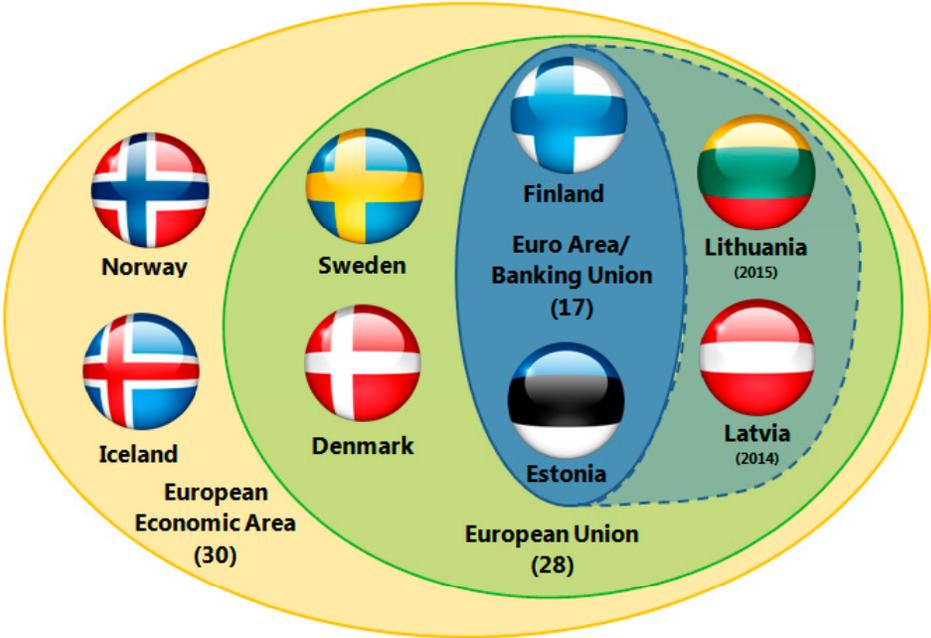


Sources: OECD; national authorities; and IMF staff calculations.



# Banking Union and Country Groupings

Classification of Nordic-Baltic Countries by Type of Membership





**Thank you!**