

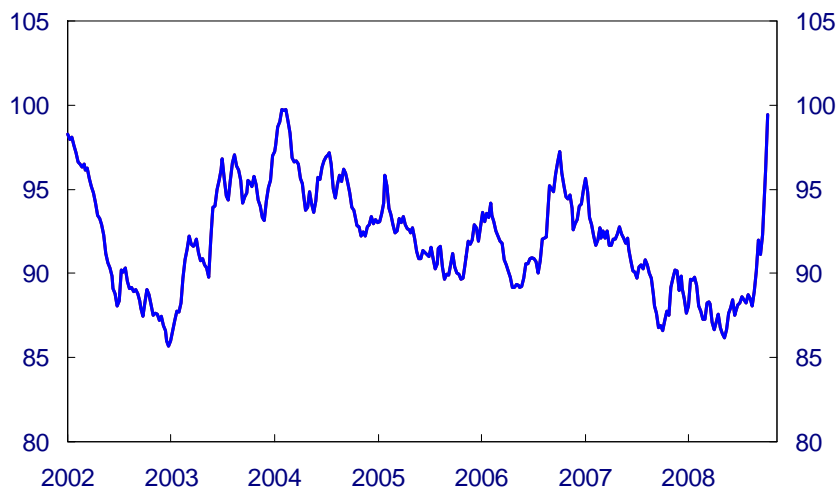
Executive Board meeting

29 October 2008

Import-weighted krone exchange rate (I-44)¹⁾

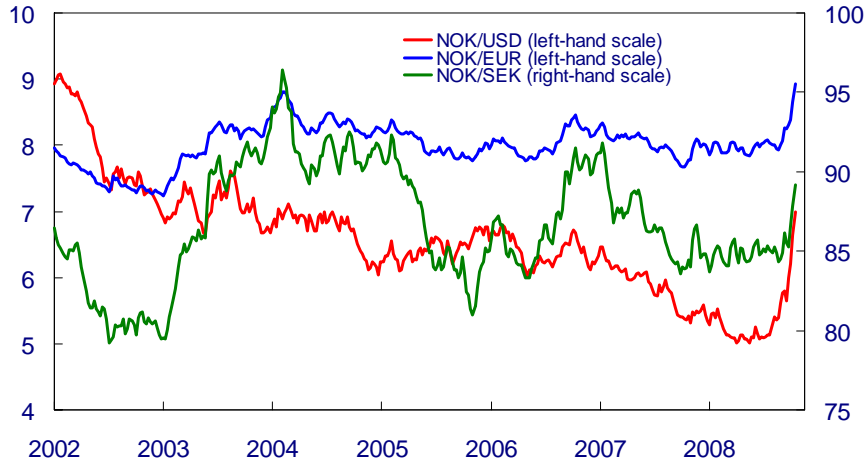
Index 1995 = 100

Week 1 2002 – Week 43 2008



¹⁾ A rising curve denotes a depreciation of the krone.

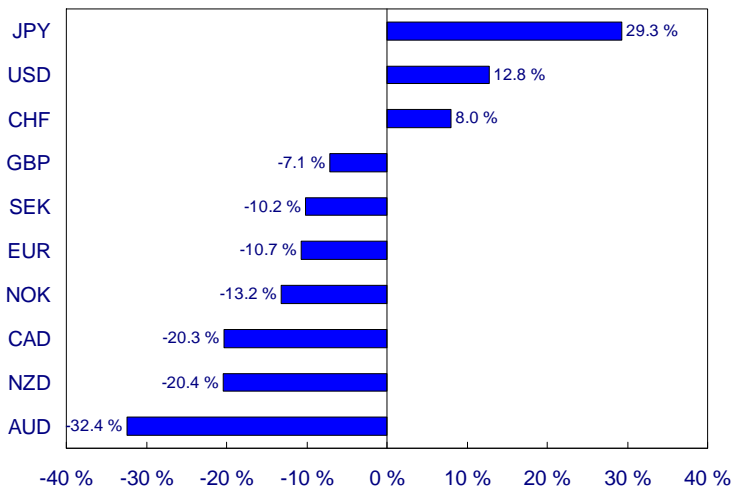
Exchange rates¹⁾ NOK/USD, NOK/EUR and NOK/SEK Week 1 2002 – Week 43 2008



¹⁾ A rising curve denotes a depreciation of the krone.

Source: Norges Bank

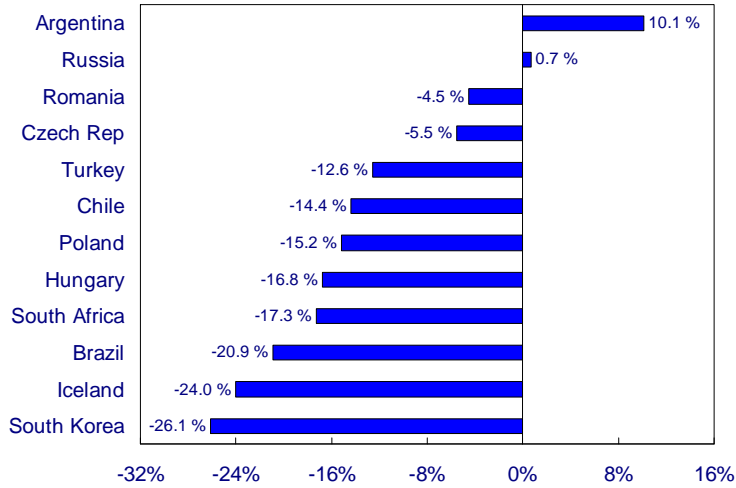
Effective exchange rates Changes since MPR 2/08. G10 currencies. 27 October 2008



Sources: Bloomberg and Norges Bank

Effective exchange rates

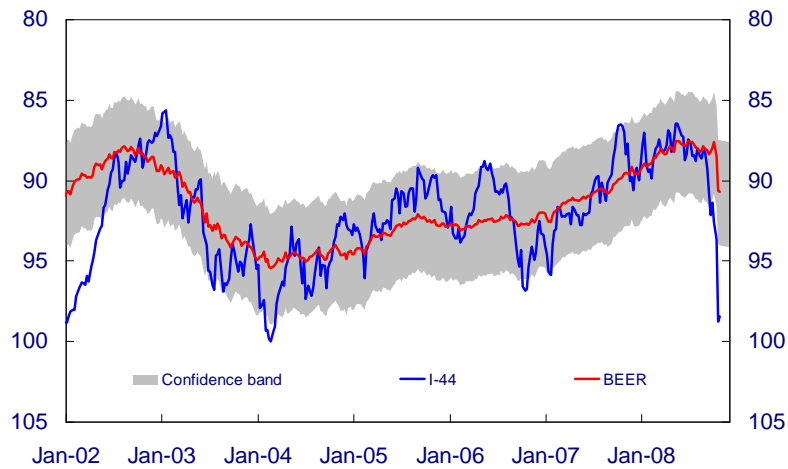
Changes since MPR 2/08. Emerging market economies.
27 October 2008



Sources: Bloomberg and Norges Bank 5

Actual exchange rate and equilibrium exchange rate (I-44)¹⁾

Short-term BEER-model.²⁾ Week 1 2002 – week 43 2008



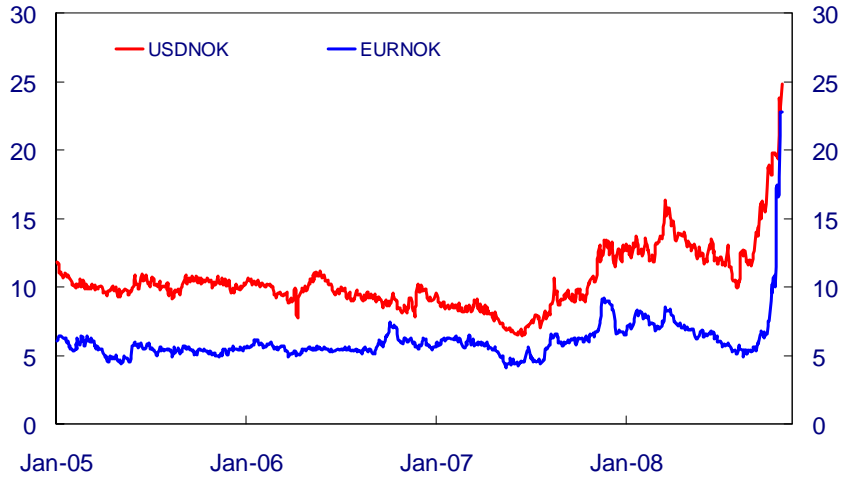
¹⁾ A rising curve denotes an appreciation of the krone.

²⁾ The explanatory variables in the model are oil prices and 12-month interest rate differentials.

Sources: Thomson Reuters and Norges Bank

Implied volatility in the Norwegian exchange market

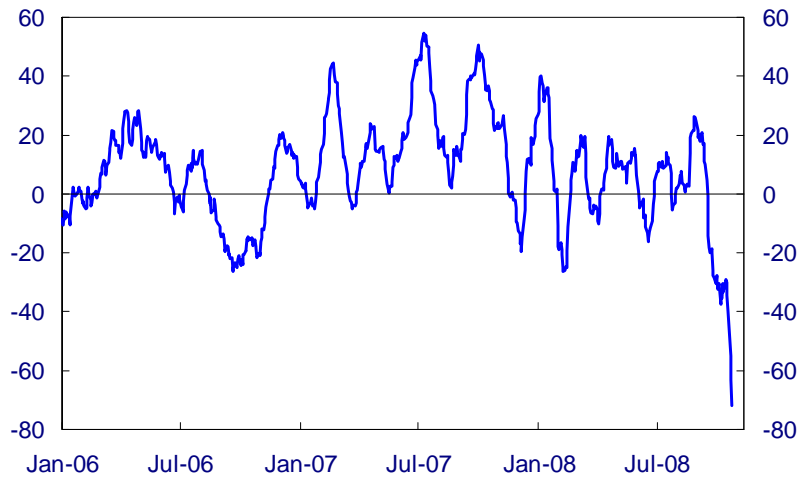
Based on 1-month currency option prices
3 January 2005 – 27 October 2008



Source: Thomson Reuters 7

Financial institutions' net krone purchases

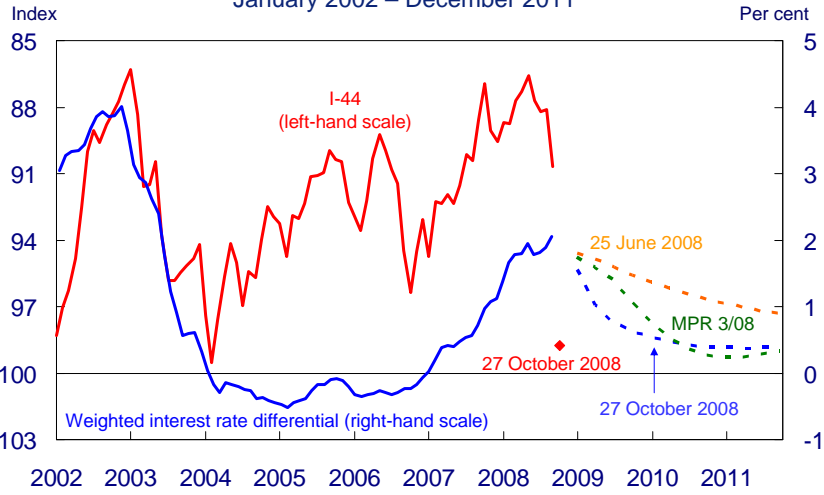
Billion kroner. 4-week accumulated net purchases.
1 January 2006 – 23 October 2008



Source: Norges Bank 8

3-month interest rate differential and import-weighted exchange rate (I-44)¹⁾

January 2002 – December 2011

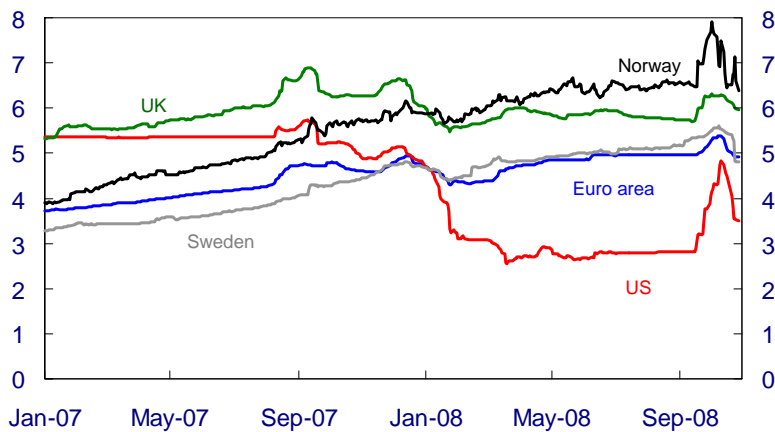


¹⁾ A rising curve denotes an appreciation of the krone.

Sources: Thomson Reuters and Norges Bank 9

3-month money market rates

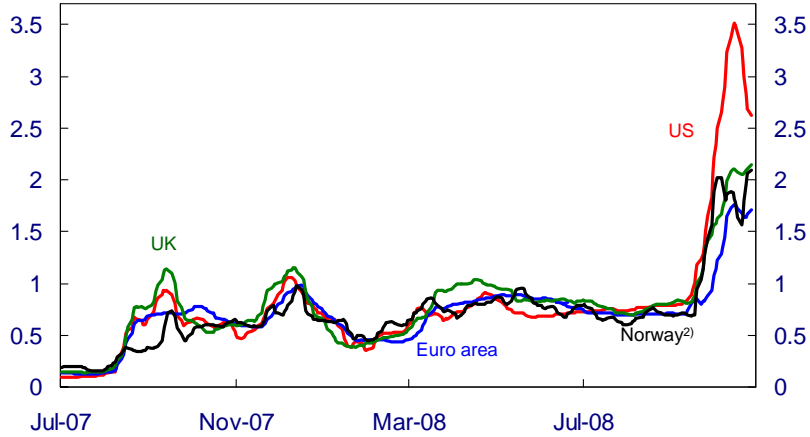
Per cent. 1 January 2007 – 27 October 2008



Source: Thomson Reuters 10

Difference between 3-month money market rates and expected key rates¹⁾

Percentage points. 5-day moving average.
2 July 2007 – 27 October 2008

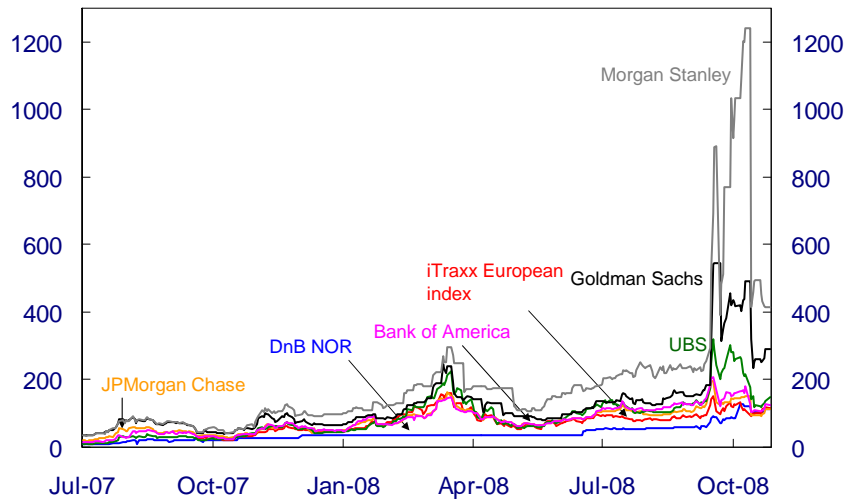


¹⁾ The expected key rate is measured by the Overnight Indexed Swap (OIS).
²⁾ Based on key policy rate expectations in the market.

Sources: Bloomberg, Thomson Reuters and Norges Bank ¹¹

Price of credit default insurance

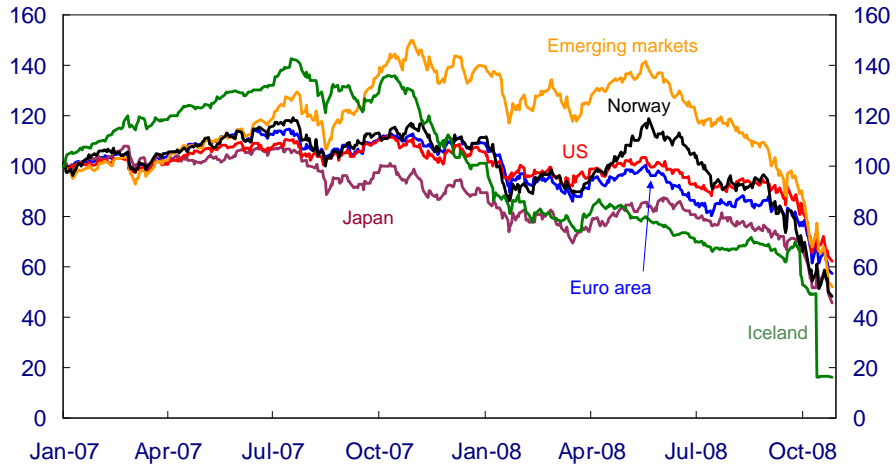
Large international banks. 5-year CDS prices. Basis points.
2 July 2007 – 27 October 2008



Source: Bloomberg ¹²

Equity indices

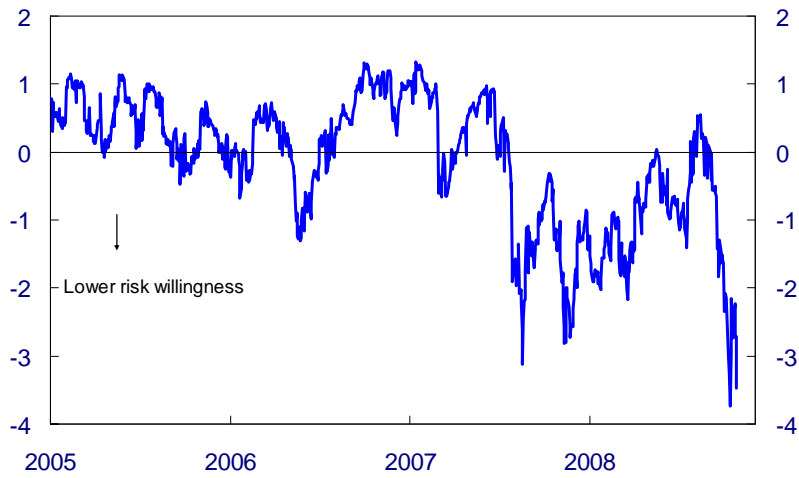
1 January 2007 = 100. 1 January 2007 – 27 October 2008



Source: Thomson Reuters 13

Total risk index¹⁾

Daily observations. 3 January 2005 – 27 October 2008



¹⁾ Compound indicator based on arithmetic mean of seven financial market components.

Sources: Thomson Reuters and Norges Bank 14

International measures

Liquidity measures and measures to improve banks' financial strength 15 – 27 October

- 15 October: ECB expands and extends liquidity measures and accepts new collateral
- 16 October: UBS receives capital injection of USD 6bn from Swiss authorities
- 17 October: ING receives capital injection of EUR 10bn from Dutch authorities
- 20 October: Swedish government presents financial market stabilisation plan incl new legislation on management of distressed banks
- 21 October: French authorities provide EUR 10.5bn in subordinated loans to country's six largest banks
- 21 October: Federal Reserve announces purchase of USD 540bn in certificates of deposit and commercial paper from money market funds
- 27 October: Sveriges Riksbank provides SEK 1bn in loans to Carnegie Investment Bank (amount increased to 5bn SEK on 28 Oct)
- 27 October : Danmarks Nationalbank and ECB establish EUR 12bn swap line

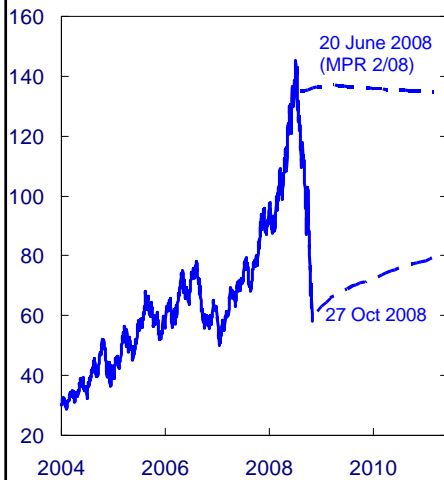
IMF measures

- 22 October: IMF holds talks with Iceland, Hungary, Pakistan, Ukraine and Belarus about lending programmes
- 24 October: IMF announces *ad referendum* agreement reached with Icelandic authorities on stabilisation program
- 26 October: IMF announces tentative agreement with Ukraine on USD 16.5bn loan

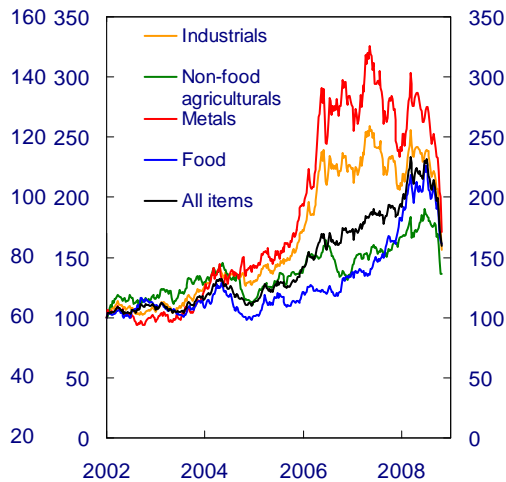
Measures in Norway 15 – 27 October

- 15 October: 3-month F-loans (effective as from 16 Oct)
- 15 October: Provision of NOK liquidity for EUR in 1-week foreign exchange swap (settlement 17 Oct)
- 17 October: 6-month F-loans for small banks (settlement 20 Oct)
- 21 October: Provision of dollar liquidity through 28-day loans (settlement 23 Oct)
- 22 October: Provision of NOK liquidity for EUR at 1-week maturity (settlement 24 Oct)
- 24 October: Announcement of guidelines for exchange of government securities with collateral in or in return for covered bonds

**Oil price (Brent Blend)
in USD per barrel**
Futures prices (broken lines)



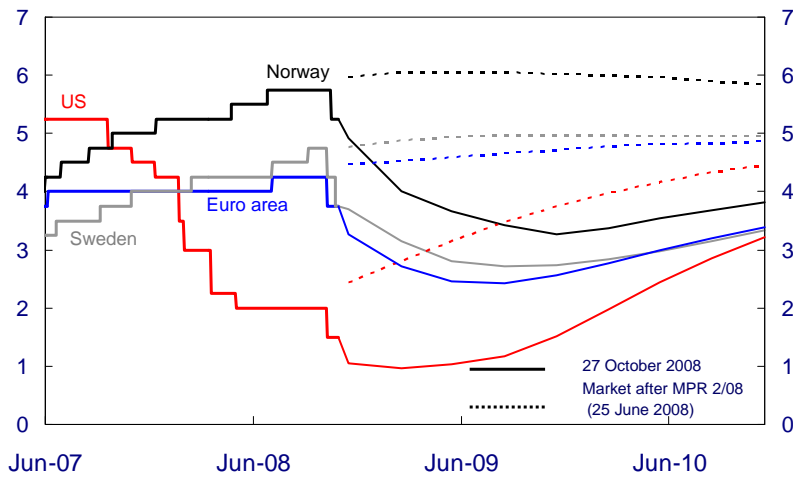
International commodity prices¹⁾
Index. Week 1 2002 = 100
Week 1 2002 – week 43 2008



¹⁾ In XDR

Actual and expected key rates

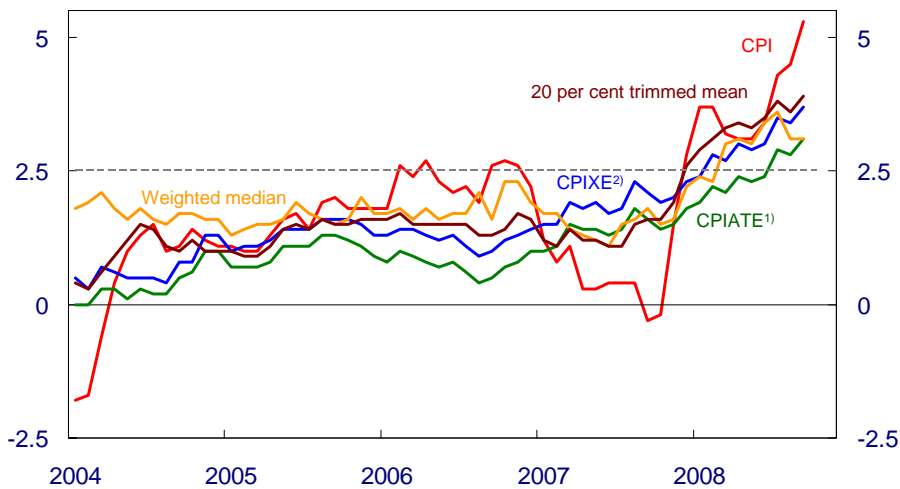
Per cent. 1 June 2007 – 27 October 2008



Sources: Thomson Reuters and Norges Bank 19

Consumer prices in Norway

12-month change. Per cent. January 2004 – September 2008



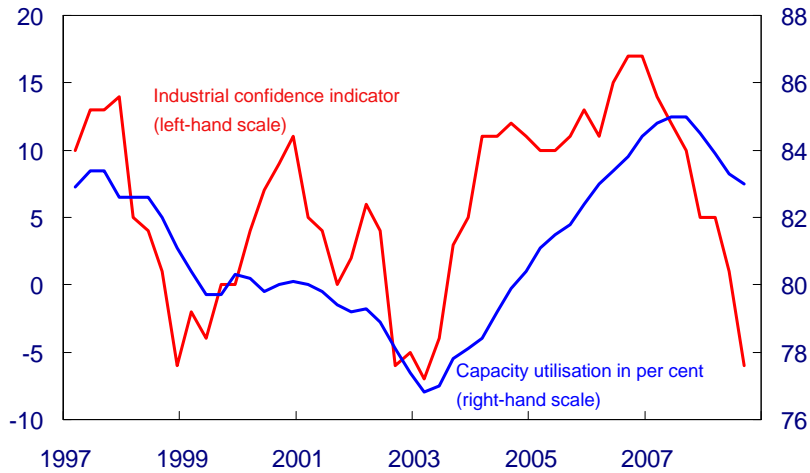
¹⁾ CPI adjusted for tax changes and excluding energy prices.

²⁾ CPI adjusted for tax changes and excluding temporary changes in energy prices. See Staff Memo 2008/7 from Norges Bank.

Sources: Statistics Norway and Norges Bank 20

Business tendency survey

Industrial confidence indicator¹⁾ and capacity utilisation²⁾ in manufacturing
1997 Q1 – 2008 Q3

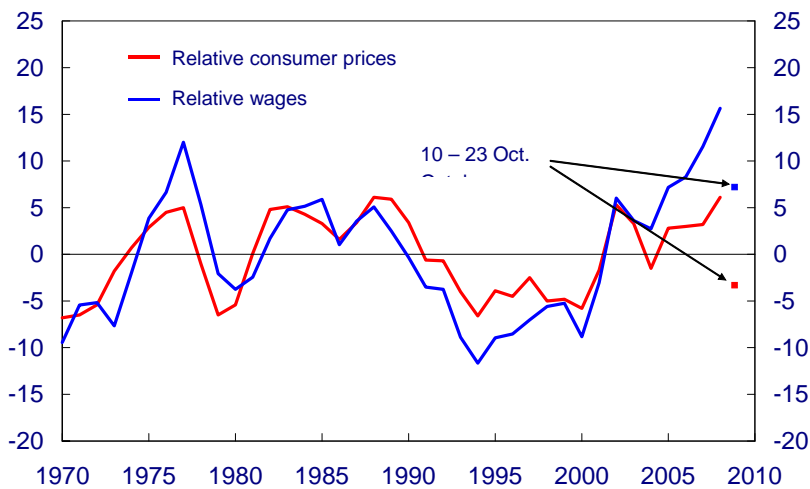


¹⁾ Seasonally adjusted
²⁾ Diffusionindex (trend series)

Source: Statistics Norway

Real exchange rates

Deviation from mean 1970 – 2007. Per cent. 1970 – 2008¹⁾

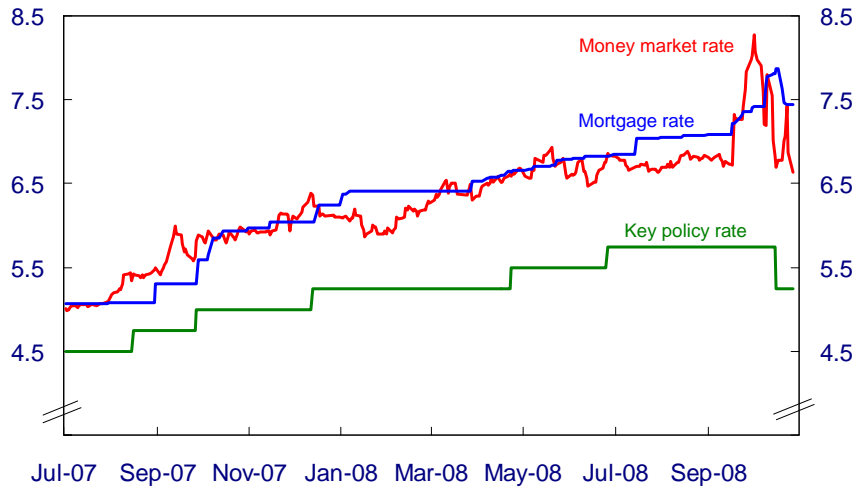


¹⁾ Data for 2008 is based on observations to 30 September. The points correspond to the mean for the period 10 – 23 October 2008.

Sources: Statistics Norway, Technical Reporting Committee on Income Settlements (TRC), Ministry of Finance

Key policy rate, money market rate¹⁾ and weighted lending rate on new loans²⁾

Per cent. 1. July 2007 – 27 October 2008



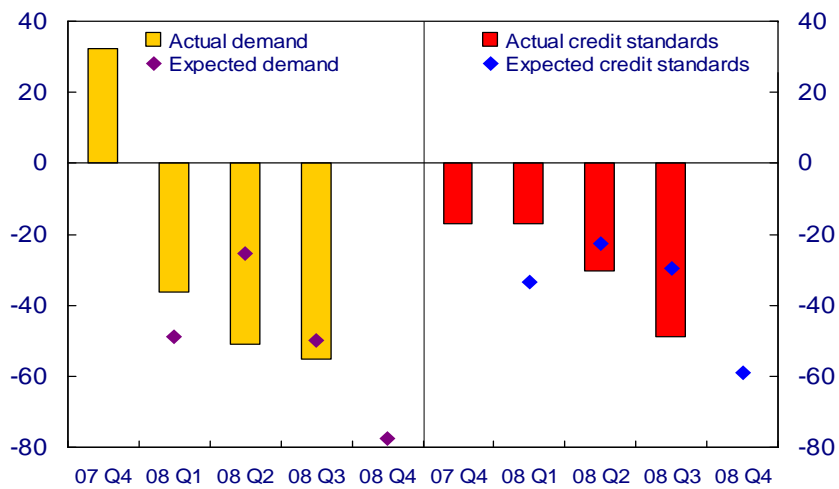
¹⁾ 3-month NIBOR (effective)

²⁾ Interest rates on new mortgages of NOK 1m within 60 % of purchase price with floating rate. Figures for the 20 largest banks, weighted according to market share.

Sources: Norsk familieøkonomi AS and Norges Bank

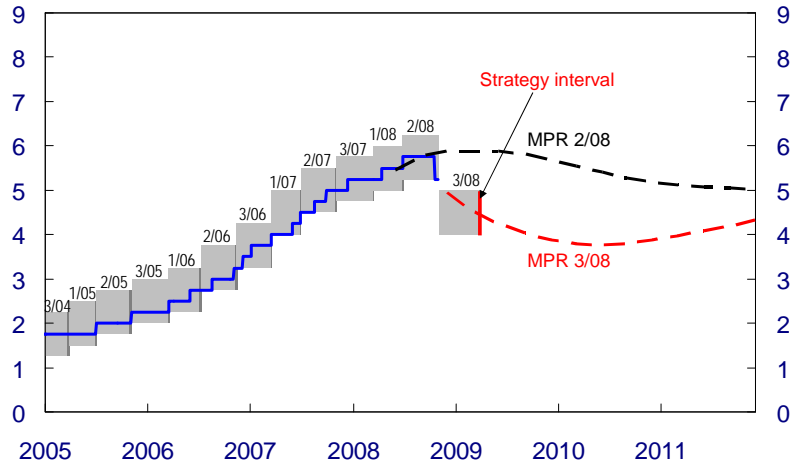
Bank lending to non-financial corporations

Change in demand and credit standards.
2007 Q4 – 2008 Q4



Source: Norges Bank

Key policy rate Per cent



Source: Norges Bank 25

Executive Board meeting 29 October 2008