

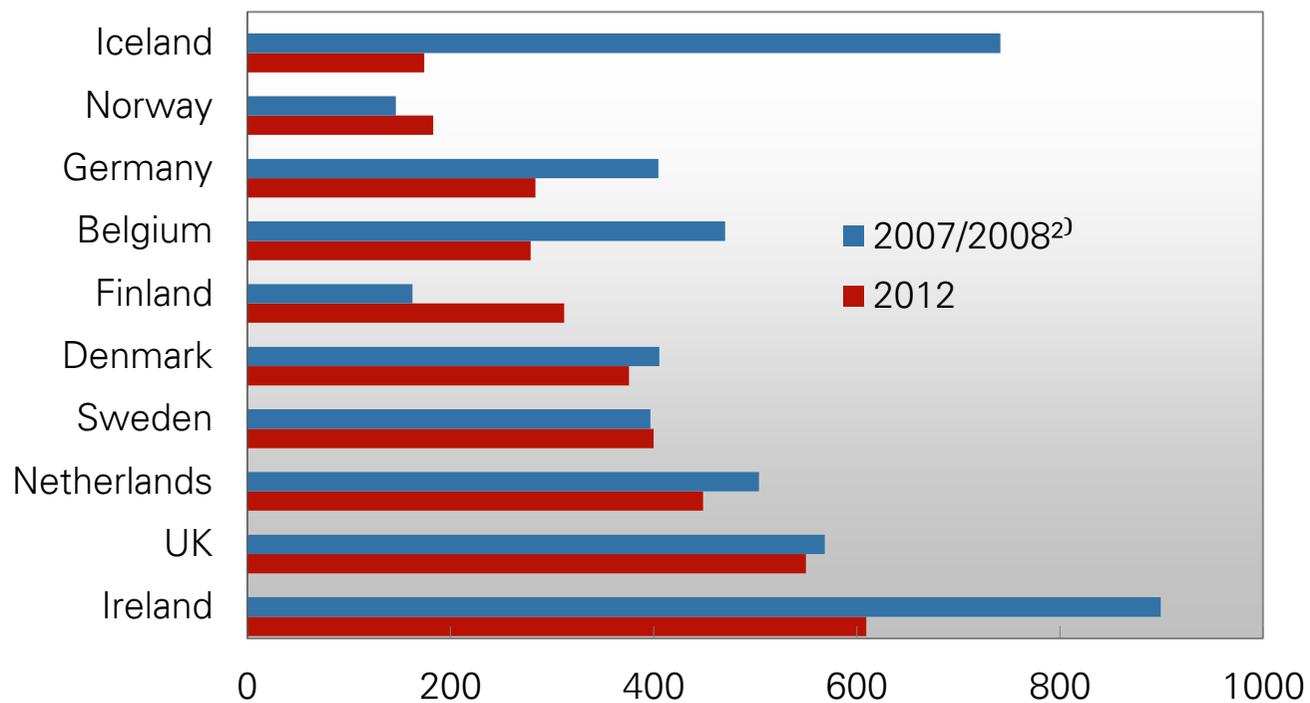


Financial Stability Report 2013

Charts

Chapter 1

Chart 1.1 Total banking sector assets as a share of GDP.¹⁾
 Percent. 2007/2008 and 2012

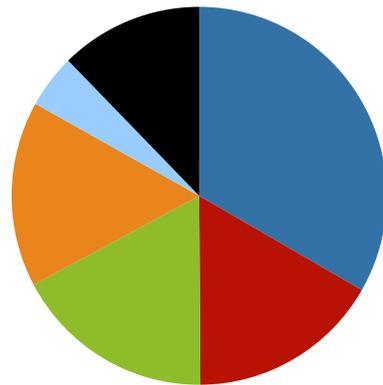


1) All national banks and banking groups including subsidiaries and branches abroad in addition to subsidiaries and branches of foreign banks. Norwegian GDP includes the oil sector.

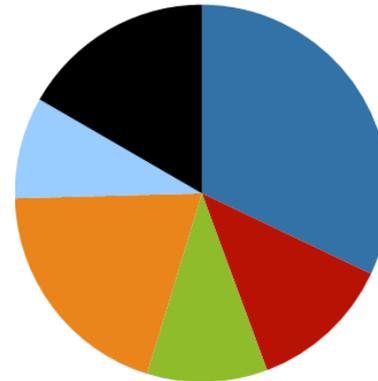
2) Data for Belgium, Finland and Norway are for 2007, while data for the rest are for 2008.

Sources: ECB, Central Bank of Iceland and Norges Bank

Chart 1.2 Lenders' market shares in the Norwegian banking sector.
Percent. At year-end 2012



Corporate market



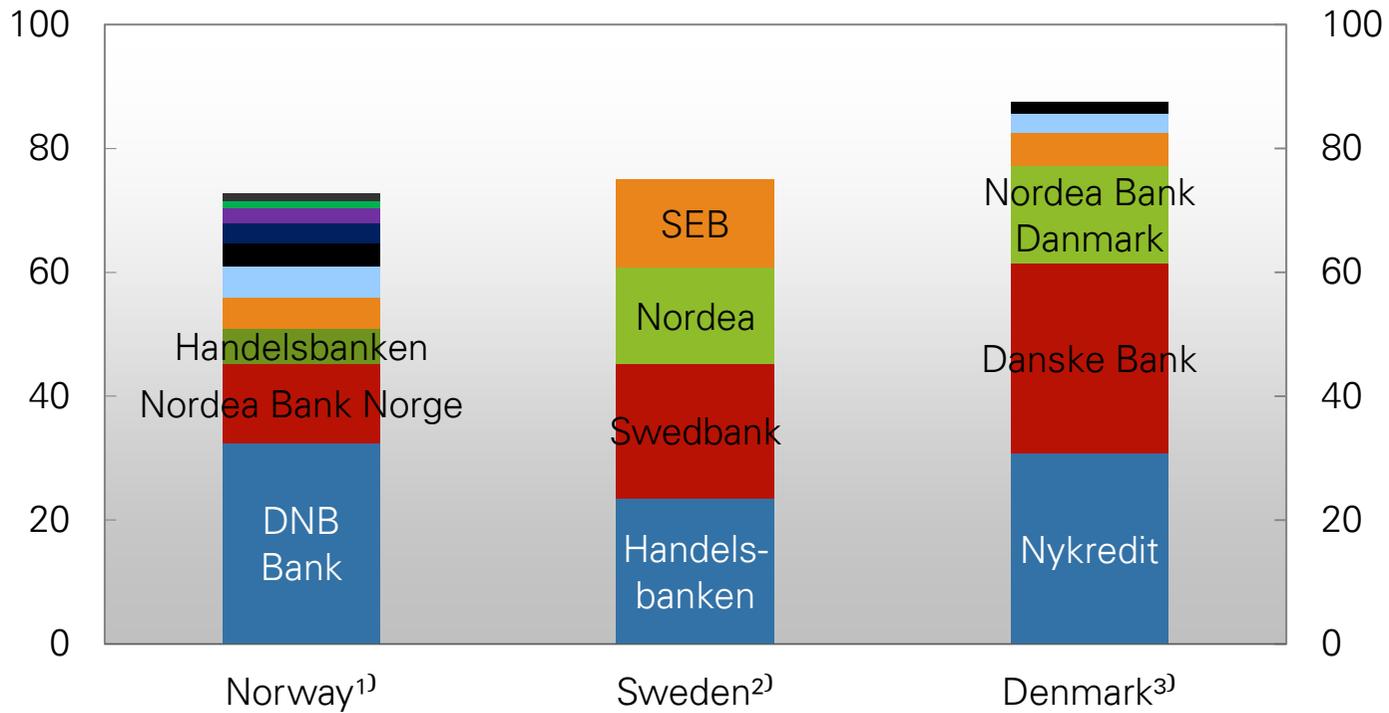
Retail market

- DNB Bank
- Branches of foreign banks in Norway
- Eika Gruppen

- Subsidiaries of foreign banks in Norway
- SpareBank 1 Alliance
- Other savings and commercial banks

Source: Norges Bank

Chart 1.3 Lenders' market shares for proposed systemically important banks in Scandinavia. Percent. At year-end 2012



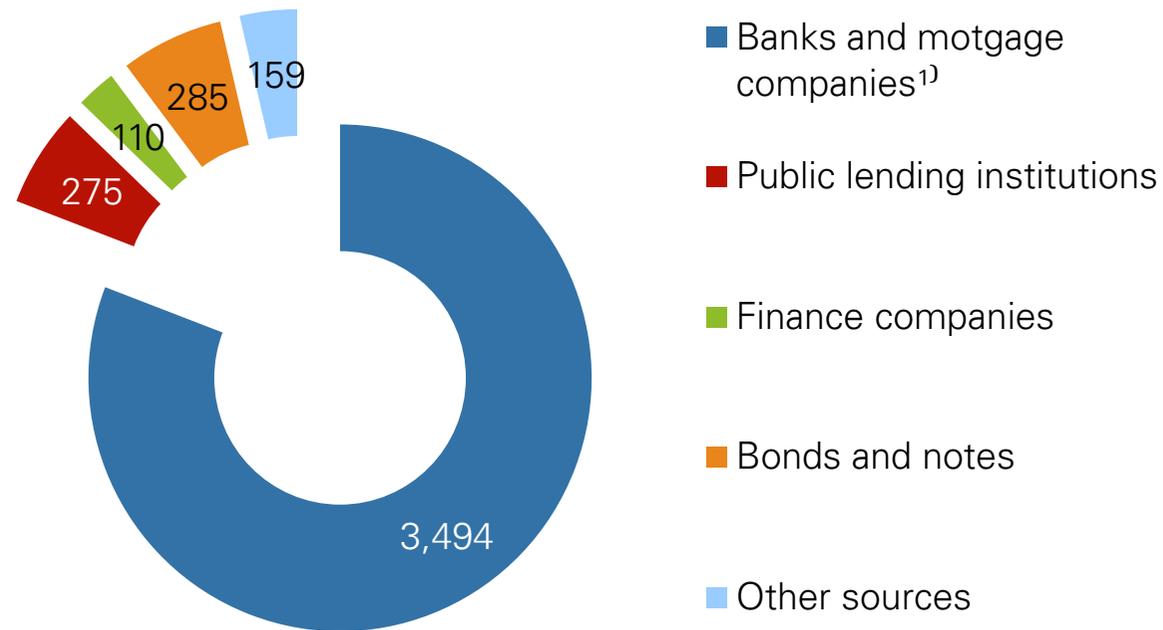
1) See Annex 1 for further information.

2) At year-end 2011.

3) At June 2012. Including repos.

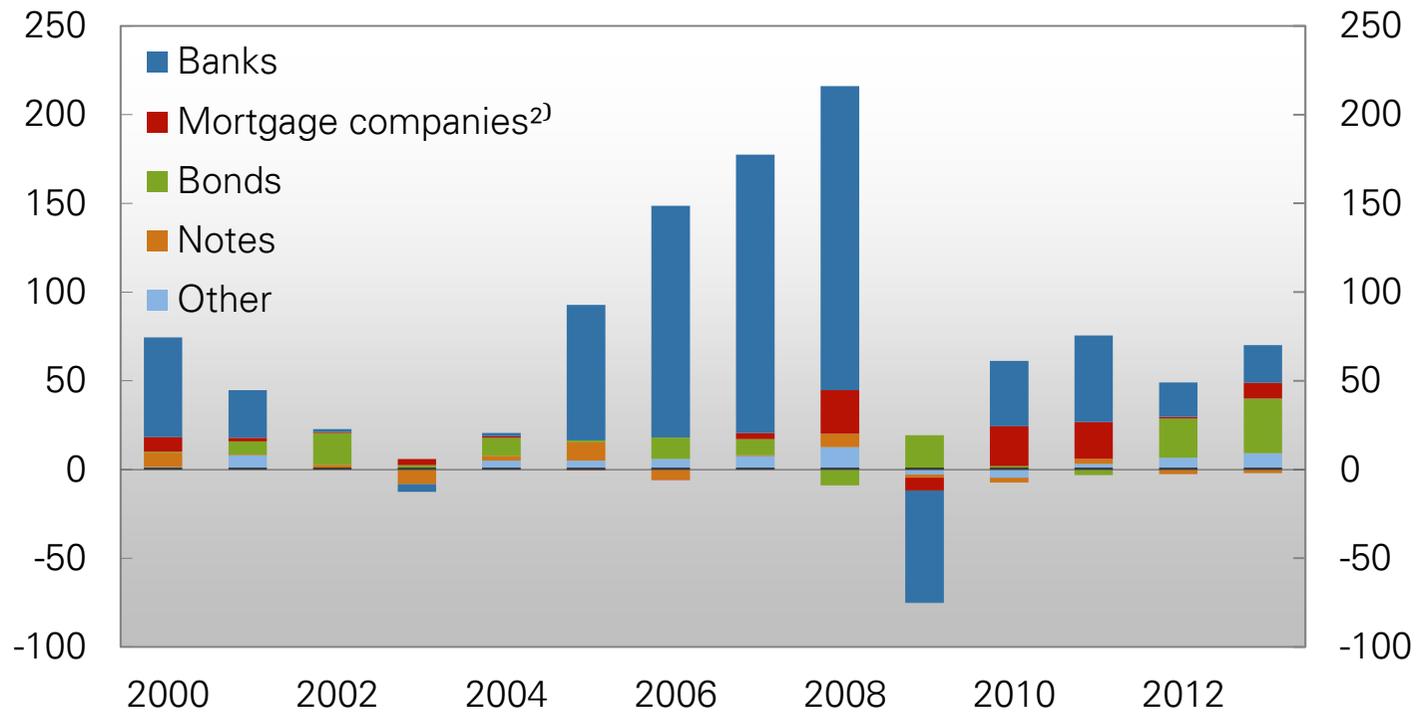
Sources: Riksbanken, Committee on Systemically Important Financial Institutions and Norges Bank

Chart 1.4 Gross domestic lending to the private sector by credit institutions.
In billions of NOK. At October 2013



1) All banks and mortgage companies including Eksportfinans.
Source: Statistics Norway

Chart 1.5 Changes in non-financial companies' domestic debt.
By credit source. In billions of NOK. 2000–2013¹⁾

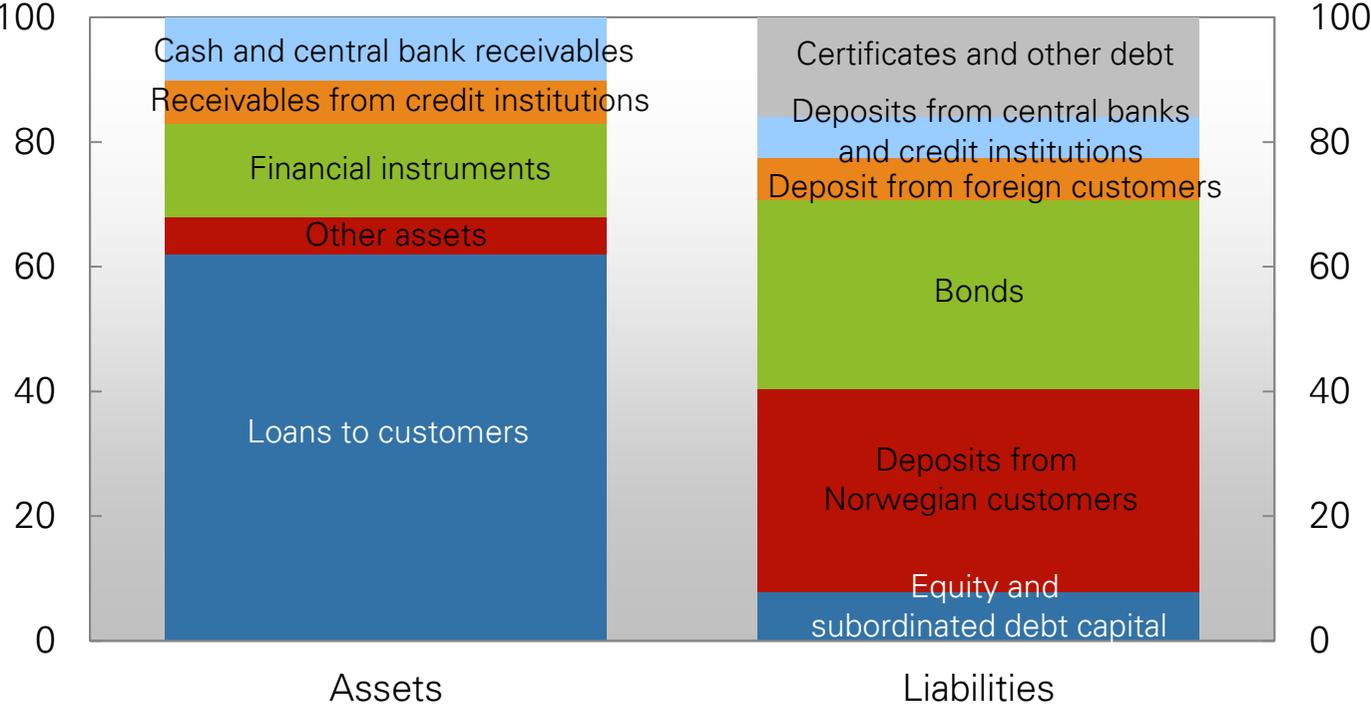


1) To end-October 2013.

2) Mortgage companies, Eksportfinans and Export Credit Norway.

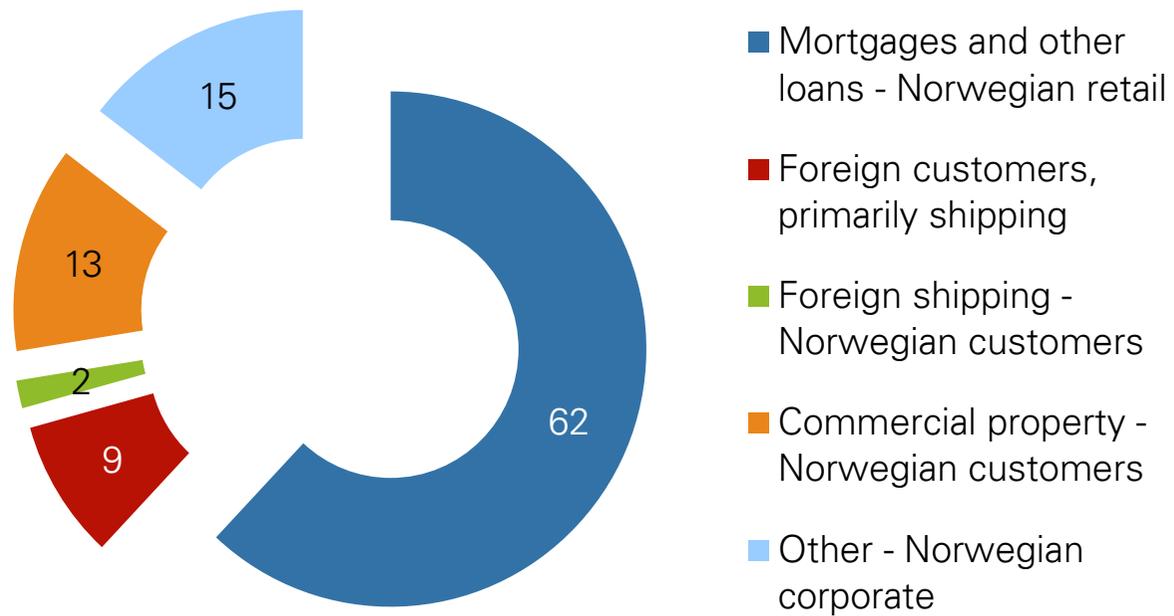
Sources: Statistics Norway and Norges Bank

Chart 1.6 Assets and liabilities. Banks and covered bond mortgage companies.¹⁾
 Percent. At 2013 Q3



1) All banks and covered bond mortgage companies excluding subsidiaries and branches of foreign banks in Norway.
 Source: Norges Bank

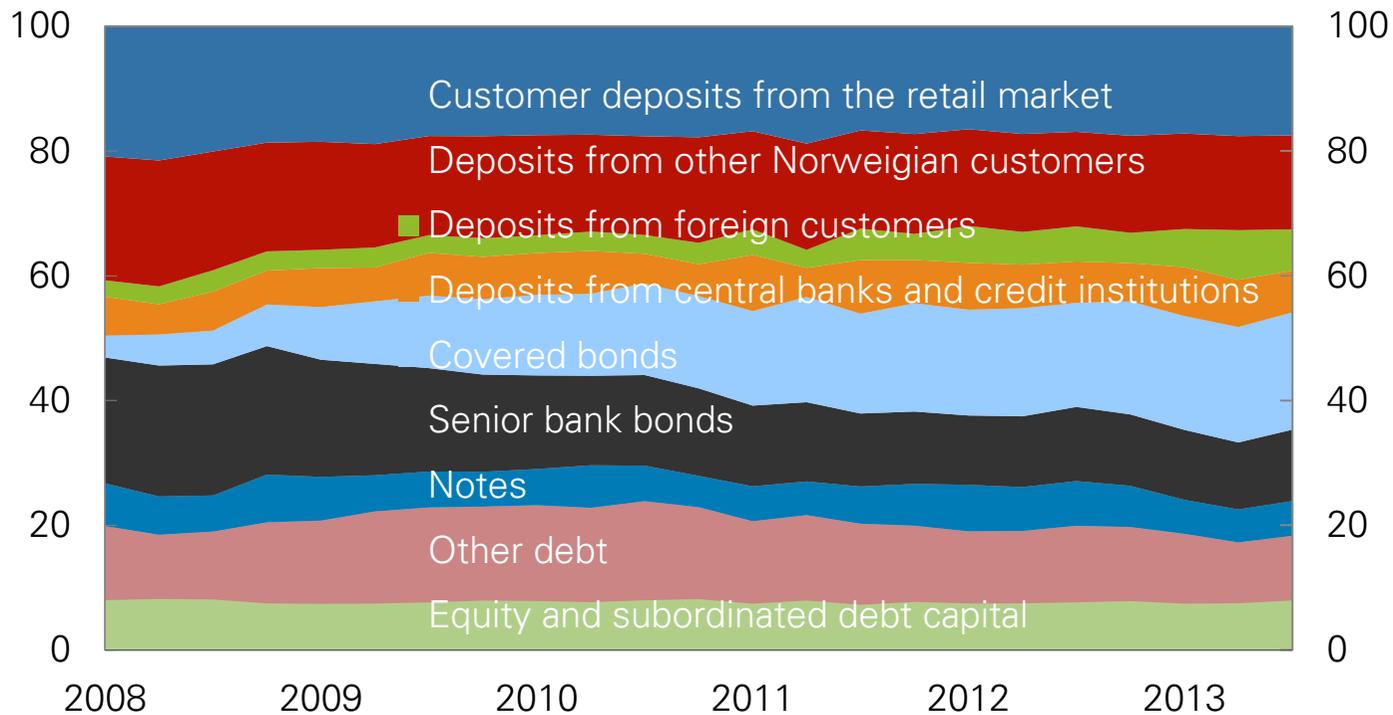
Chart 1.7 Lending from Norwegian banks and covered bond mortgage companies to the retail and corporate market. Percent. At 2013 Q3



Source: Norges Bank

Chapter 2

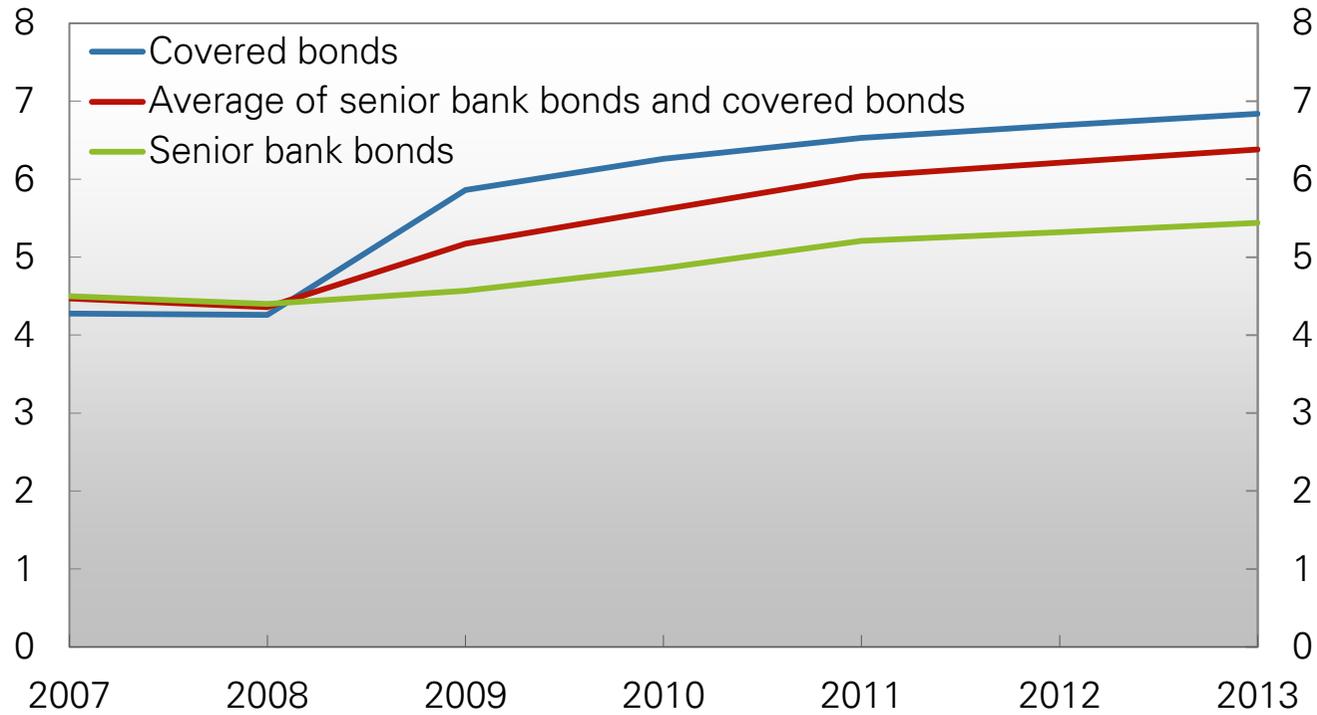
Chart 2.1 Funding structure. Norwegian banks and covered bond mortgage companies.¹⁾ Percent. 2008 Q1 – 2013 Q3



1) Sum of all banks and covered bond mortgage companies excluding branches and subsidiaries of foreign banks in Norway.

Source: Norges Bank

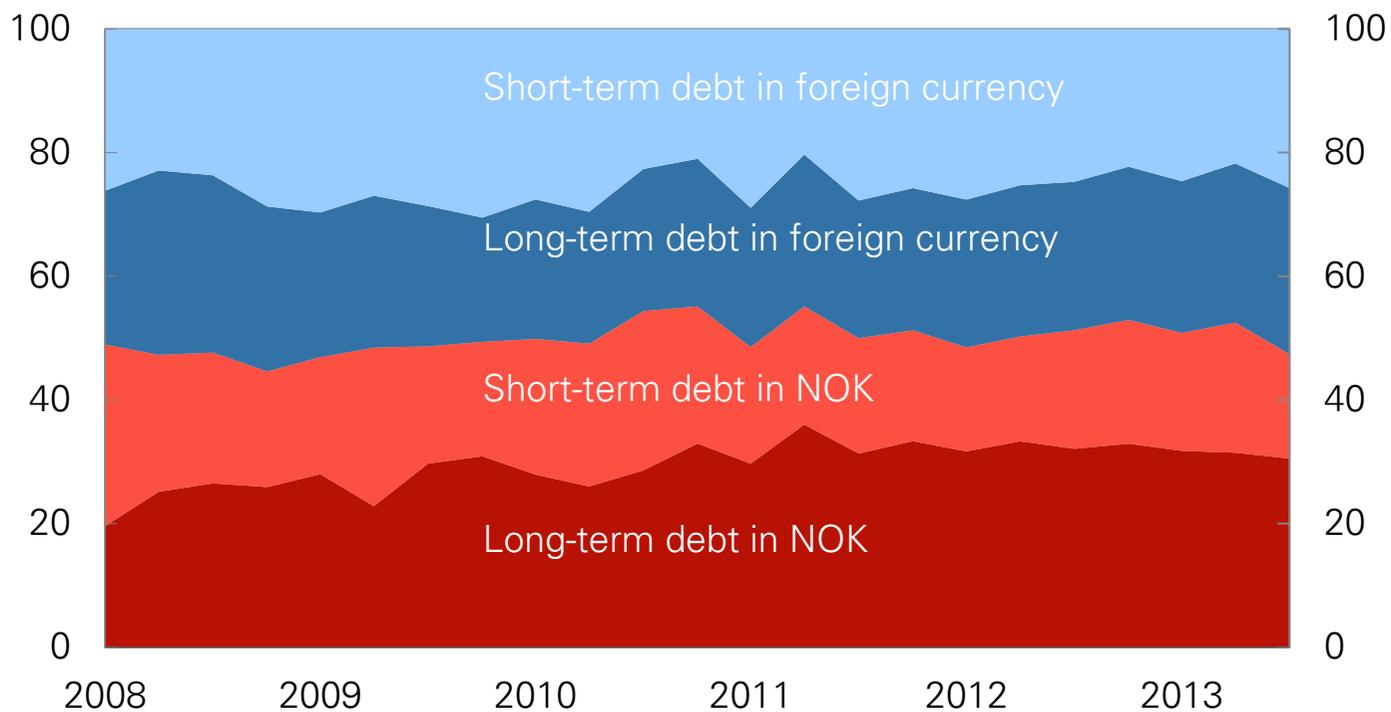
Chart 2.2 Average maturity on outstanding bonds.
Banks and mortgage companies. Average number of years. 2007–2013¹⁾



1) To end-October 2013.

Sources: Stamdata and Bloomberg

Chart 2.3 Debt¹⁾ by currency and maturity. Norwegian banks and covered bond mortgage companies.²⁾ Percent. 2008 Q1 – 2013 Q3

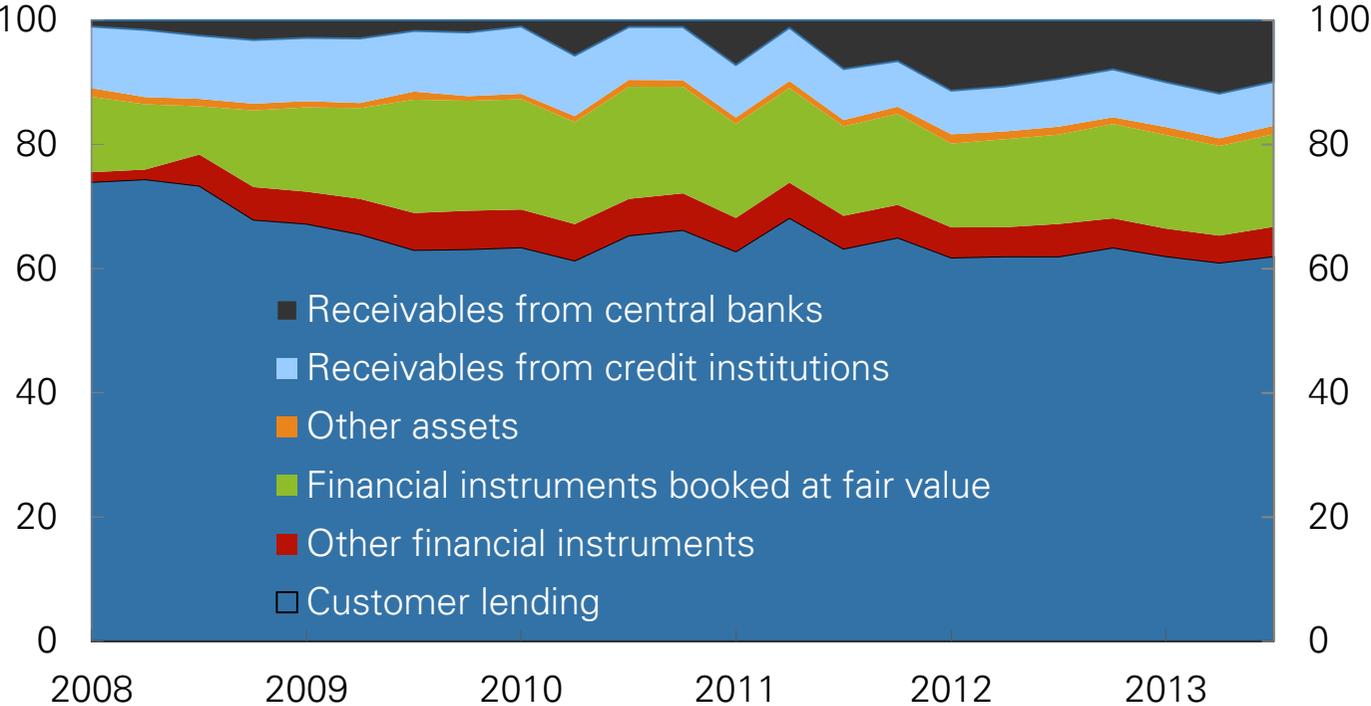


1) Excluding customer deposits, liabilities to the government originating from the swap arrangement and F-loans. Short-term debt has a maturity of less than one year.

2) Excluding subsidiaries and branches of foreign banks in Norway.

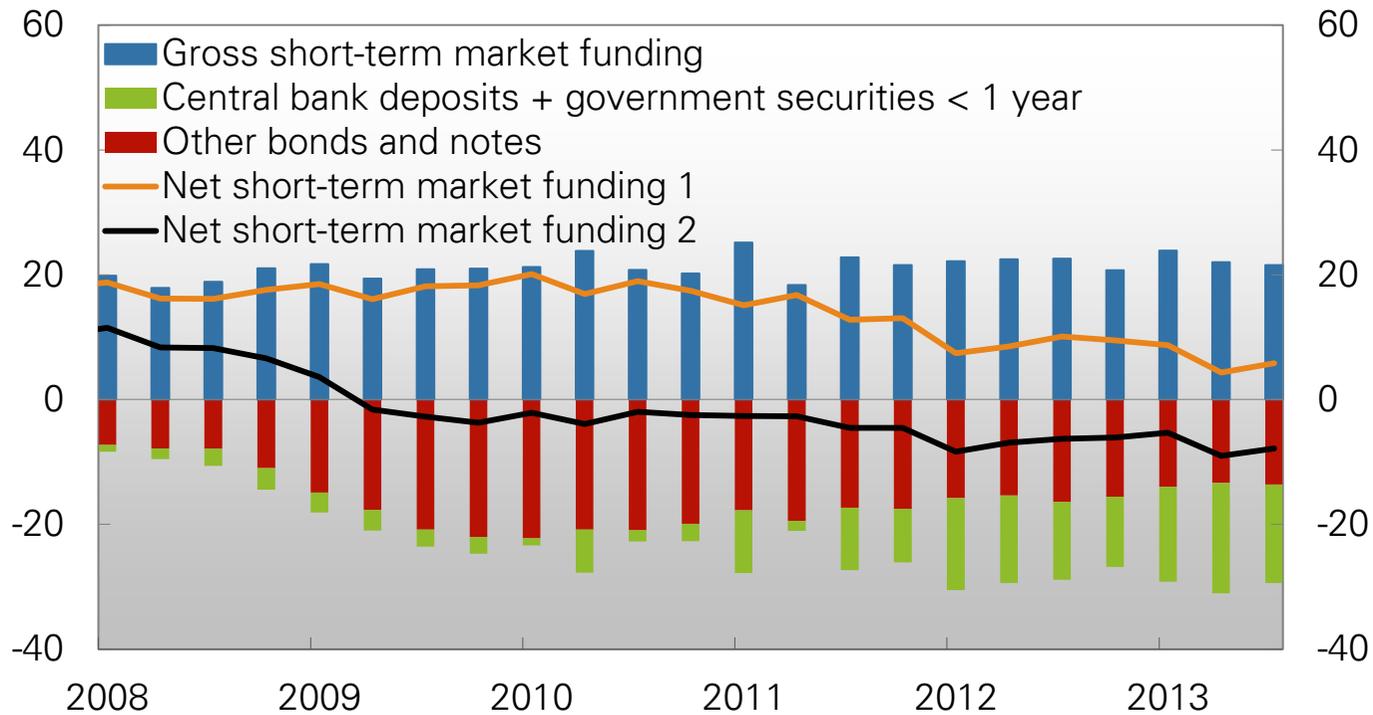
Source: Norges Bank

Chart 2.4 Assets in Norwegian banks and covered bond mortgage companies.¹⁾
 Percent. 2008 Q1 – 2013 Q3



1) All banks and covered bond mortgage companies excluding branches and subsidiaries of foreign banks in Norway.
 Source: Norges Bank

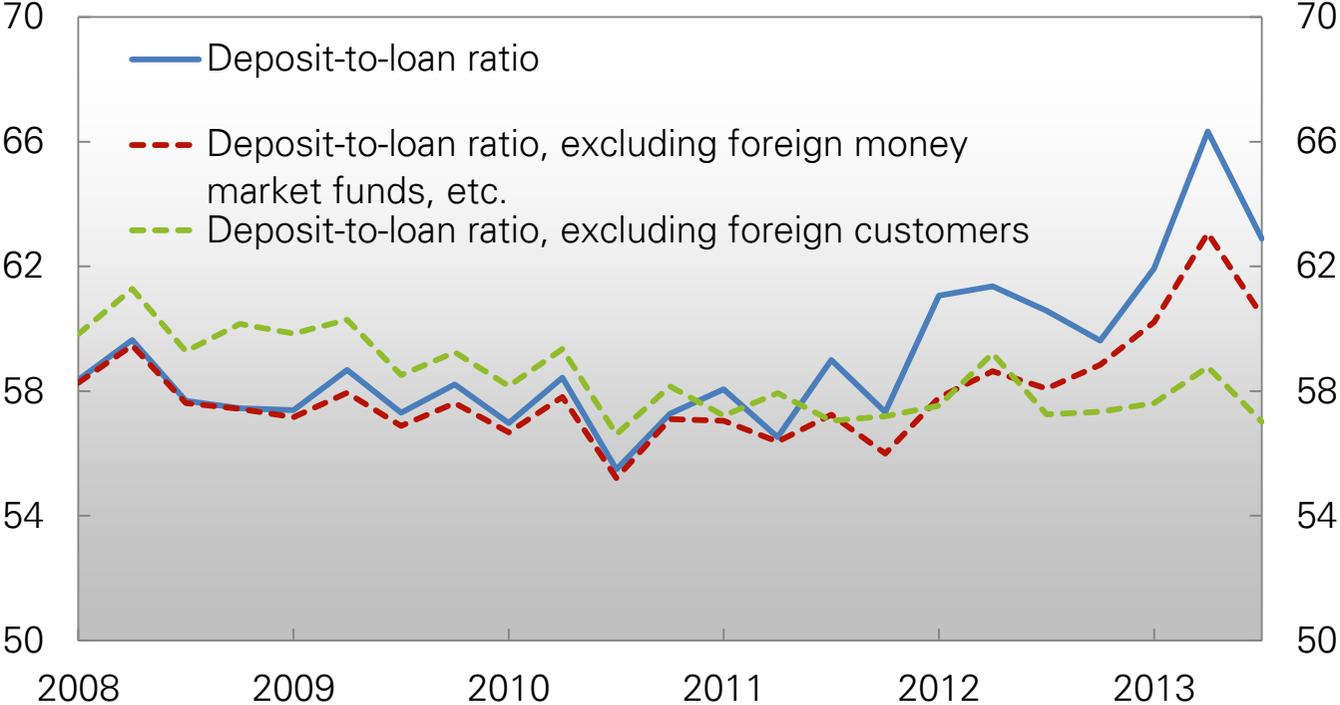
Chart 2.5 Norwegian banks¹⁾ gross and net²⁾ short-term market funding. Percentage of total assets. 2008 Q1 – 2013 Q3



1) Sum of all banks excluding branches and subsidiaries of foreign banks in Norway.
 2) Net 1 is minus deposits with central banks and government securities maturing in one year or less. Net 2 is also minus other bonds and securities.

Source: Norges Bank

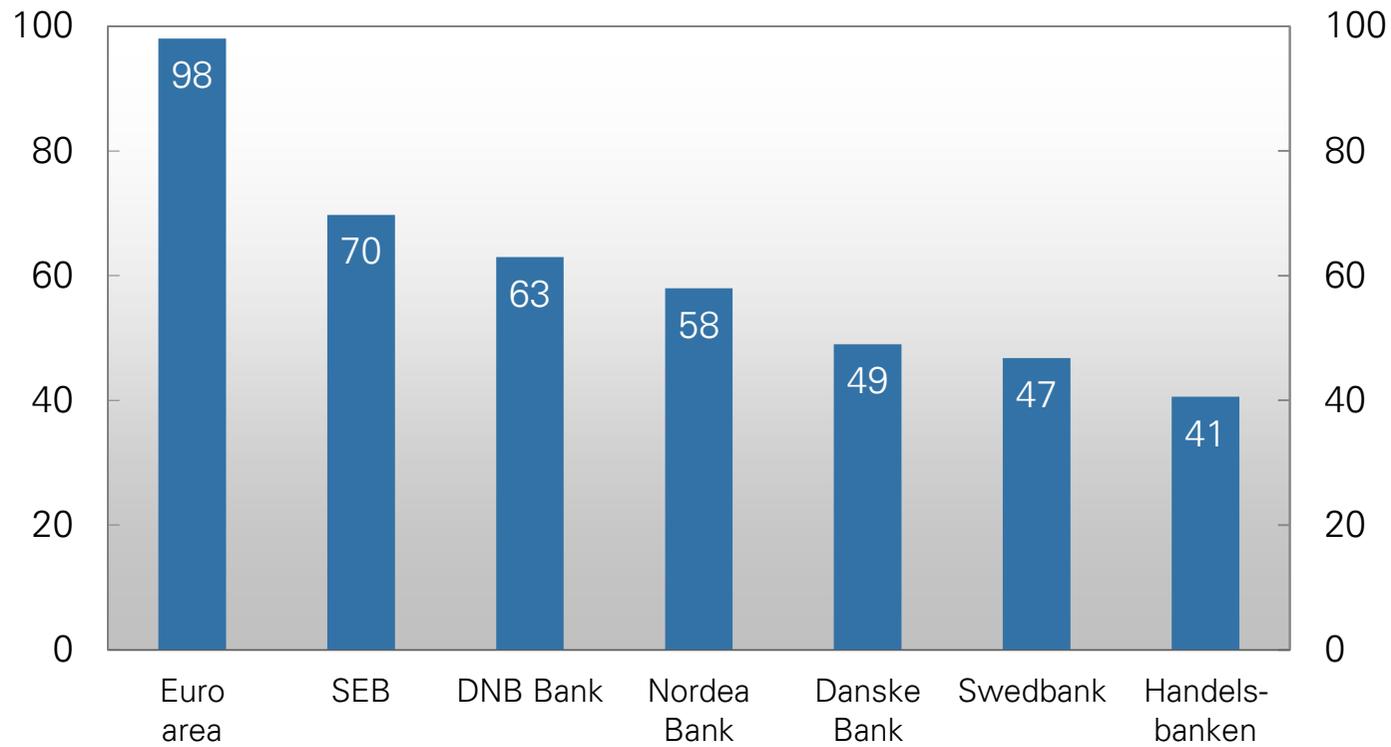
Chart 2.6 Deposit-to-loan ratio.¹⁾ Percent. 2008 Q1 – 2013 Q3



1) Deposit-to-loan ratio is customer deposits as a percentage of loans to customers. All banks and covered bond mortgage companies excluding branches and subsidiaries of foreign banks in Norway.

Source: Norges Bank

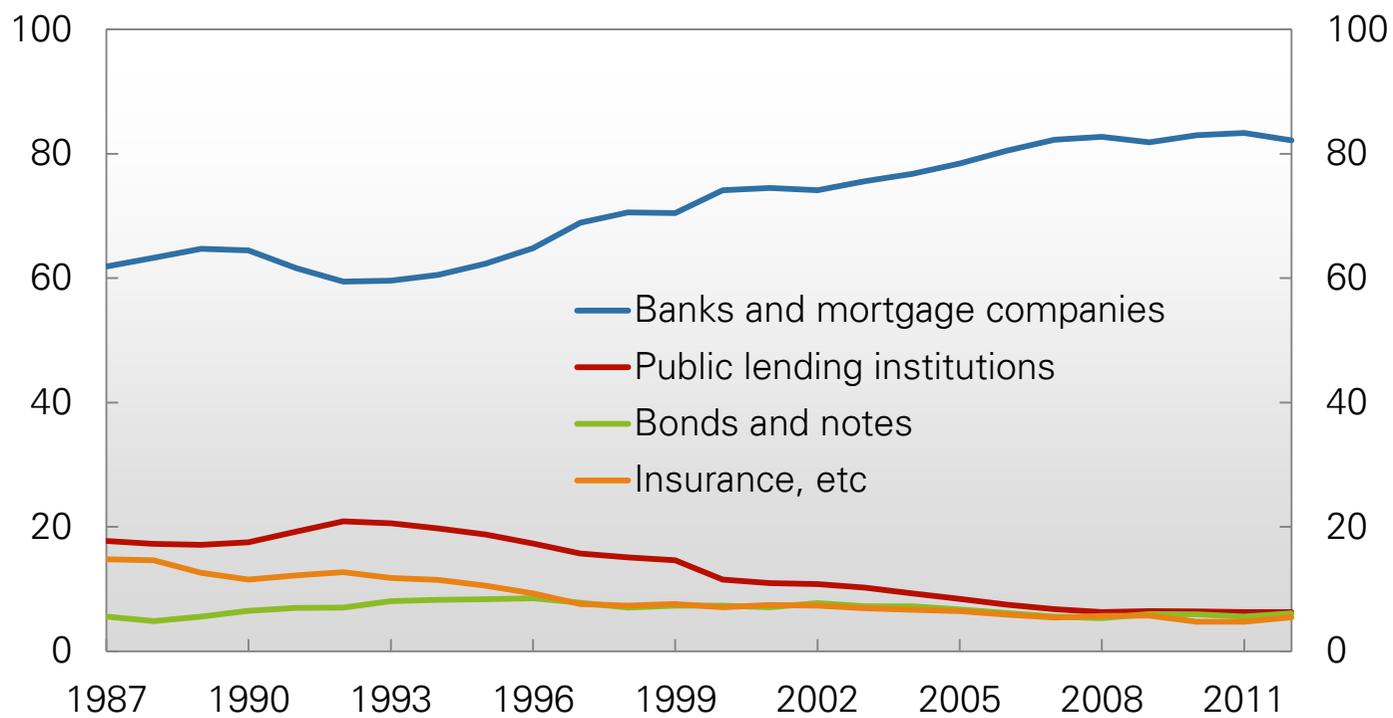
Chart 2.7 Deposit-to-loan ratio¹⁾ in the euro area and large Scandinavian banking groups. Percent. 2012



1) Deposit-to-loan ratio is customer deposits as a percentage of loans to customers.

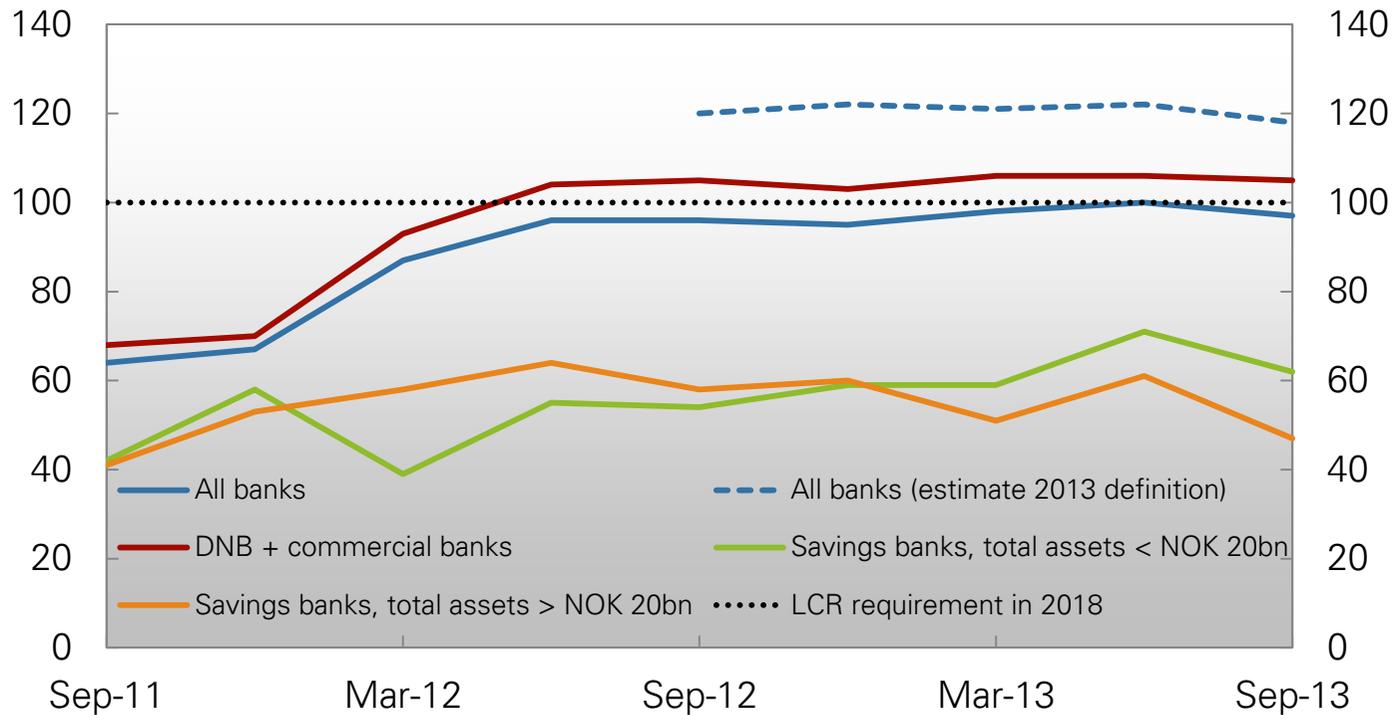
Sources: SNL Financial and the European Central Bank (ECB)

Chart 2.8 Gross domestic debt to the private sector by credit source¹⁾.
Percent. 1987–2012



1) Sectors were changed as from 1 January 2012. This causes inconsistency in the data series.
Source: Statistics Norway

Chart 2.9 Banks¹⁾ liquidity coverage ratio (LCR)¹⁾
 Consolidated data. Weighted average for the group. 2011 Q3 – 2013 Q3

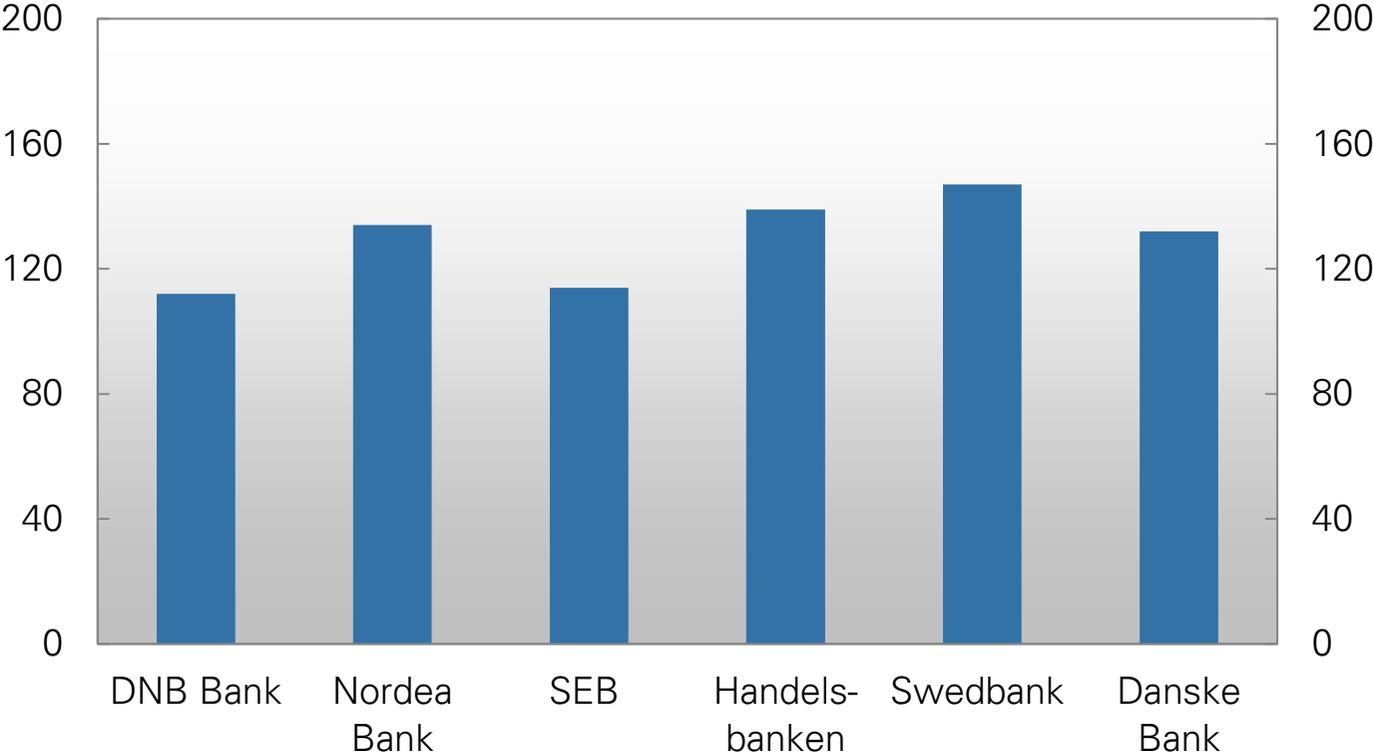


1) All banks in Norway excluding branches of foreign banks in Norway.

2) Calculations are based on the recommendations published by the Basel Committee in 2010. Broken line indicates estimated levels with the suggested easing the Basel Committee published in 2013.

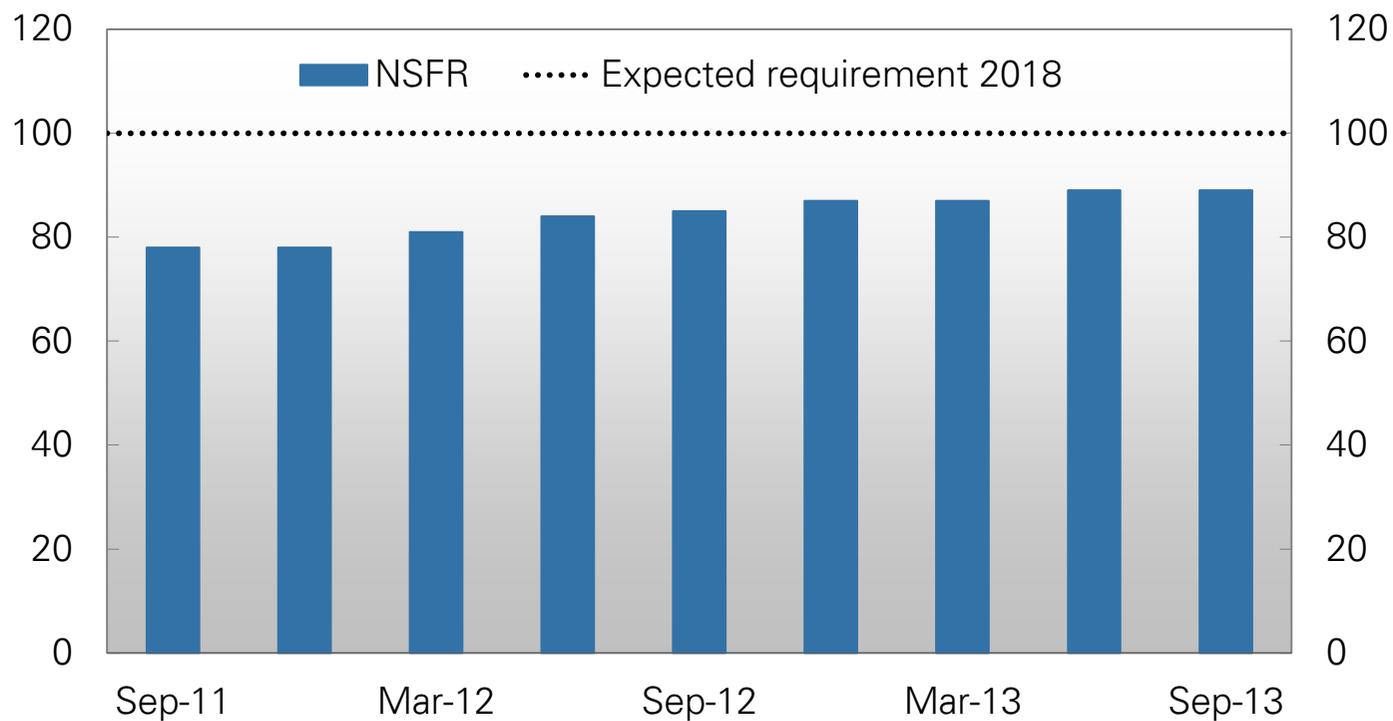
Sources: Finanstilsynet and Norges Bank

Chart 2.10 Large Scandinavian banking groups' liquidity coverage ratio (LCR).¹⁾
Percent. At end 2013 Q3



1) Calculations for Norwegian and Swedish banks are based on the recommendations published by the Basel Committee in 2010. There might be differences in definitions between the banks.
Source: SNL Financial

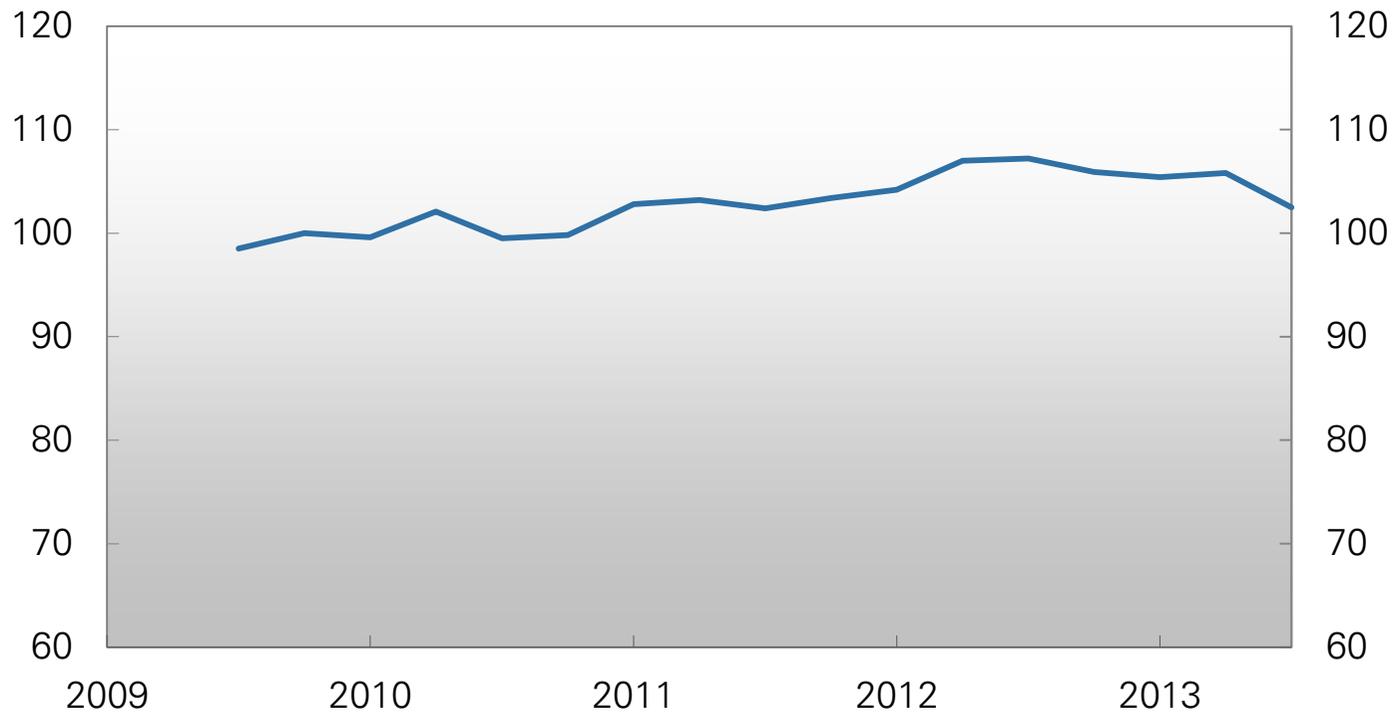
Chart 2.11 Banks¹⁾ stable funding as a percentage of Net Stable Funding Requirement (NSFR). Consolidated figures. At end of quarter. 2011 Q3 – 2013 Q3



1) The sample consists of 17 banks in Norway, primarily the largest.

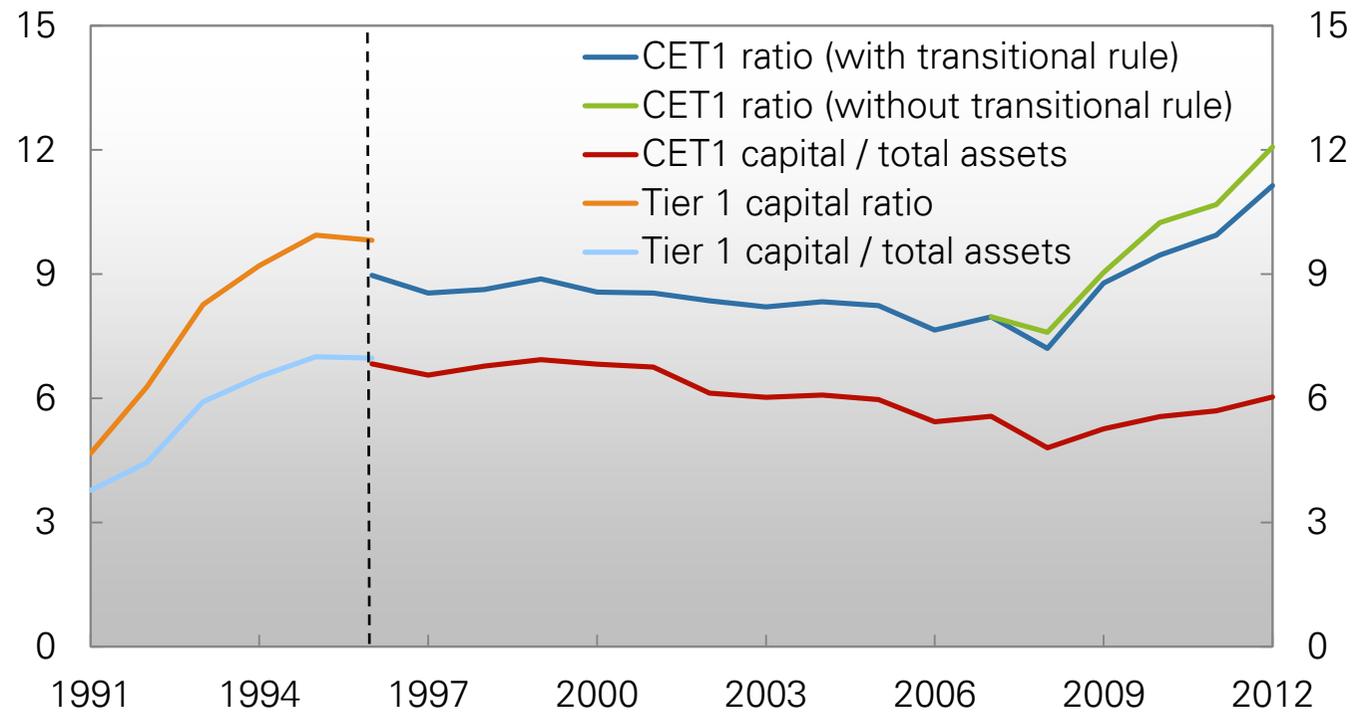
Sources: Finanstilsynet and Norges Bank

Chart 2.12 Funding with maturity above one year as a share of illiquid assets.¹⁾
Percent. 2009 Q3 – 2013 Q3



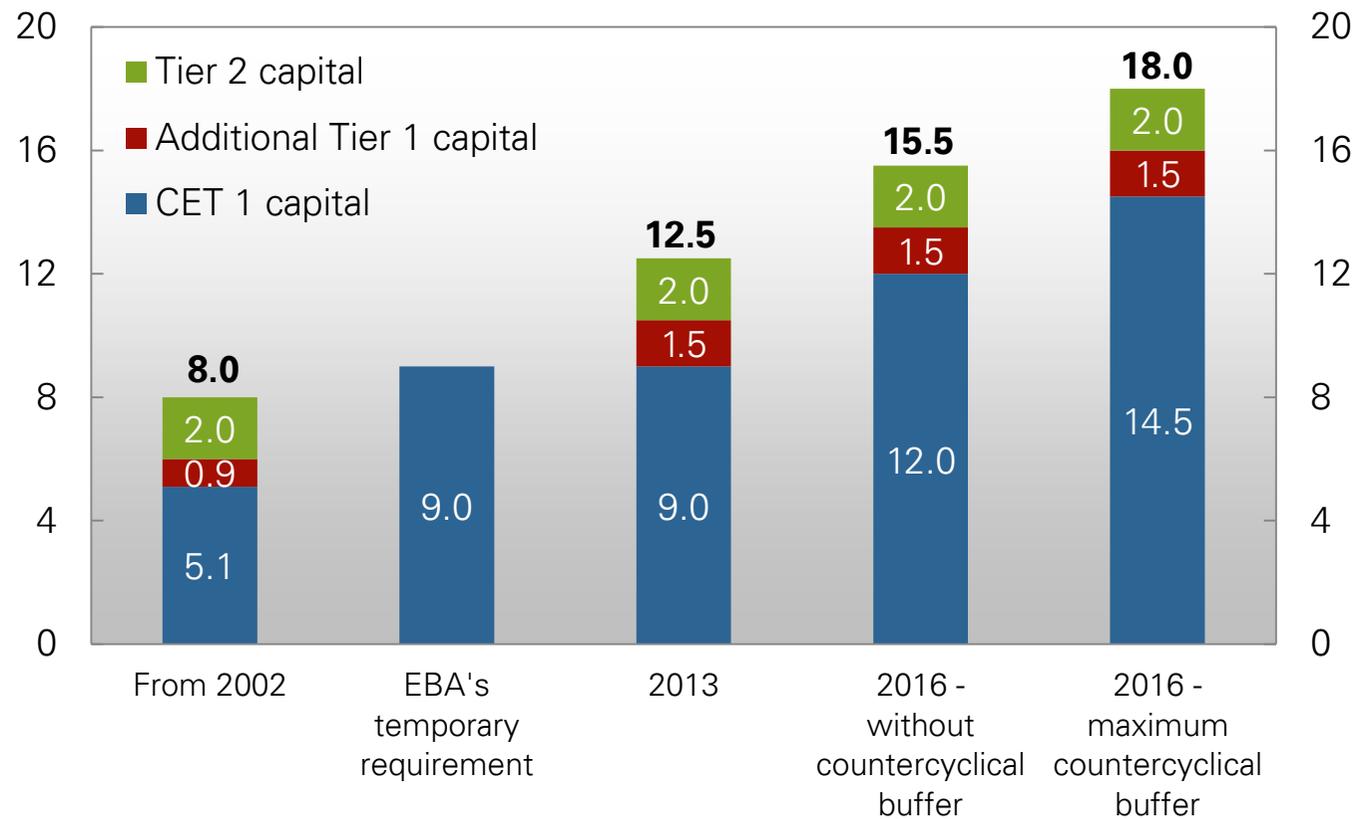
1) Reference group indicator. The group consists of 13 large and medium-sized Norwegian banks.
Source: Finanstilsynet

Chart 2.13 Common Equity Tier 1 (CET1) capital ratio and CET1 capital as a percentage of total assets.¹⁾ Percent. 1991–2012



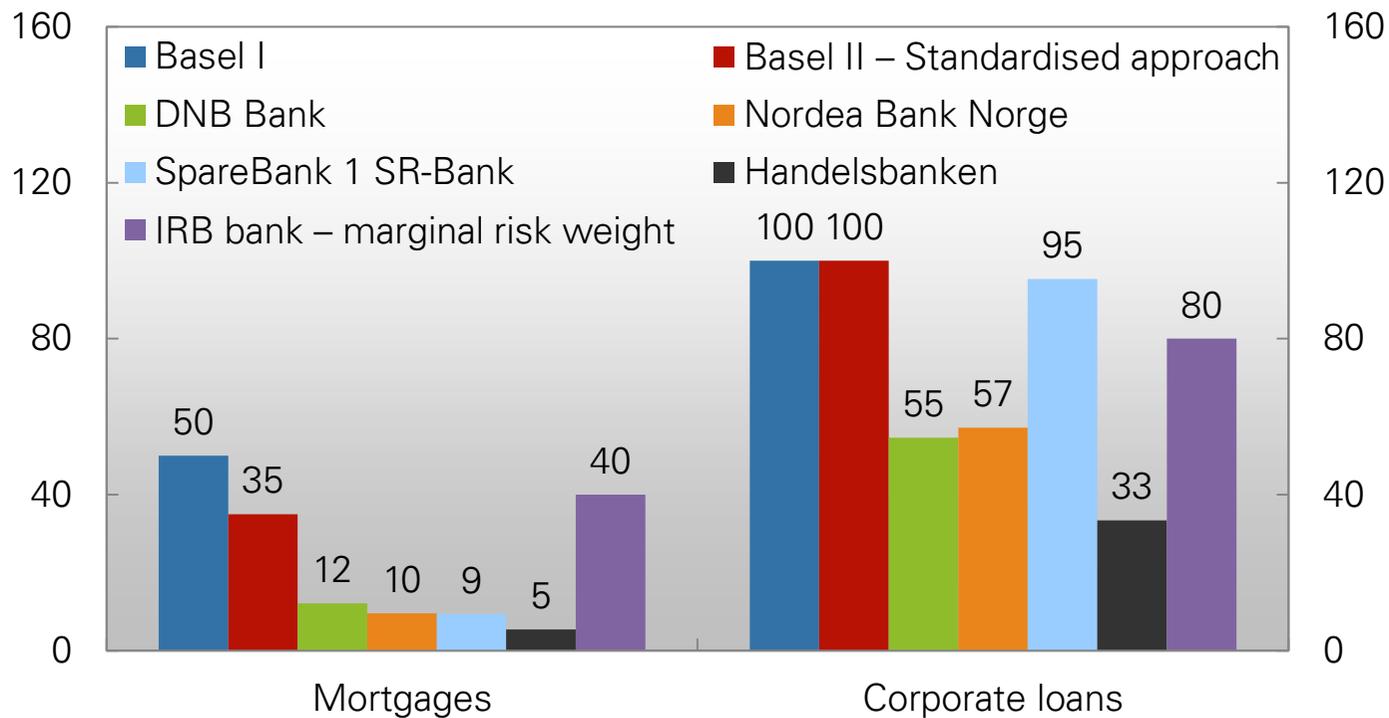
1) All Norwegian banking groups and banks from 1996. Break in the series in 1996. Tier 1 Capital ratio and Tier 1 Capital as a percentage of total assets in the period 1991–1996. Sources: Finanstilsynet and Norges Bank

Chart 2.14 Minimum capital requirement in Norway.
 Broken down by element.¹⁾ Percent of risk-weighted assets. 2002–2016



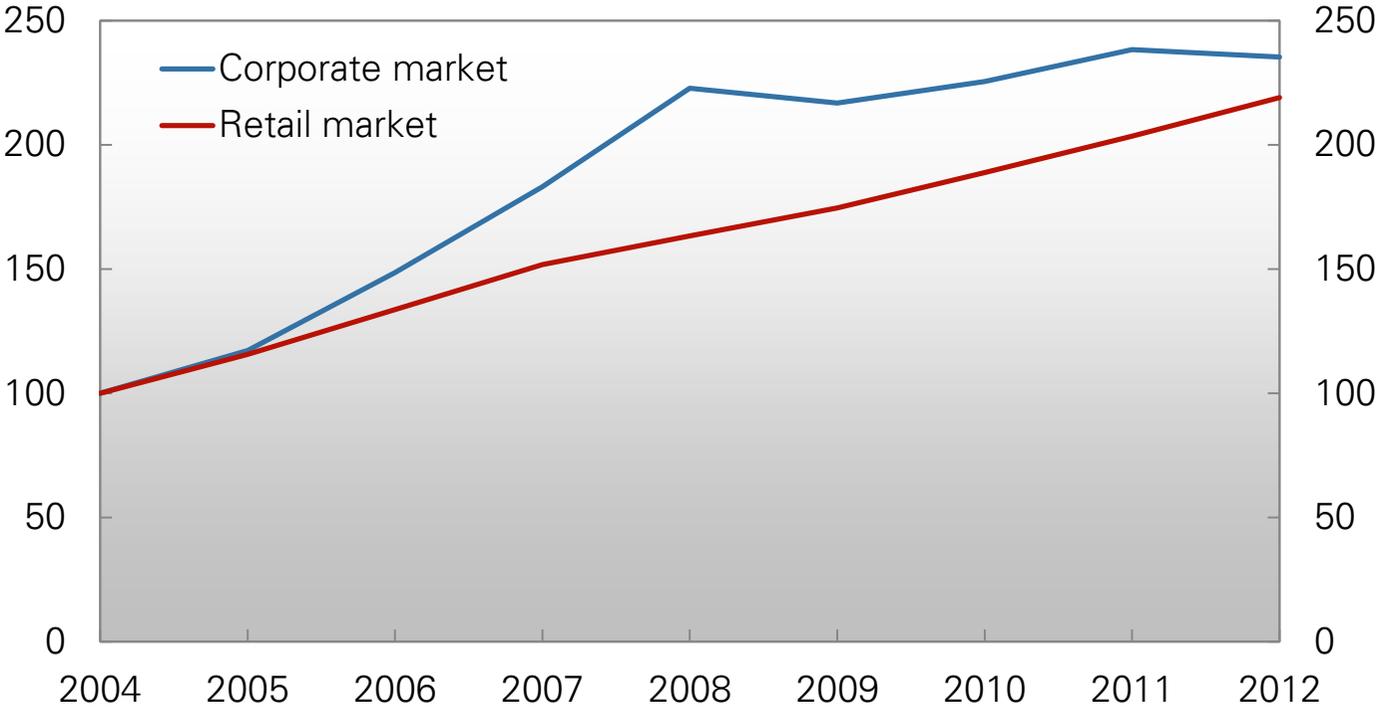
1) Common Equity Tier 1 in 2016 includes the buffer for systemically important institutions.
 Sources: Norges Bank, Finanstilsynet and Ministry of Finance

Chart 2.15 Risk weights for mortgages and corporate loans with Basel I, standardised approach with Basel II, selected IRB banks with Basel II¹⁾ and marginal risk weight for IRB banks restricted by the transitional rule. Percent



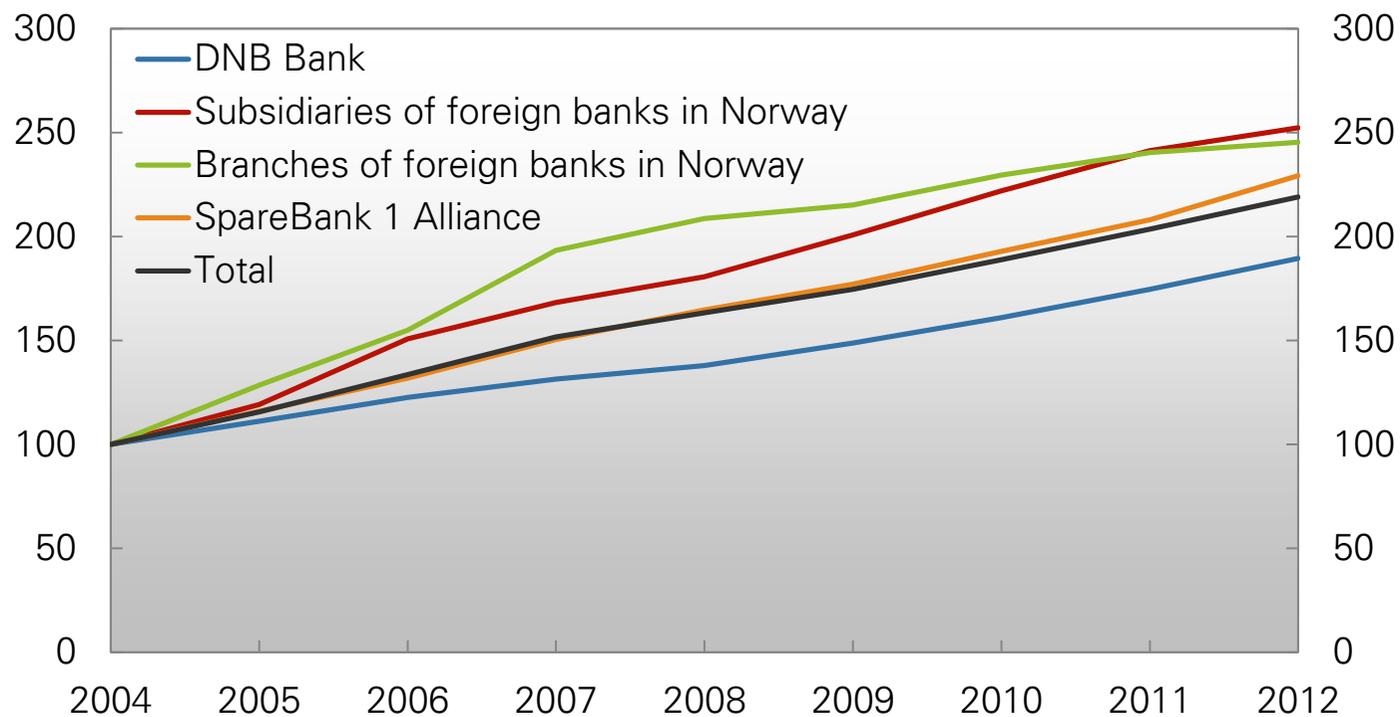
1) Average IRB weight for loan type at the end of 2012.
Sources: Banks' Pillar 3 reports and Norges Bank

Chart 2.16 Total lending to the retail and corporate market from all banks and covered bond mortgage companies in Norway. Indexed, 2004 = 100. 2004–2012



Source: Norges Bank

Chart 2.17 Lending to the retail market in total¹⁾ and for selected groups of banks.²⁾
Indexed, 2004 = 100. 2004–2012

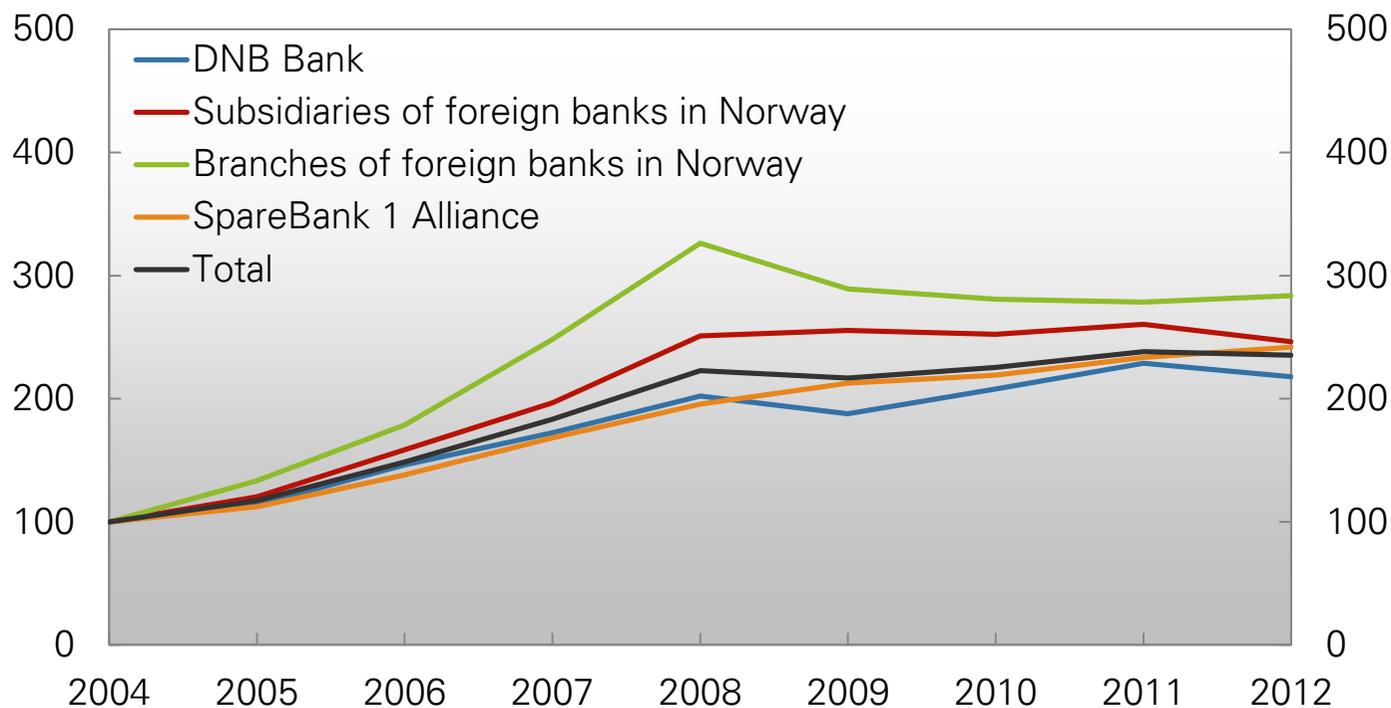


1) Lending from all banks and covered bond mortgage companies in Norway.

2) Static selection based on current banking structure.

Source: Norges Bank

Chart 2.18 Lending to the corporate market in total¹⁾ and for selected groups of banks.²⁾ Indexed, 2004 = 100. 2004–2012

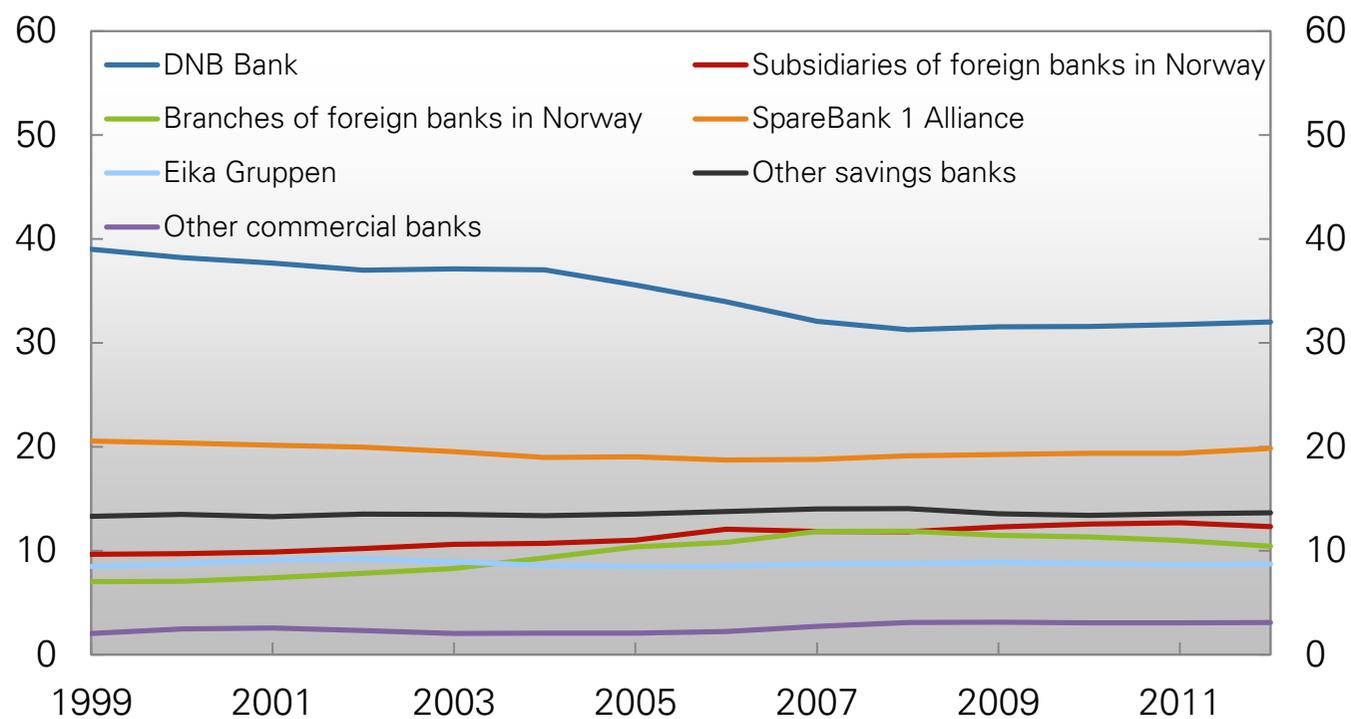


1) Lending from all banks and covered bond mortgage companies in Norway.

2) Static selection based on current banking structure.

Source: Norges Bank

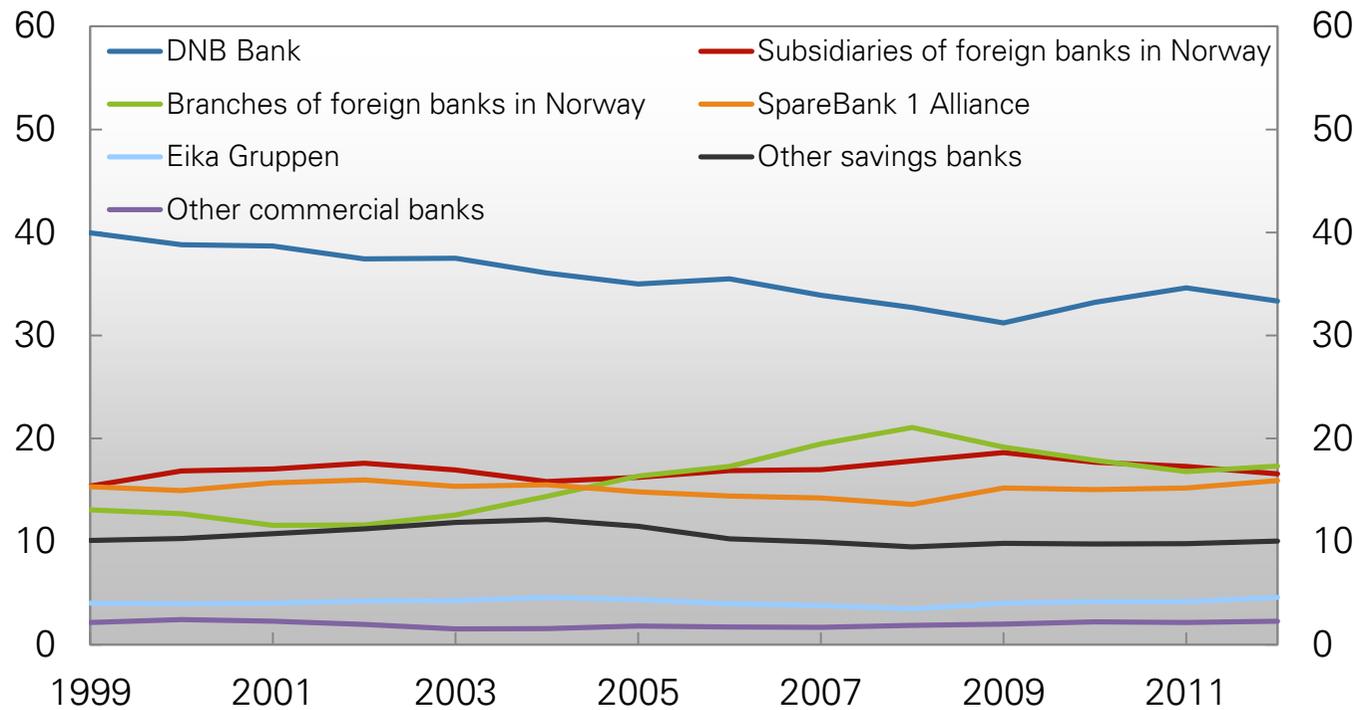
Chart 2.19 Market shares for different groups of banks¹⁾ in lending to the retail market. Percent. 1999–2012



1) Static selection based on current banking structure. Includes lending from all banks and covered bond mortgage companies in Norway.

Source: Norges Bank

Chart 2.20 Market shares for different groups of banks¹⁾ in lending to the corporate market. Percent. 1999–2012

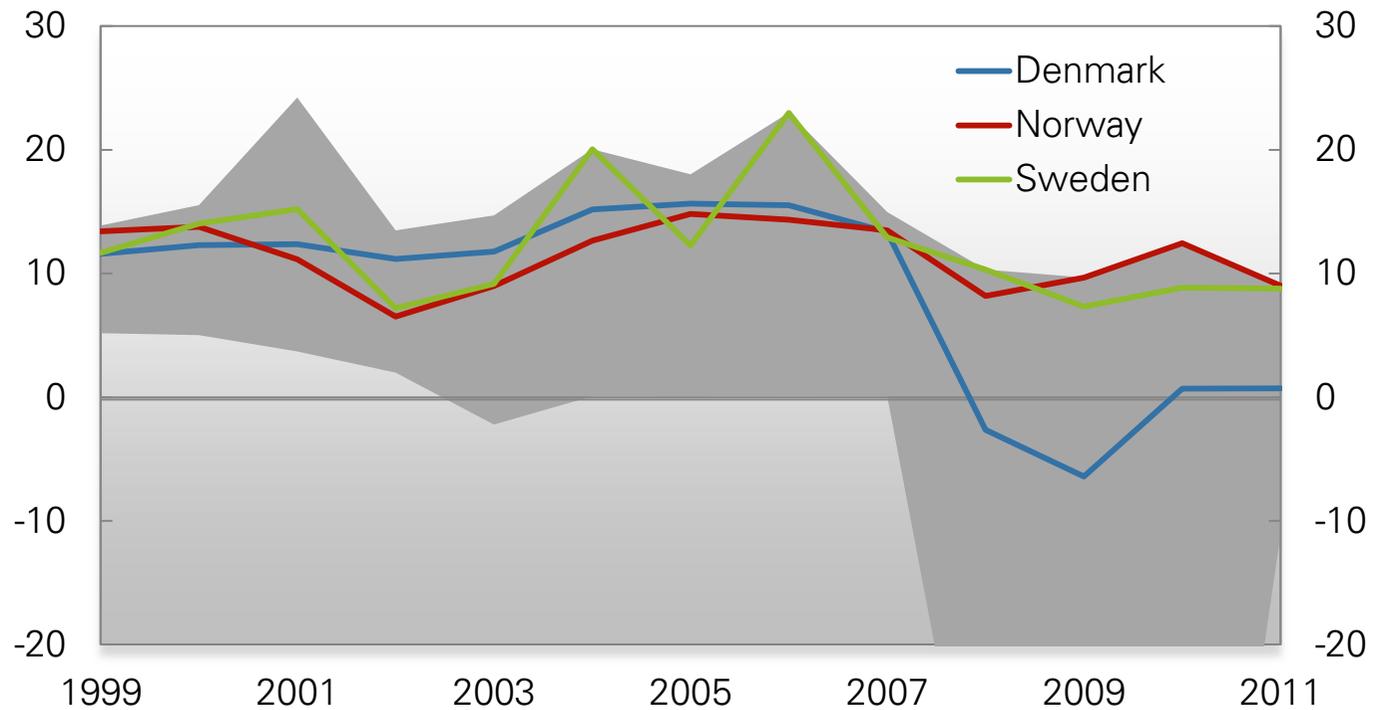


1) Static selection based on current banking structure. Includes lending from all banks and covered bond mortgage companies in Norway.

Source: Norges Bank

Chart 2.21 Banks' return on equity.¹⁾

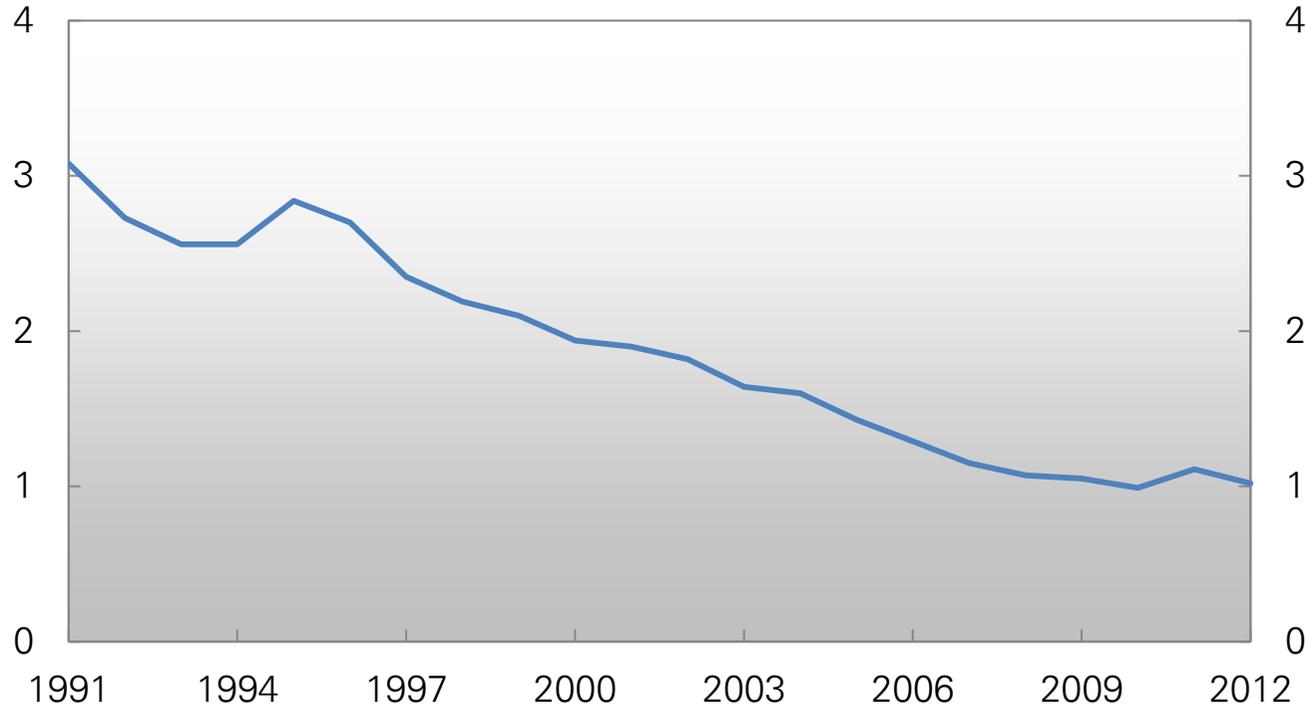
Net after-tax income relative to book value of shareholder equity. 1999–2011



1) The shaded area is the difference between the maximum and minimum return on bank equity in Belgium, Denmark, Finland, Ireland, Netherlands, Norway, Sweden, Germany, the UK and the US. In general, branches of foreign banks are not included, while foreign branches of domestic banks are included. For more details, see Chart 2.9 in Norges Bank *Staff Memo* 18/2013.

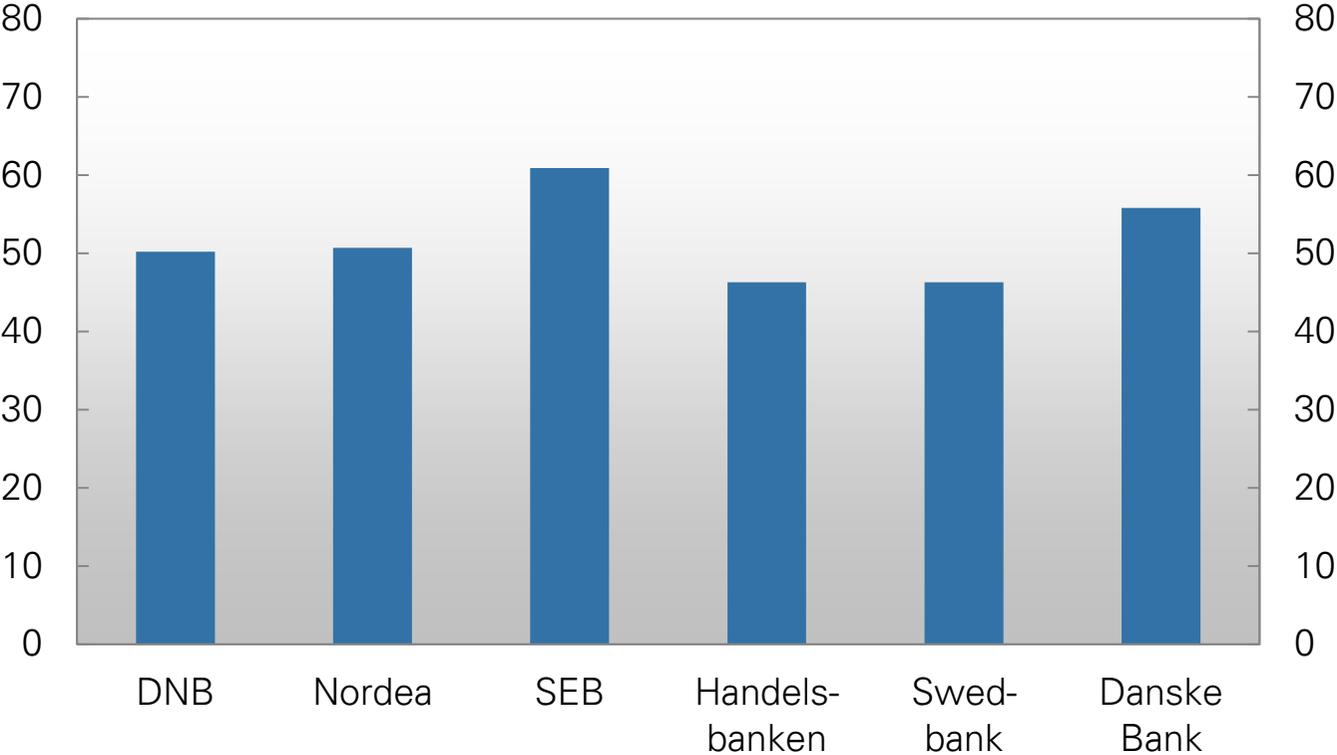
Sources: OECD and national sources

Chart 2.22 Banks¹⁾ operating expenses as a share of average total assets.
Percent. 1991–2012



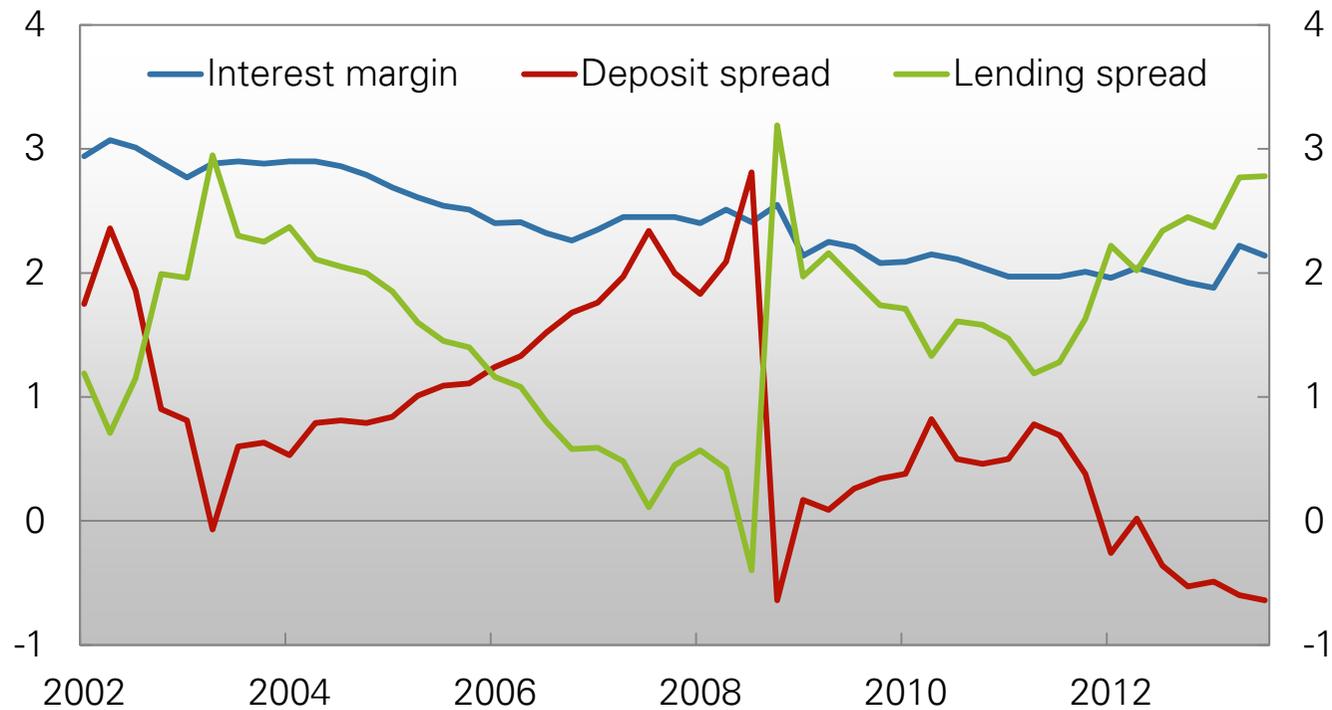
1) All banks excluding branches of foreign banks in Norway.
Source: Norges Bank

Chart 2.23 Operating expenses as a share of net income. Percent. 2012



Source: Banks' financial statements

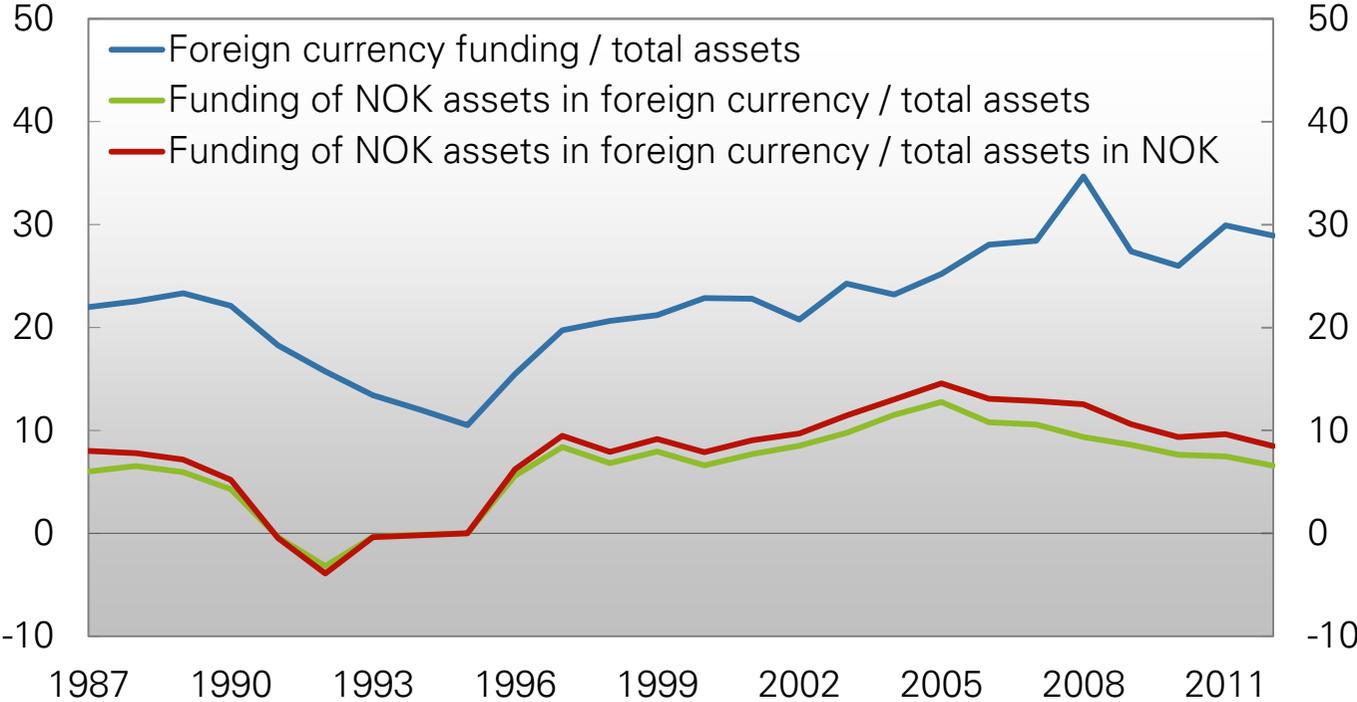
Chart 2.24 Banks' and mortgage companies' interest margins¹⁾ for households.
Percent. 2002 Q1 – 2013 Q3



1) Interest margin = lending rate - deposit rate. Lending spread = lending rate - NIBOR 3-month effective rate. Deposit spread = NIBOR 3-month effective rate - deposit rate.
Sources: Statistics Norway and Norges Bank

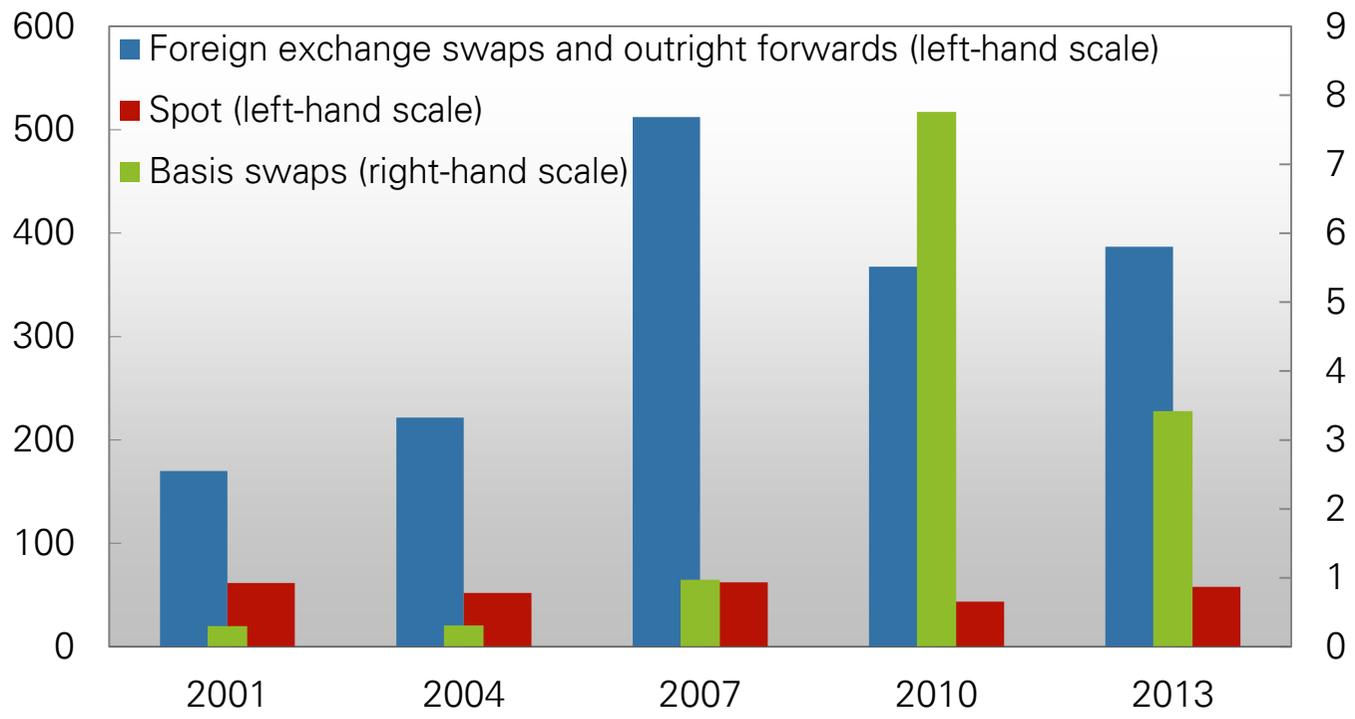
Box 1

Chart 1 Foreign currency funding as a share of assets. Norwegian banks and covered bond mortgage companies. Percent. 1987–2012



Source: Norges Bank

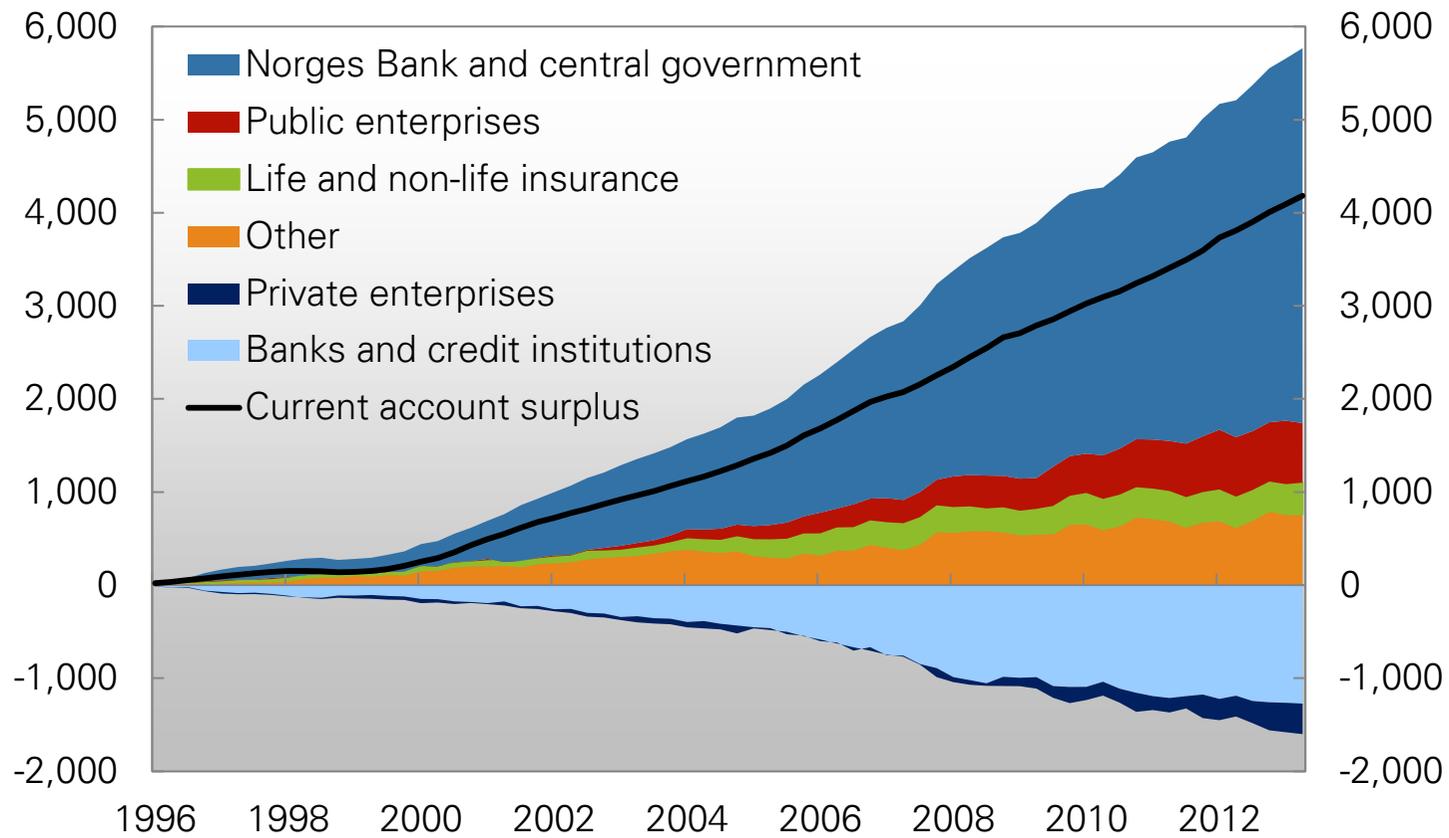
Chart 2 Total turnover in the foreign exchange market in April, by instrument. In billions of USD. 2001–2013



Source: Norges Bank

Box 2

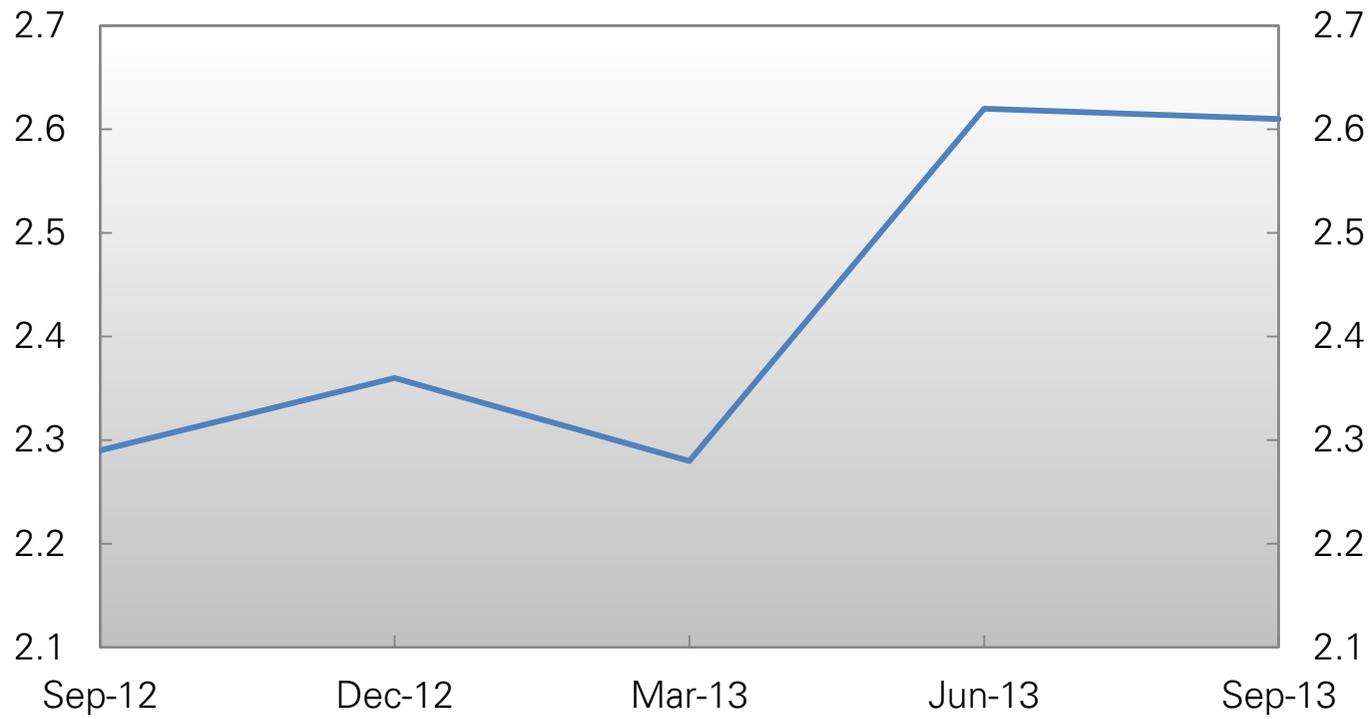
Chart 1 Net capital outflows from all sectors in Norway.
Cumulative. In billions of NOK. 1996 Q1 – 2013 Q2



Source: Statistics Norway

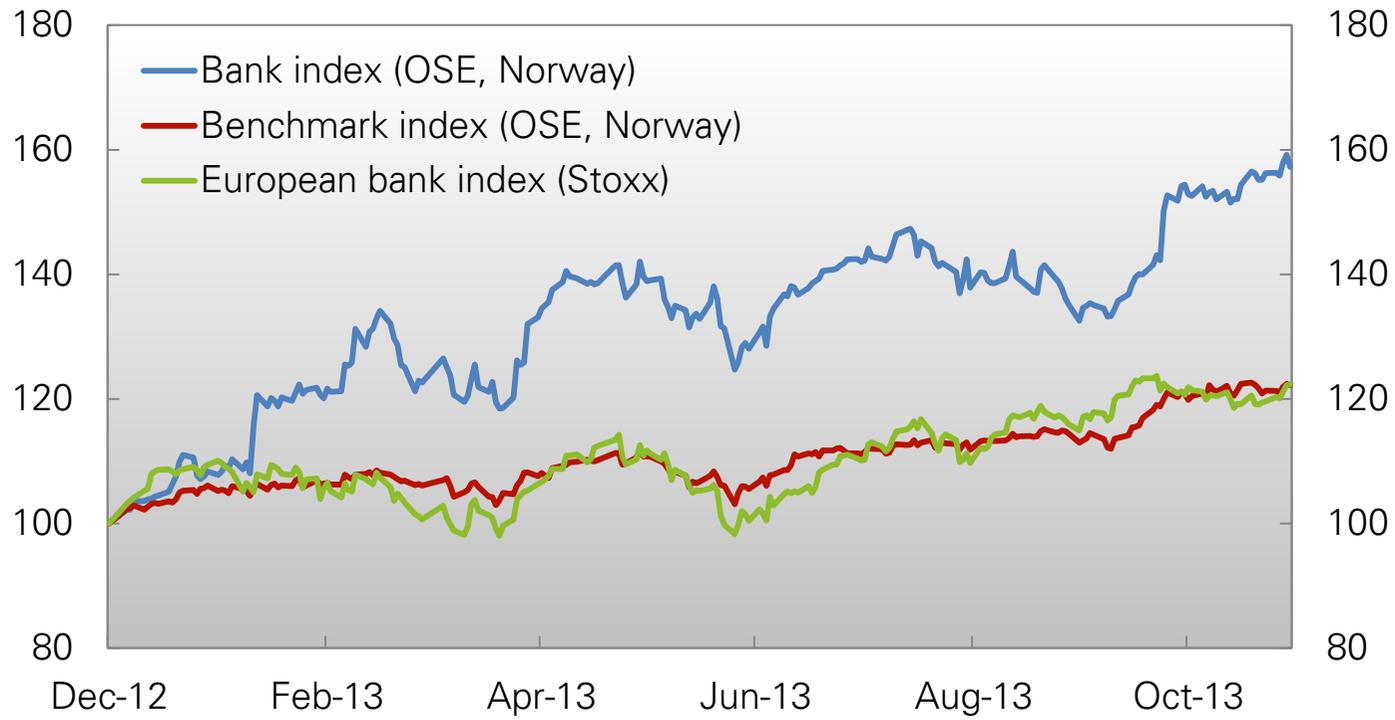
Box 3

Chart 1 Lending spread for banks and mortgage companies.
Percent. 2012 Q3 – 2013 Q3



Source: Statistics Norway

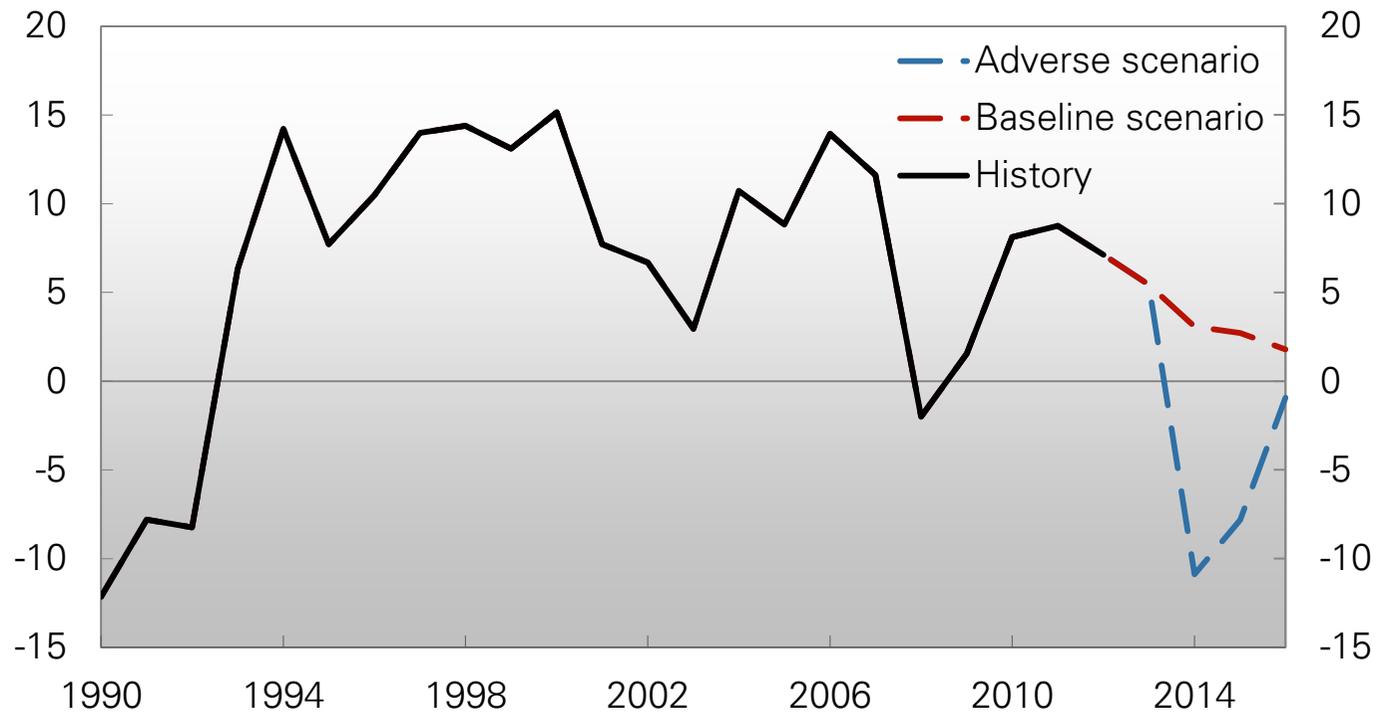
Chart 2 Total return for the benchmark index and bank indexes.
Indexed, 28 December = 100. 28 December 2012 – 29 November 2013



Source: Thomson Reuters

Chapter 3

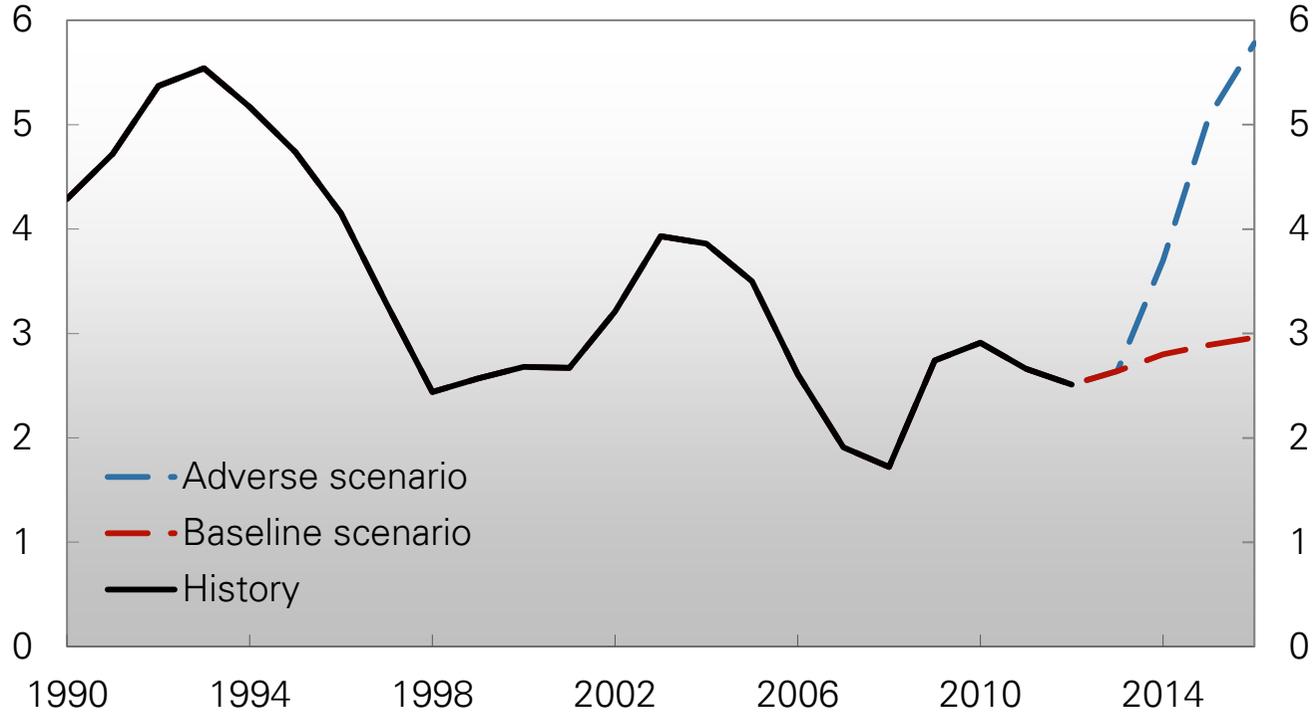
Chart 3.1a House prices in baseline and adverse scenario.
Annual change. Percent. 1990–2016¹⁾



1) Projections for 2013–2016.

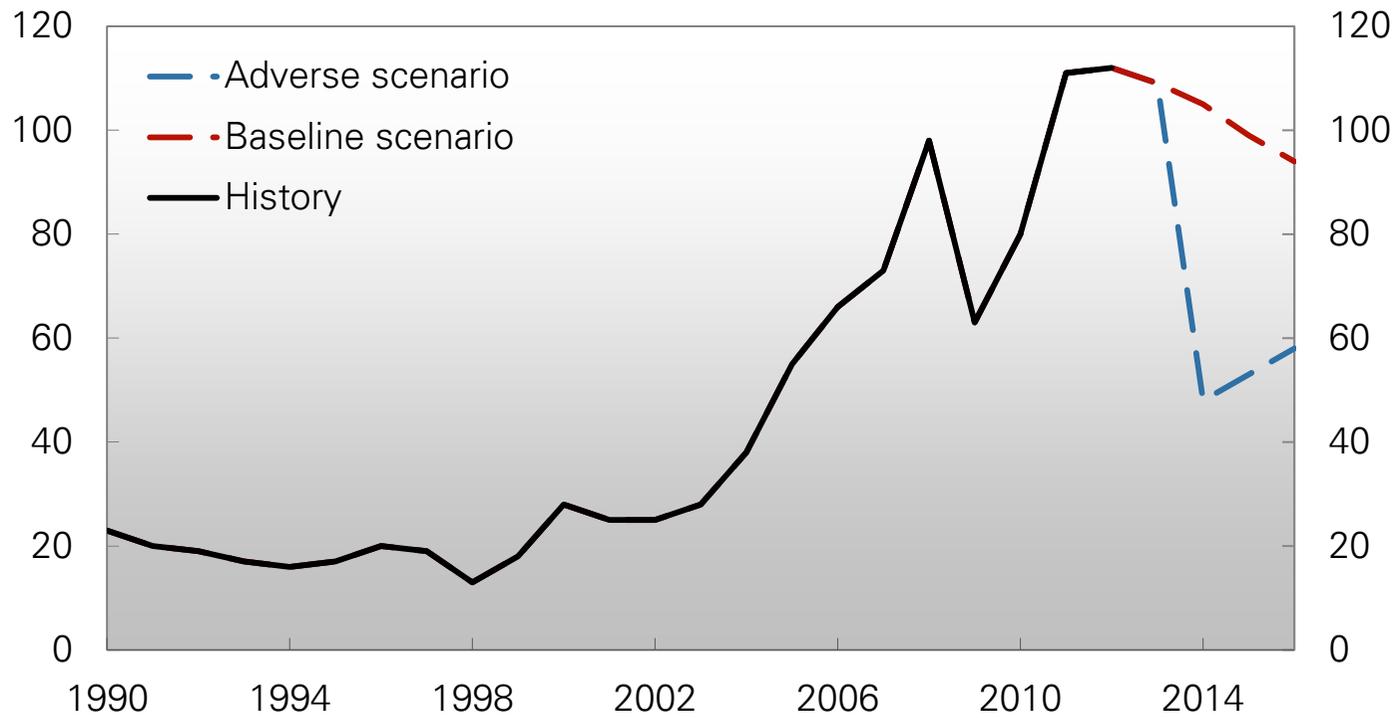
Sources: Realtor industry (NEF, EEF, FINN.no and Eiendomsverdi) and Norges Bank

Chart 3.1b Registered unemployment in baseline and adverse scenario.
Percentage of labour force. 1990–2016¹⁾



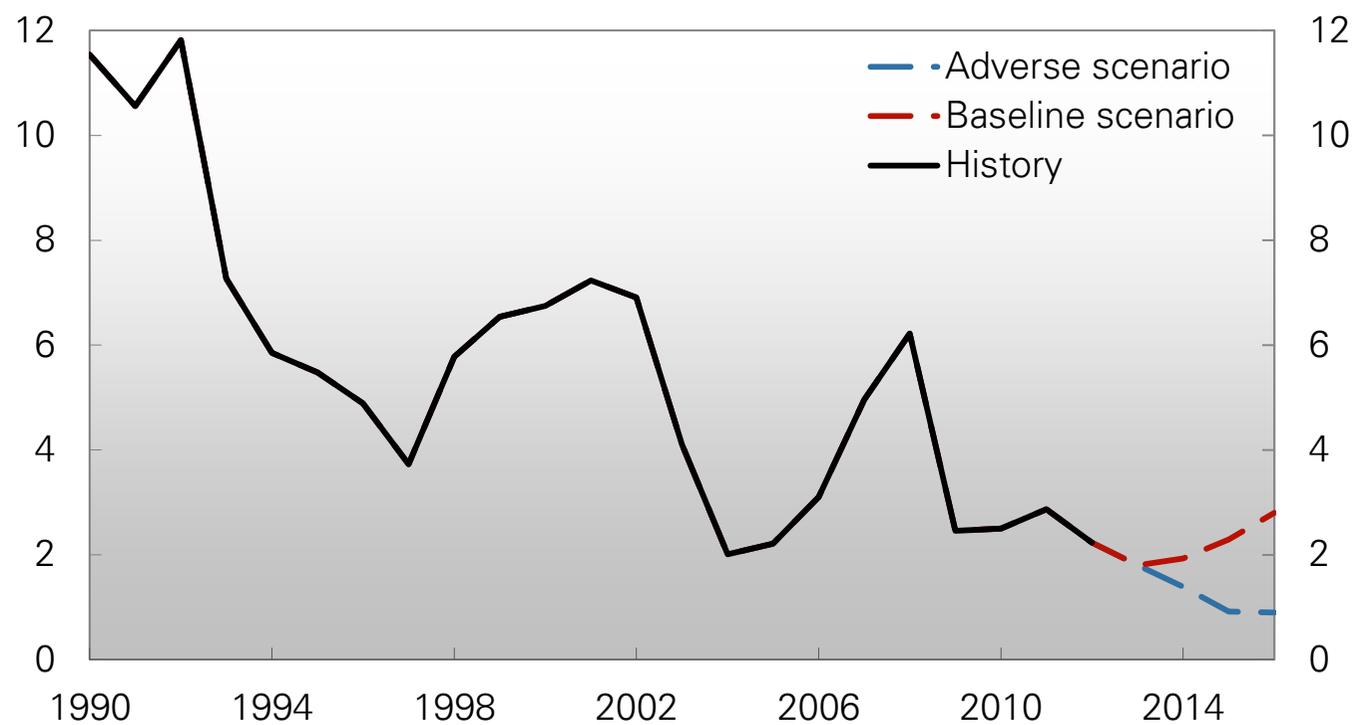
1) Projections for 2013–2016.
Sources: Statistics Norway and Norges Bank

Chart 3.1c Oil price Brent Blend in baseline and adverse scenario.
USD per barrel. 1990–2016¹⁾



1) Projections for 2013–2016.
Sources: Thomson Reuters and Norges Bank

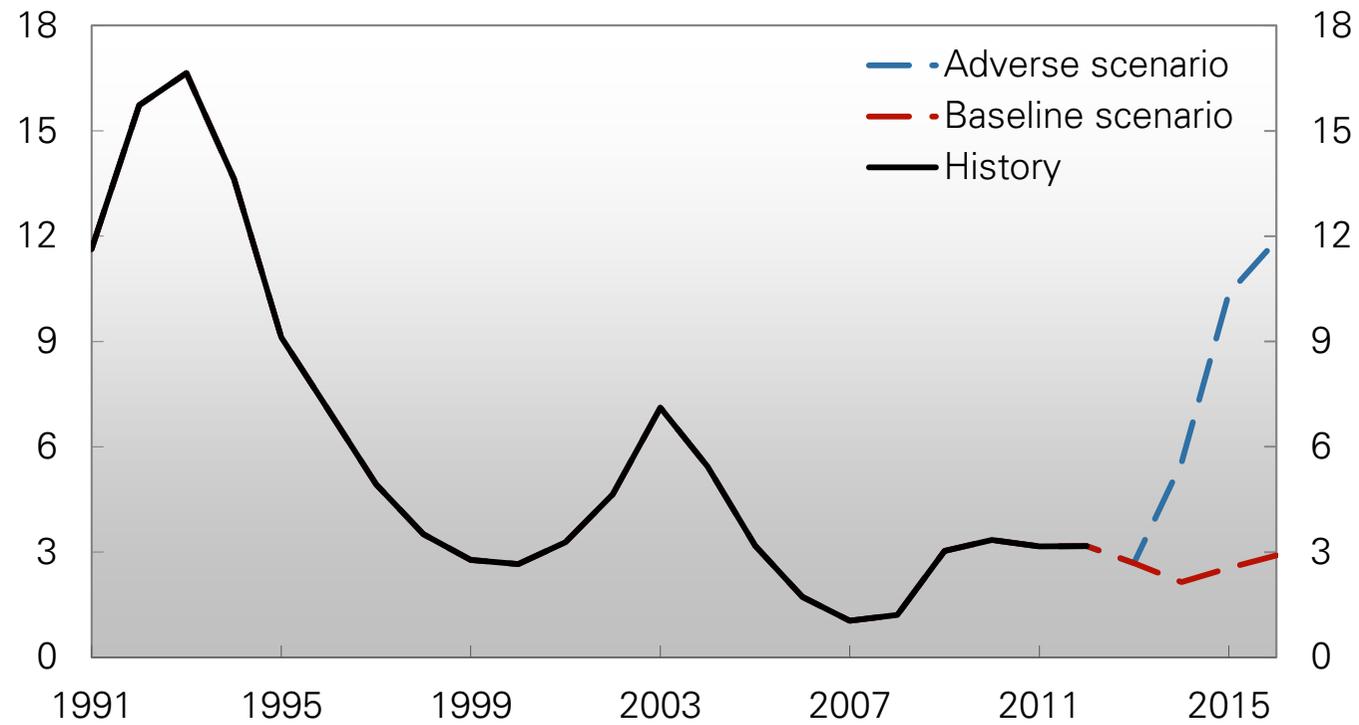
Chart 3.1d Money market rate in baseline and adverse scenario.
Percent. 1990–2016¹⁾



1) Projections for 2013–2016.

Source: Norges Bank

Chart 3.2 Banks¹⁾ problem loans to non-financial enterprises in baseline and adverse scenario. Percentage of lending to the sector. 1991–2016²⁾

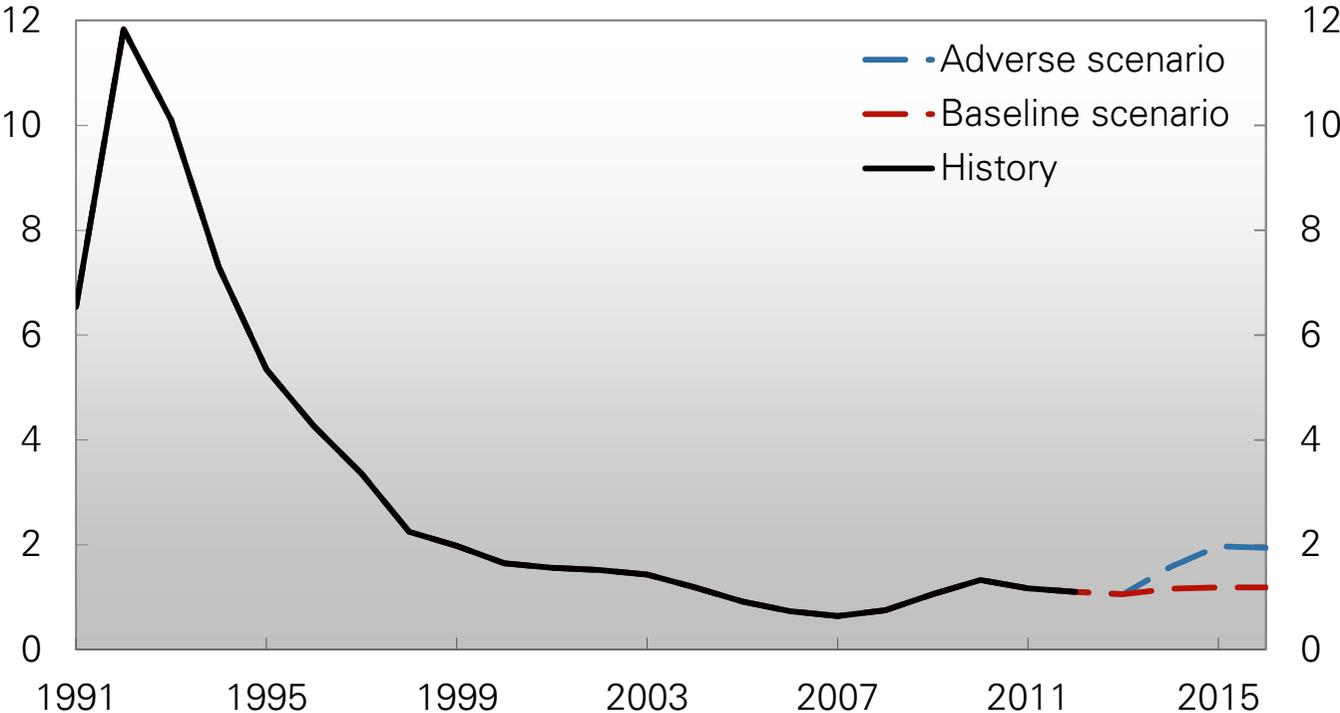


1) All banks in Norway.

2) Projections for 2013–2016.

Sources: Statistics Norway and Norges Bank

Chart 3.3 Banks¹⁾ problem loans to households in baseline and adverse scenario. Percentage of lending to the sector. 1991–2016²⁾

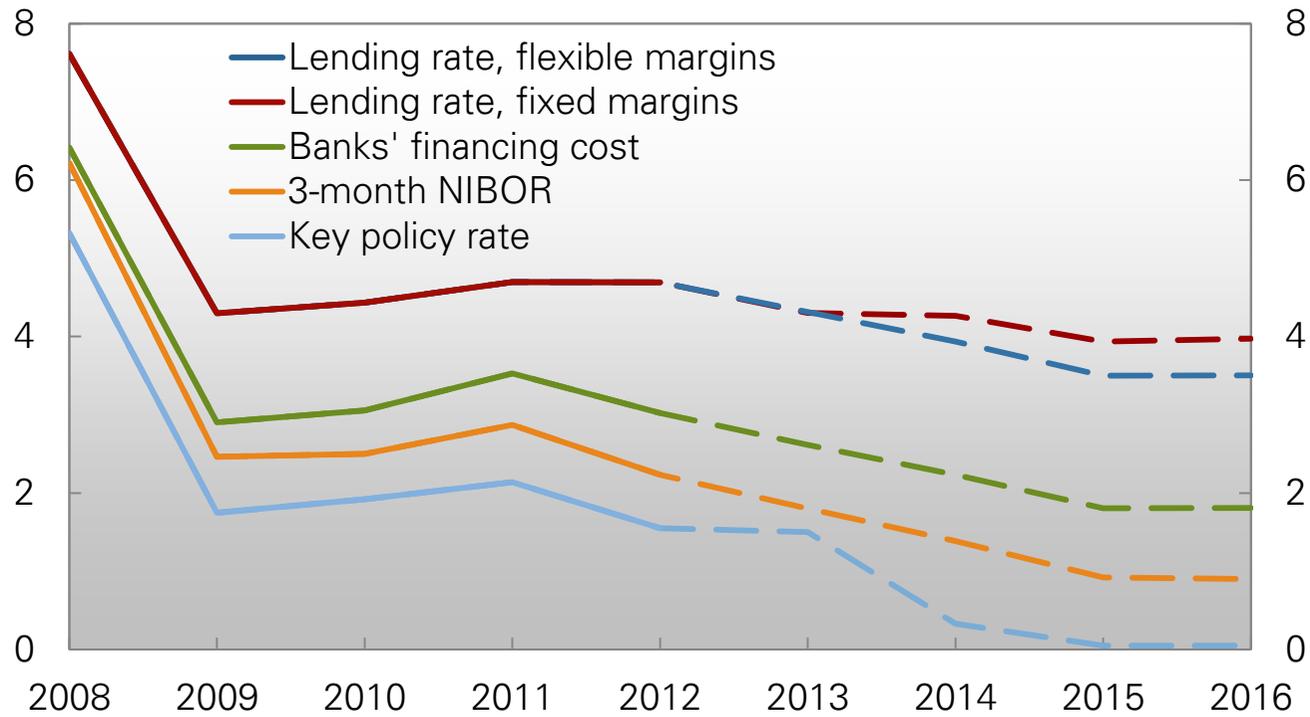


1) All banks and mortgage companies in Norway.

2) Projections for 2013–2016.

Sources: Statistics Norway and Norges Bank

Chart 3.4 Banks' ¹⁾ lending rate, financing cost, 3-month NIBOR and the key policy rate in the adverse scenario. Percent. 2008–2016 ²⁾

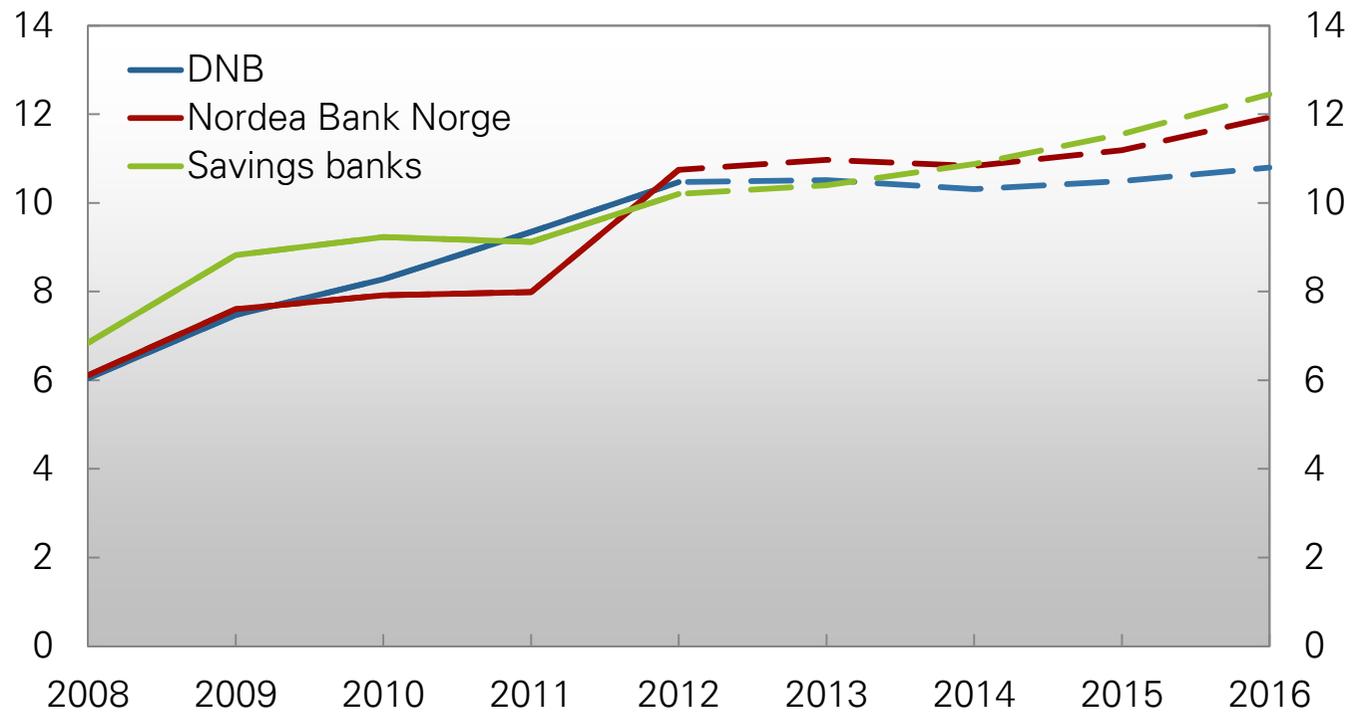


1) Weighted average for the stress-tested banks.

2) Projections for 2013–2016.

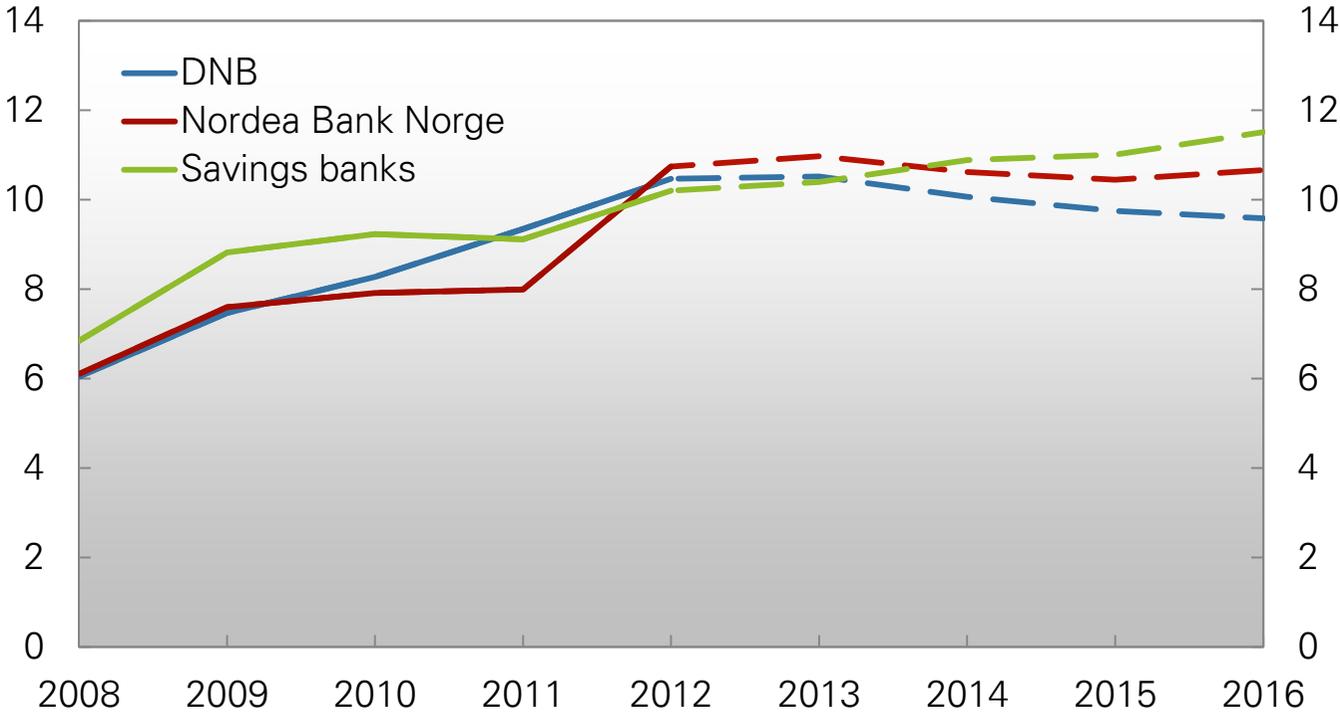
Sources: SNL Financial and Norges Bank

Chart 3.5 Common Equity Tier 1 with flexible interest margins in the adverse scenario. Percent. 2008–2016¹⁾



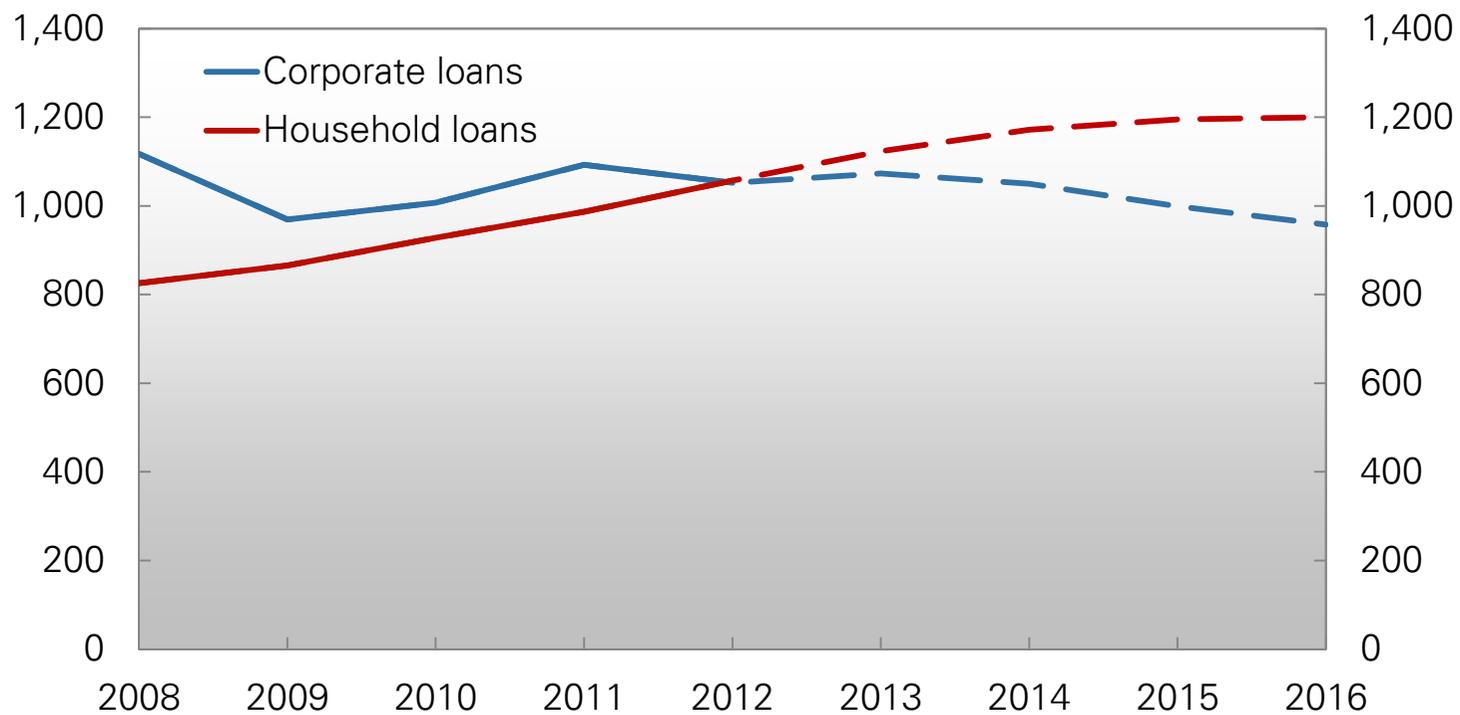
1) Projections for 2013–2016.
Sources: SNL Financial and Norges Bank

Chart 3.6 Common Equity Tier 1 with fixed interest margins in the adverse scenario. Percent. 2008–2016¹⁾



1) Projections for 2013–2016.
Sources: SNL Financial and Norges Bank

Chart 3.7 Banks¹⁾ loans to enterprises and households.
In billions of NOK. 2008–2016²⁾

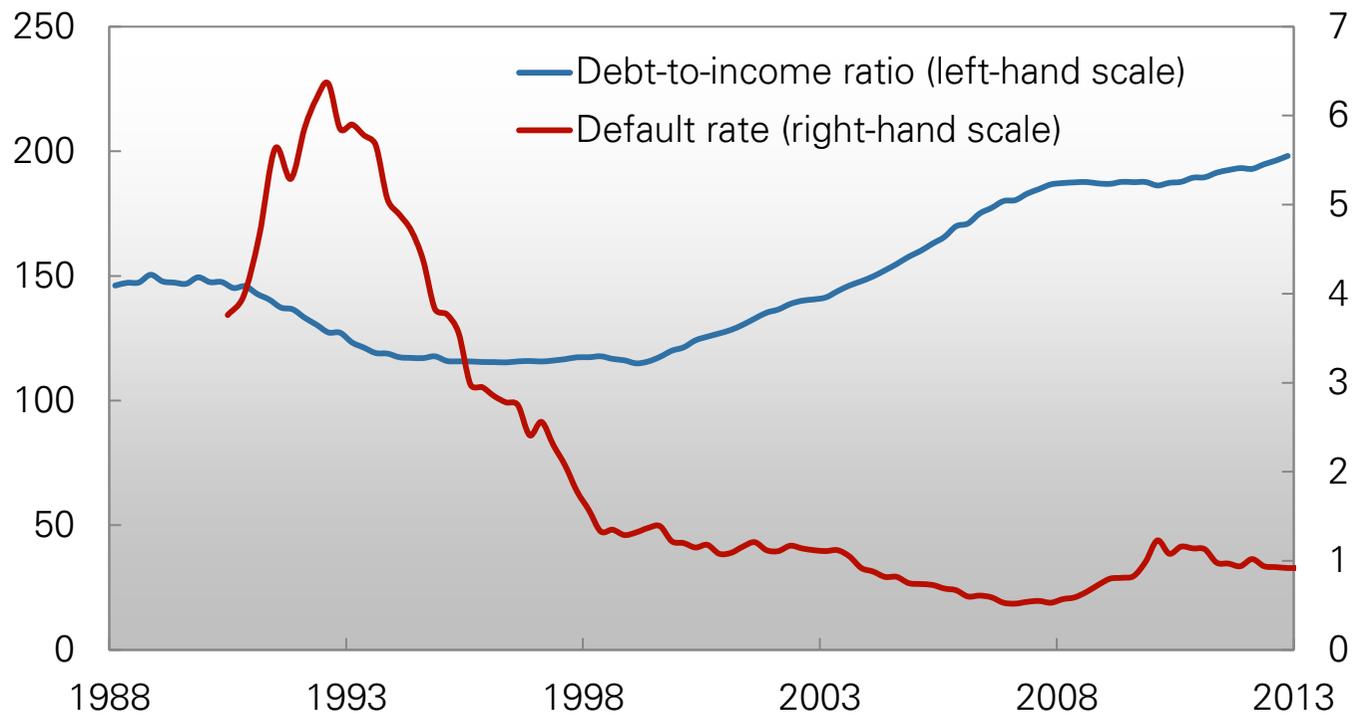


1) Weighted average for the stress-tested banks.

2) Projections for 2013–2016.

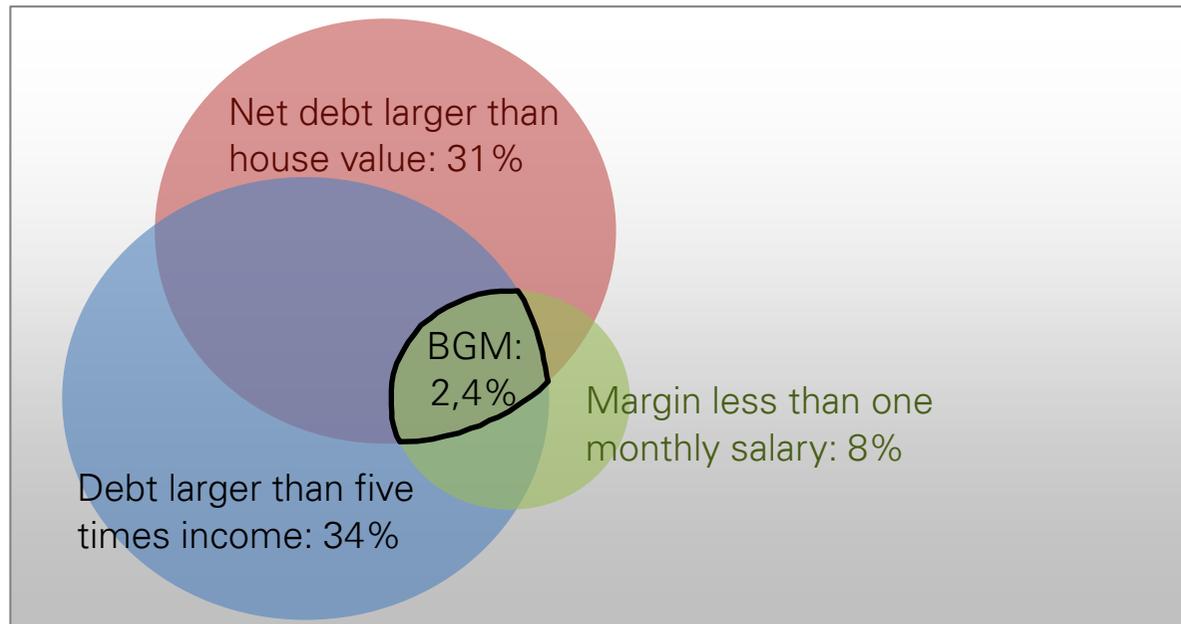
Sources: SNL Financial and Norges Bank

Chart 1 Default as a percentage of total loans to retail market from banks and mortgage companies. Debt as a share of disposable income. 1988–2013



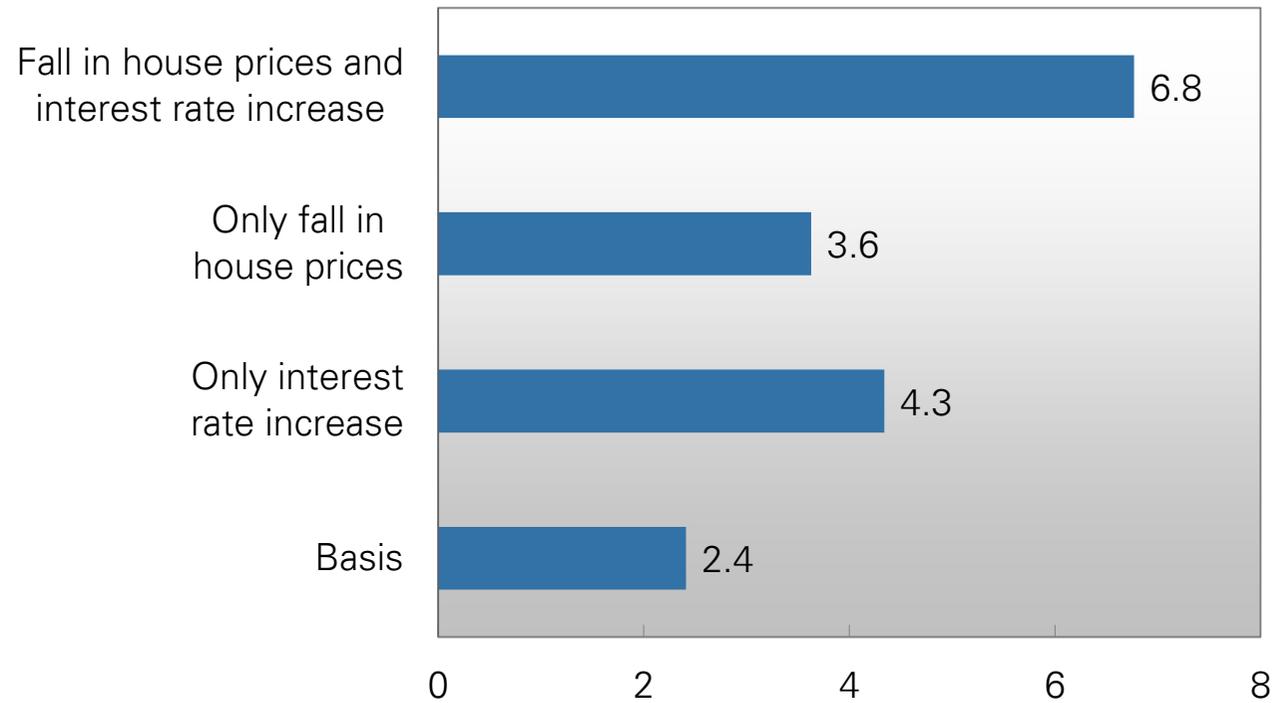
Sources: Statistics Norway and Norges Bank

Chart 2 Debt of exposed households using three criteria.
Percent of total debt. 2011



Sources: Statistics Norway and Norges Bank

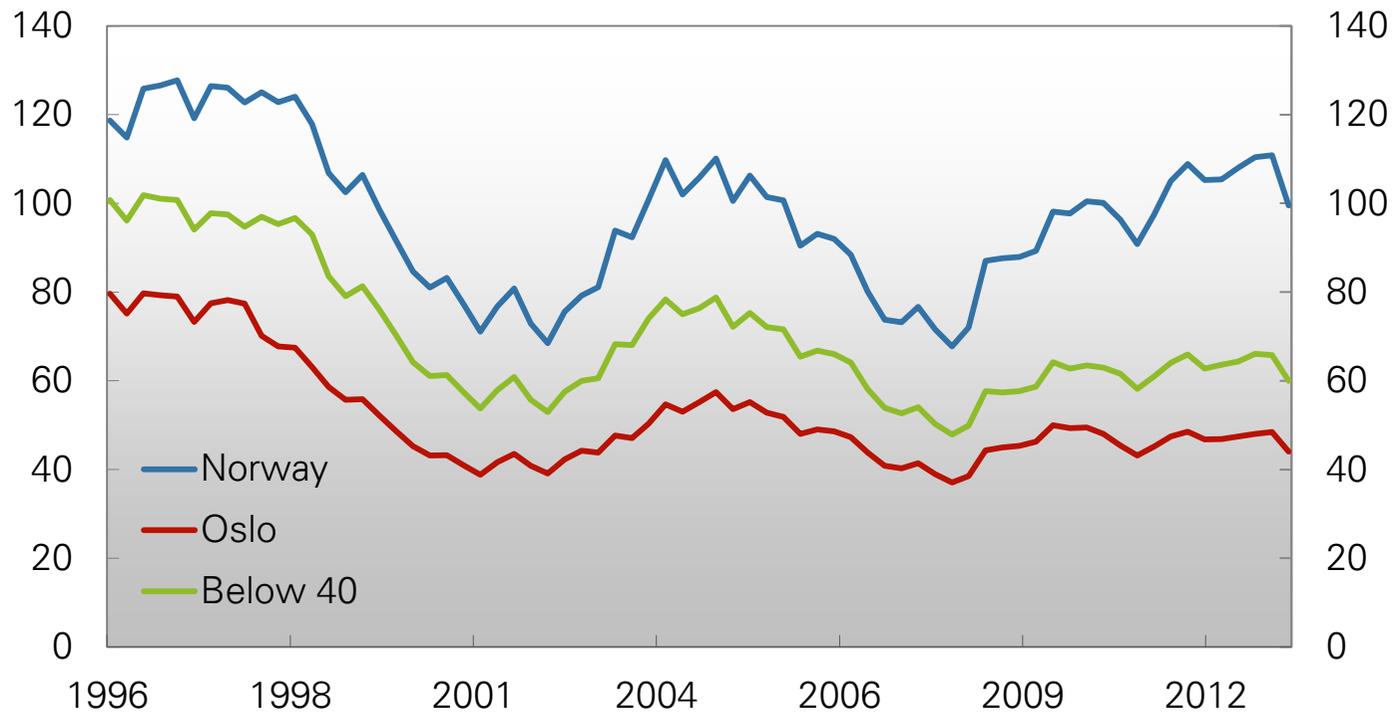
Chart 3 Debt of households that breaches debt burden, margin and collateral criteria (see Chart 2).
Sensitivity analysis. Percentage of total debt. 2011



Sources: Statistics Norway and Norges Bank

Box 4

Chart 1 Housing affordability. Indicator. 1995 Q4 – 2013 Q2



Sources: Statistics Norway, Norwegian Association of Real Estate Agents (NEF), Eiendomsmeglerforetakenes forening (Eff), Finn.no, Eiendomsverdi and Norges Bank

Chapter 4

Chart 1 Bank's balance sheet when using bail-in

A. Before losses

| | | | |
|-------|-----|-----|-------------------|
| Loans | 100 | 93 | Debt |
| | | 2 | Subordinated debt |
| | | 5 | Equity |
| SUM | 100 | 100 | |

B. After losses

| | | | |
|--------|-----|----|--------------------|
| Loans | 100 | 91 | Debt ¹⁾ |
| Losses | -9 | | |
| | | 0 | Subordinated debt |
| | | 0 | Equity |
| SUM | 91 | 91 | |

C. After resolution

| | | | |
|-------|----|----|--------------------|
| Loans | 91 | 84 | Debt ²⁾ |
| | | 0 | Subordinated debt |
| | | 7 | Equity |
| SUM | 91 | 91 | |

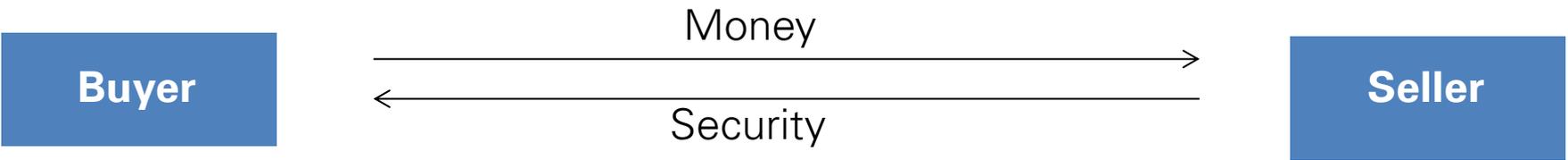
1) Written down by 2 to cover losses

2) 7 is converted to new equity

Box 5

Chart 1 Securities trading with central counterparty

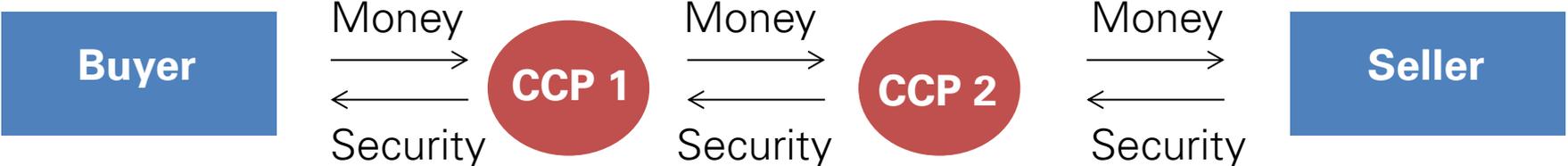
Without central counterparty



With central counterparty



With several central counterparties



Source: Norges Bank