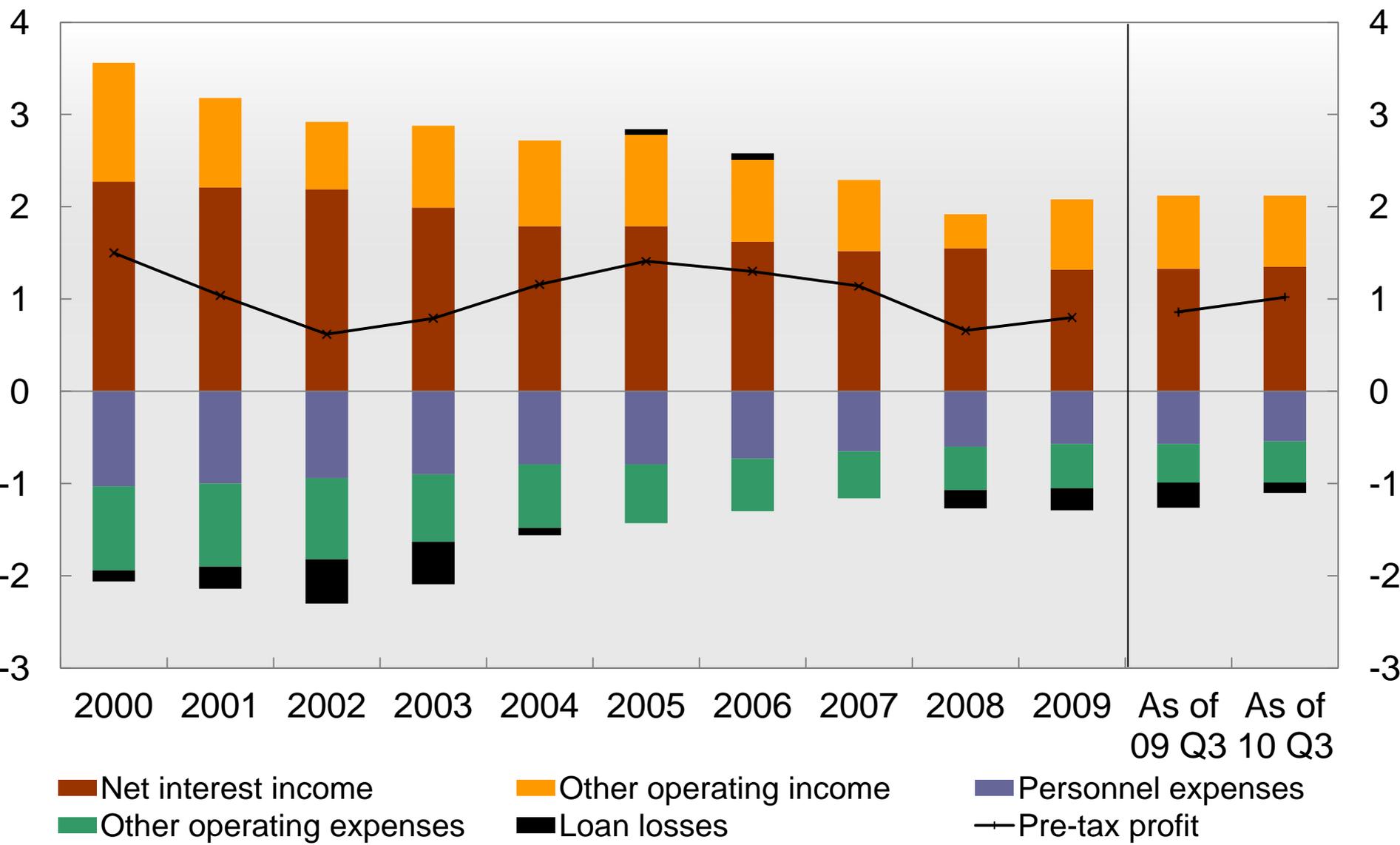


# Financial Stability 2/10

*Charts*

# Chapter 1

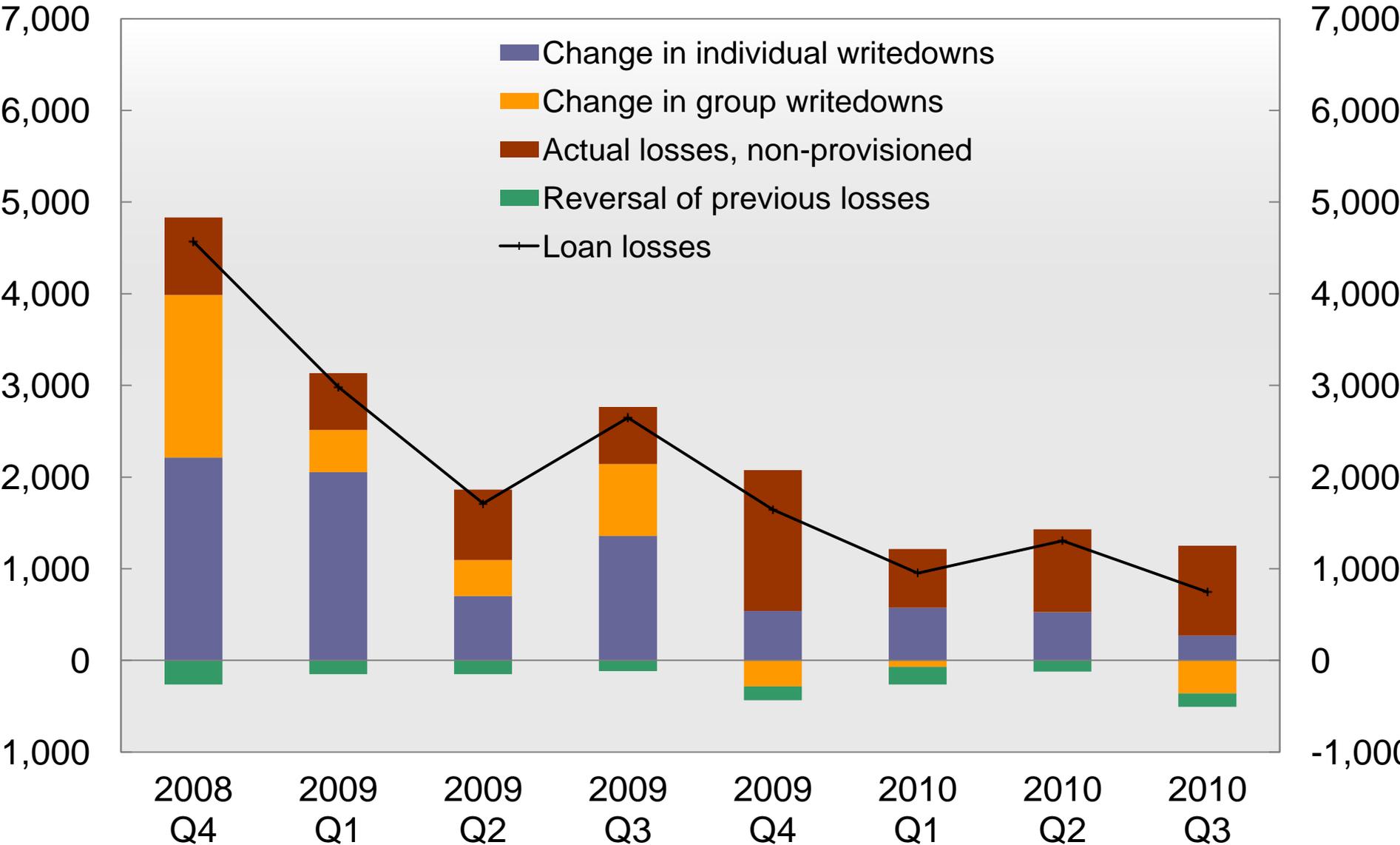
Chart A.1 Banks'¹) pre-tax profits as a percentage of average total assets. Annual figures. 2000 – 2009. Three first quarters of 2009 and 2010



1) All banks excluding branches of foreign banks in Norway

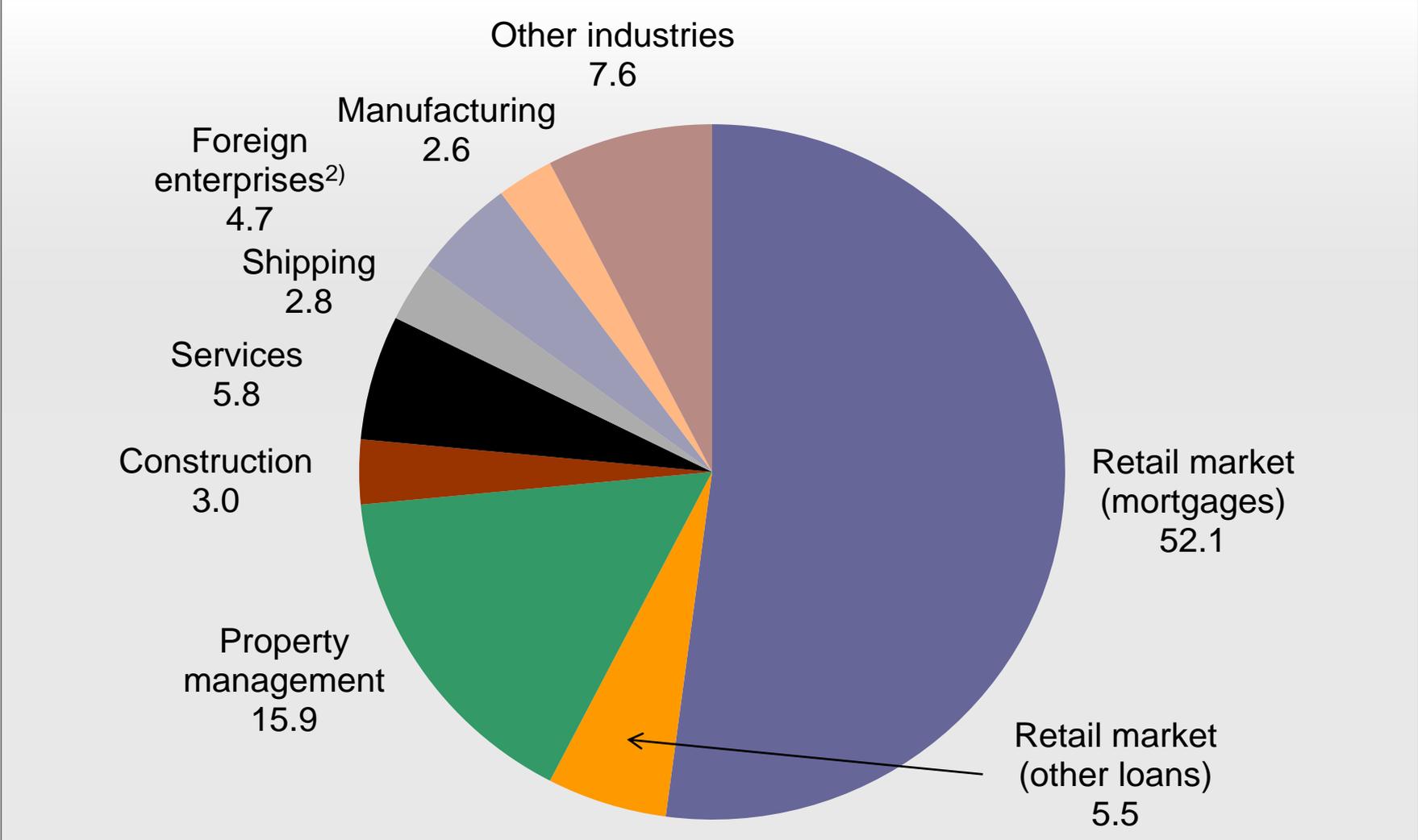
Source: Norges Bank

Chart A.2 Components of banks'1) recognised loan losses. In millions of NOK. Quarterly figures. 2008 Q4 – 2010 Q3



1) All banks in Norway  
Source: Norges Bank

Chart A.3 Distribution of banks and OMF covered bond mortgage companies' loans to the retail market, corporate market and foreign enterprises.<sup>1)</sup> Per cent. As of 30 September 2010

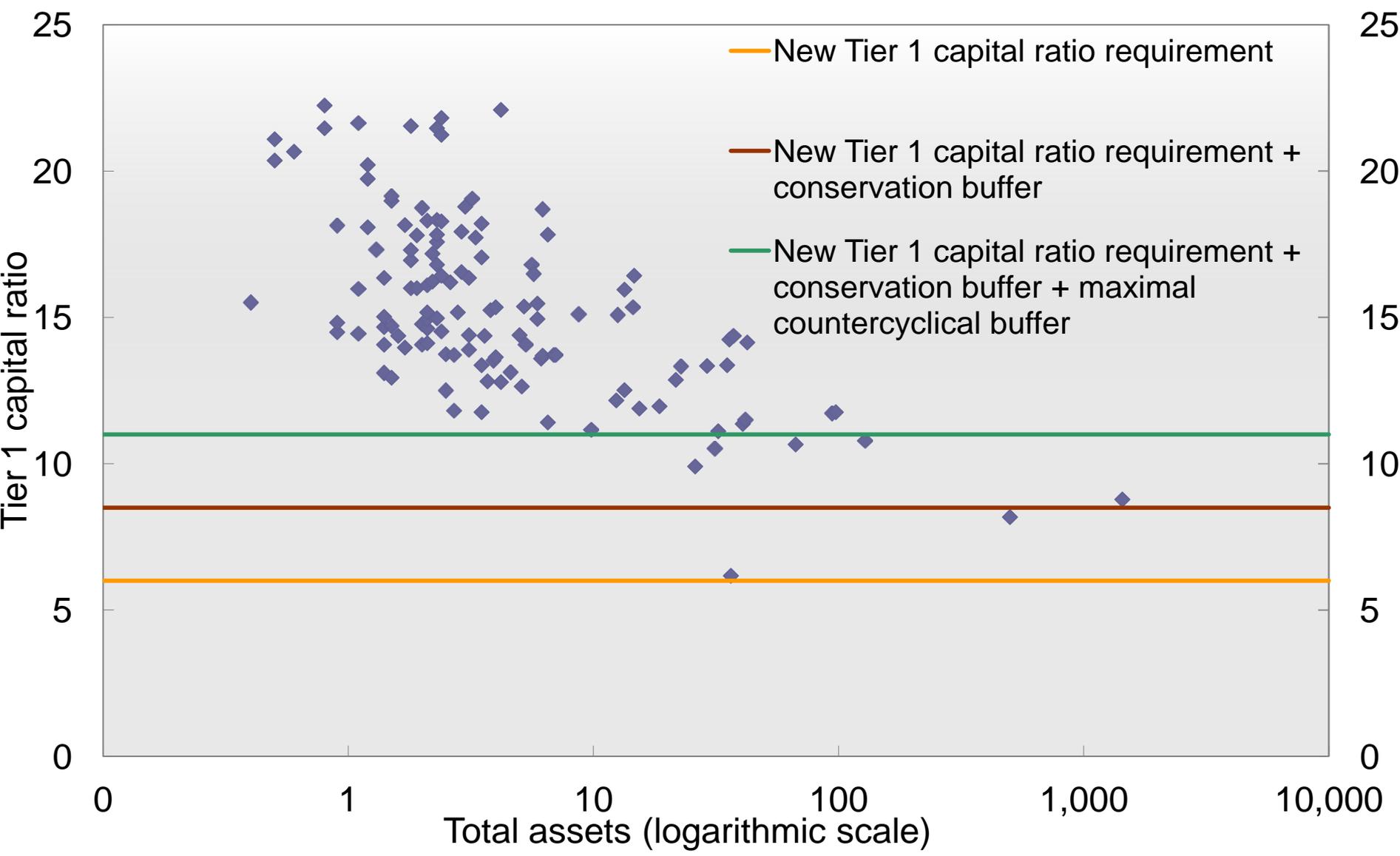


1) All banks and OMF covered bond mortgage companies in Norway

2) Shipping accounts for a large share of lending to foreign enterprises

Source: Norges Bank

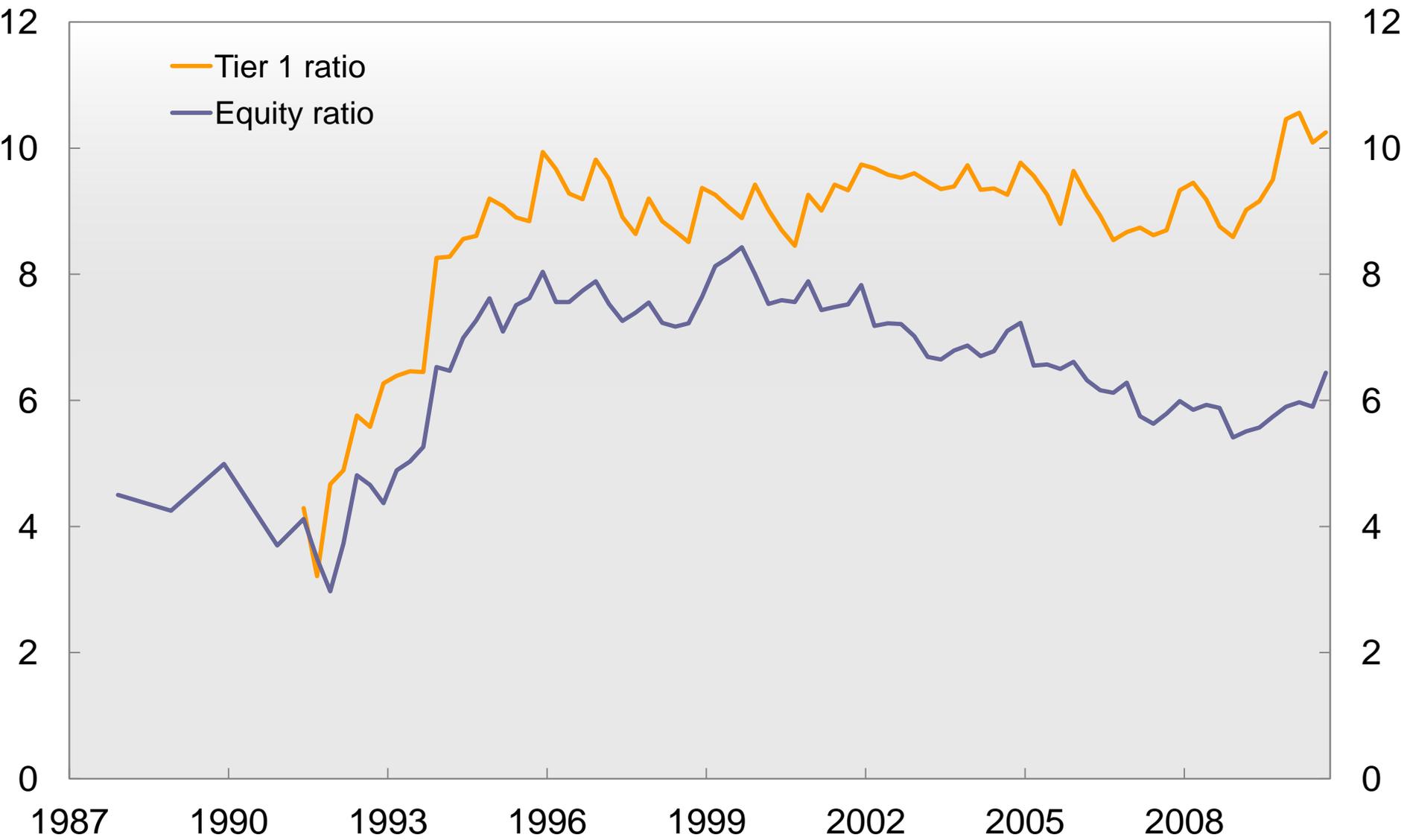
Chart A.4 Banks' Tier 1 capital ratio. Per cent. Total assets. In billions of NOK. As of 2010 Q3



1) All banks excluding branches of foreign banks in Norway

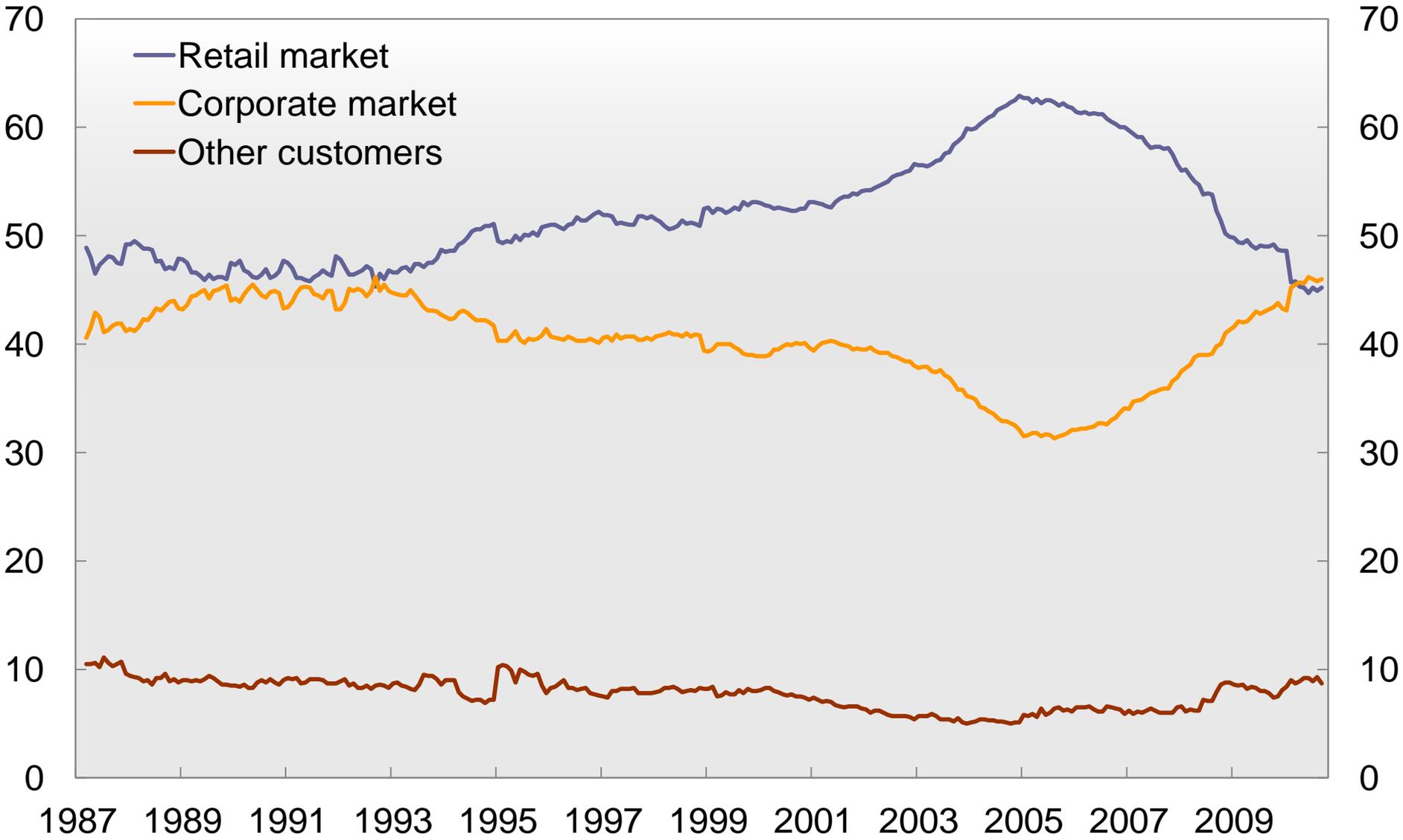
Source: Norges Bank

Chart A.5 Banks'1) Tier 1 capital ratio and equity ratio. Per cent. Quarterly figures.1987 Q4 – 2010 Q3



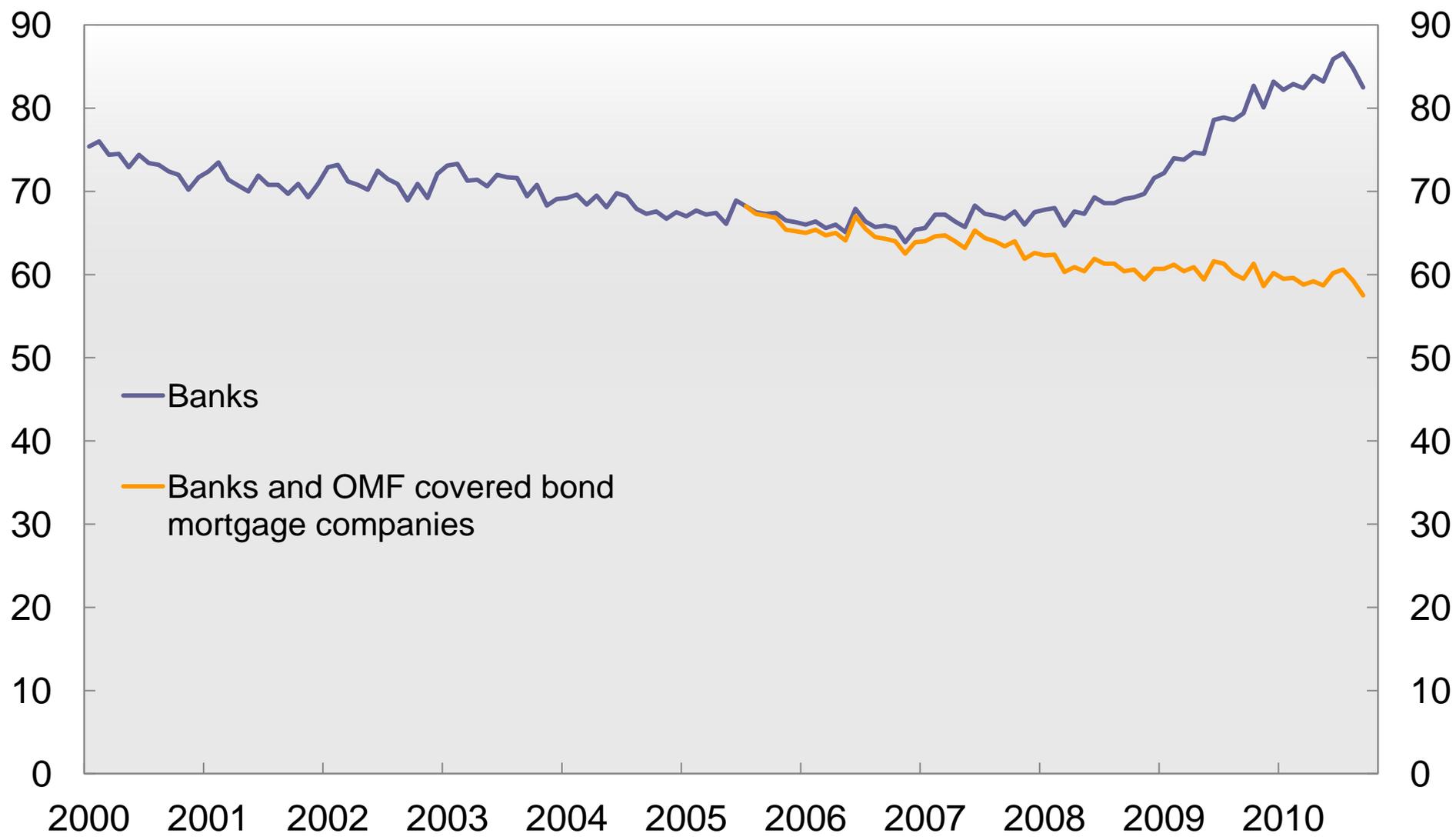
1) All banks excluding branches of foreign banks in Norway. Equity ratio prior to 1990 is for all banks  
Sources: Finanstilsynet (Financial Supervisory Authority of Norway) and Norges Bank

Chart A.6 Distribution of banks' gross lending to different customer groups. Shares in per cent. Monthly figures. March 1987 – September 2010



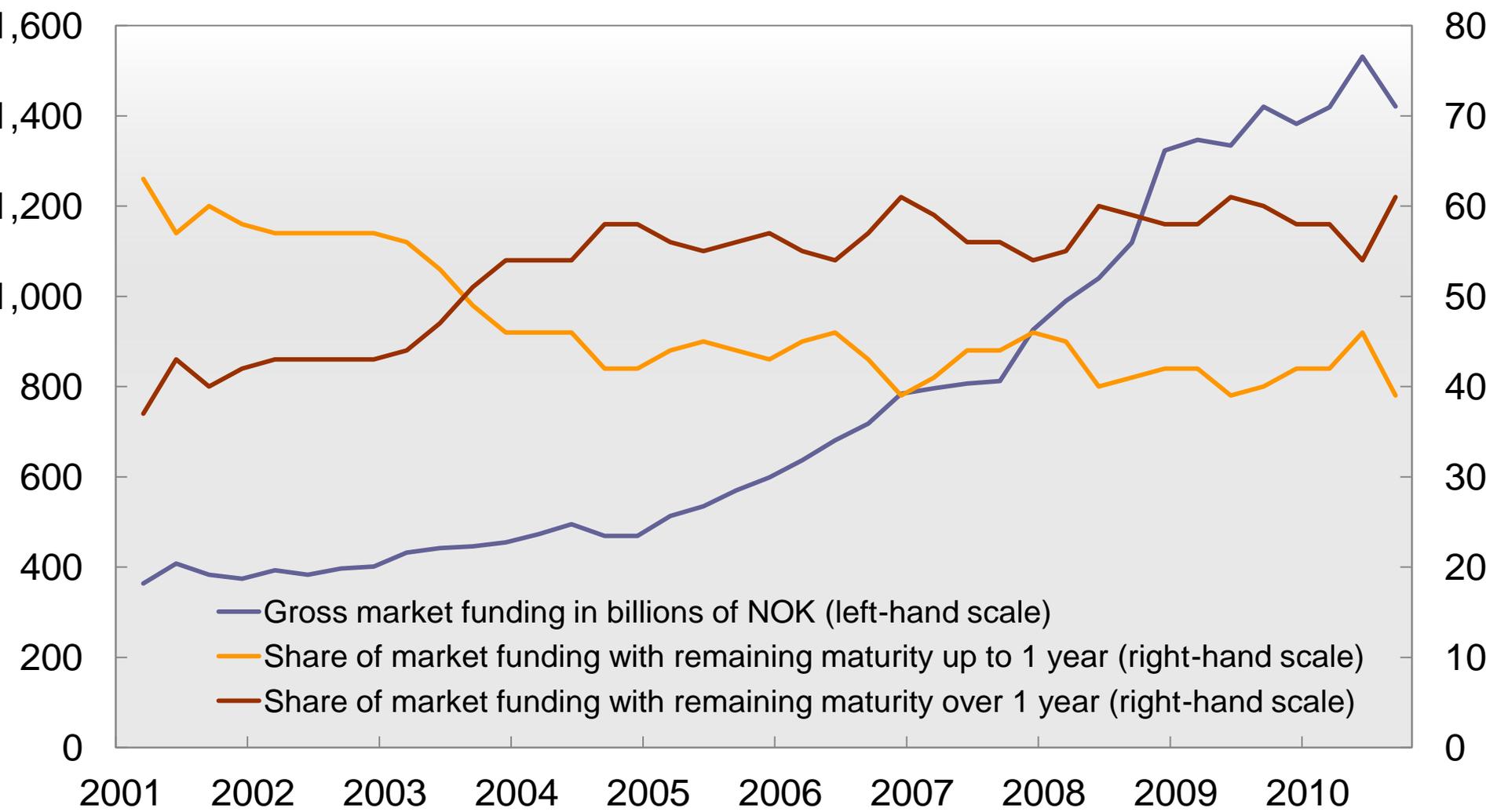
1) All banks excluding branches of foreign banks in Norway  
Source: Norges Bank

Chart A.7 Banks and OMF covered bond mortgage companies' <sup>1)</sup> deposit-to-loan ratio for customers. Per cent. Monthly figures. January 2000 – September 2010



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

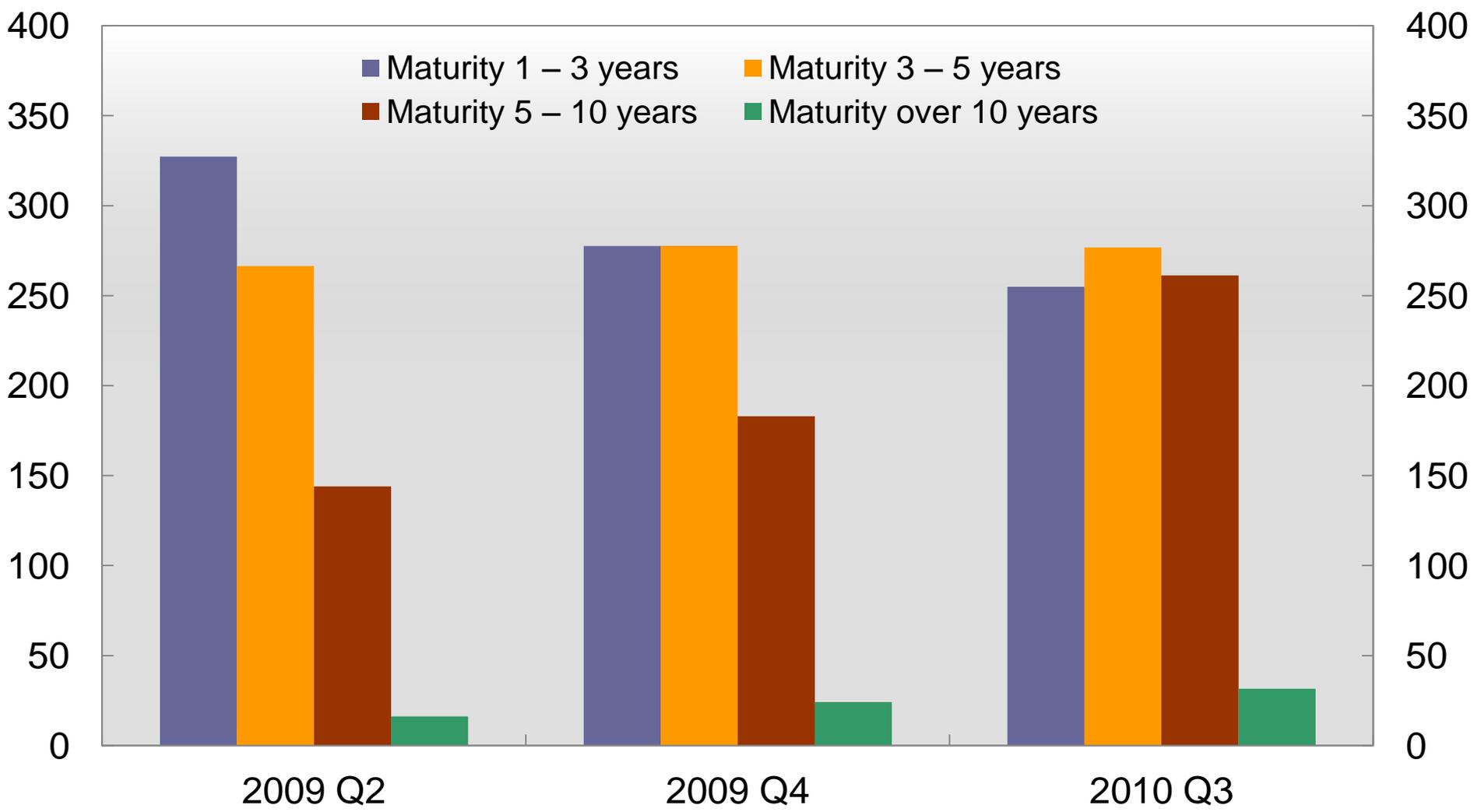
Chart A.8 Banks and OMF covered bond mortgage companies' <sup>1)</sup> gross market funding. In billions of NOK. Distribution of market funding. Per cent. Quarterly figures. 2001 Q1 – 2010 Q3



1) All banks and OMF covered bond mortgage companies excluding branches and subsidiaries of foreign banks in Norway

Source: Norges Bank

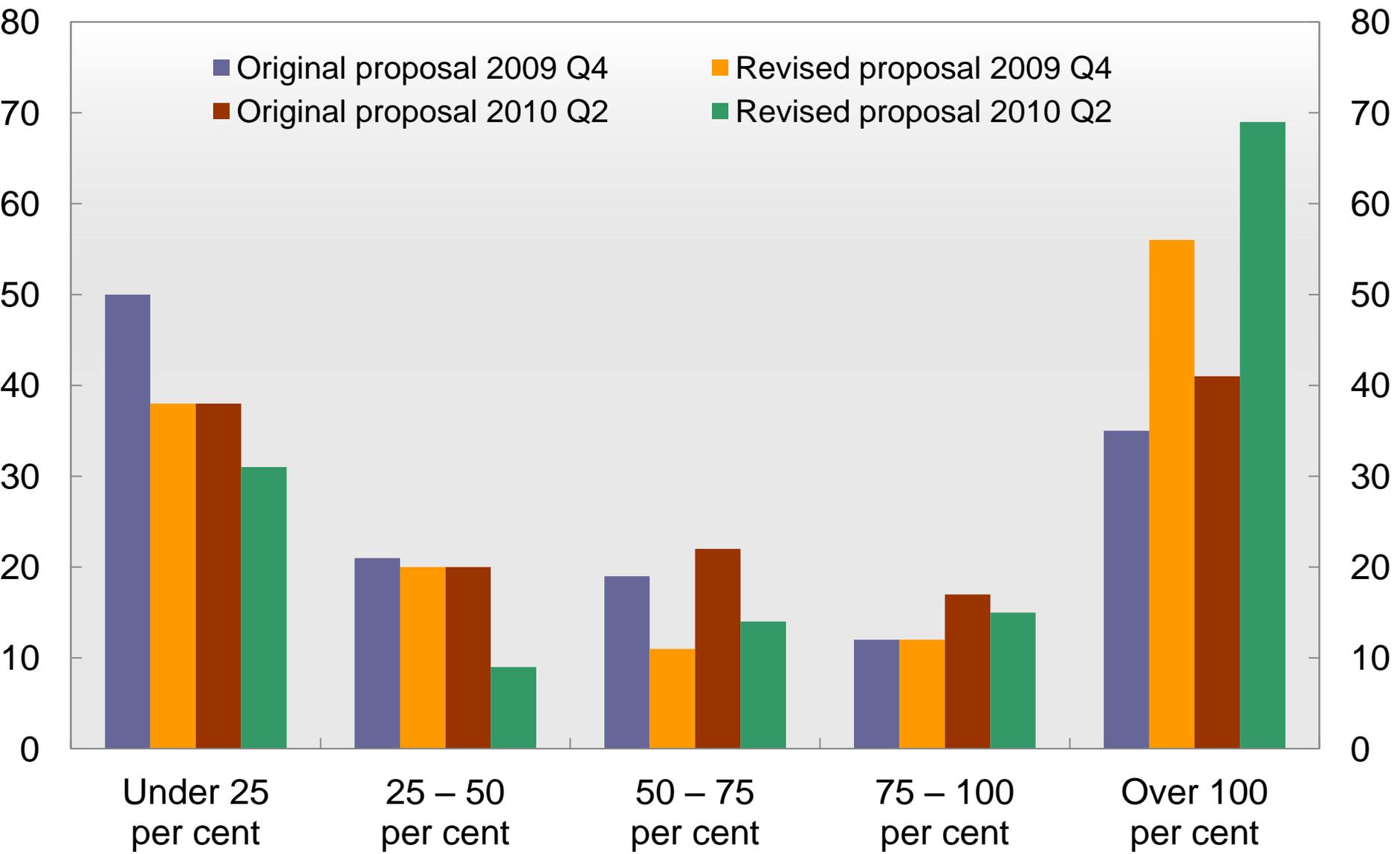
Chart A.9 Banks and OMF covered bond mortgage companies' <sup>1)</sup> long-term bond financing by remaining maturity. In billions of NOK. As of 2009 Q2 and Q4 and 2010 Q3



1) All banks and OMF covered bond mortgage companies excluding branches and subsidiaries of foreign banks in Norway

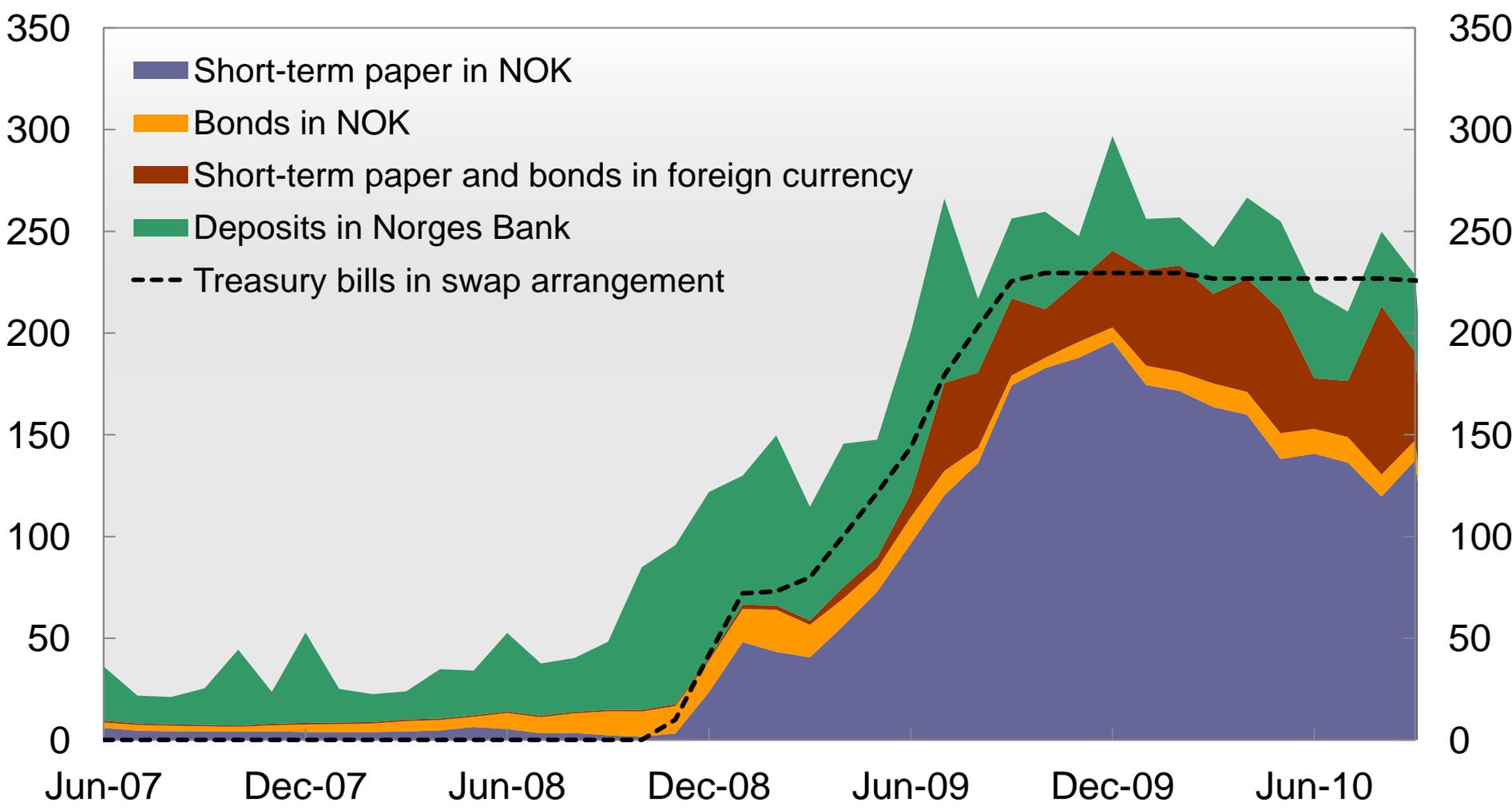
Source: Norges Bank

Chart A.10 Banks' liquid assets as a percentage of required liquid assets. Number of banks. As of 2009 Q4 and 2010 Q2



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

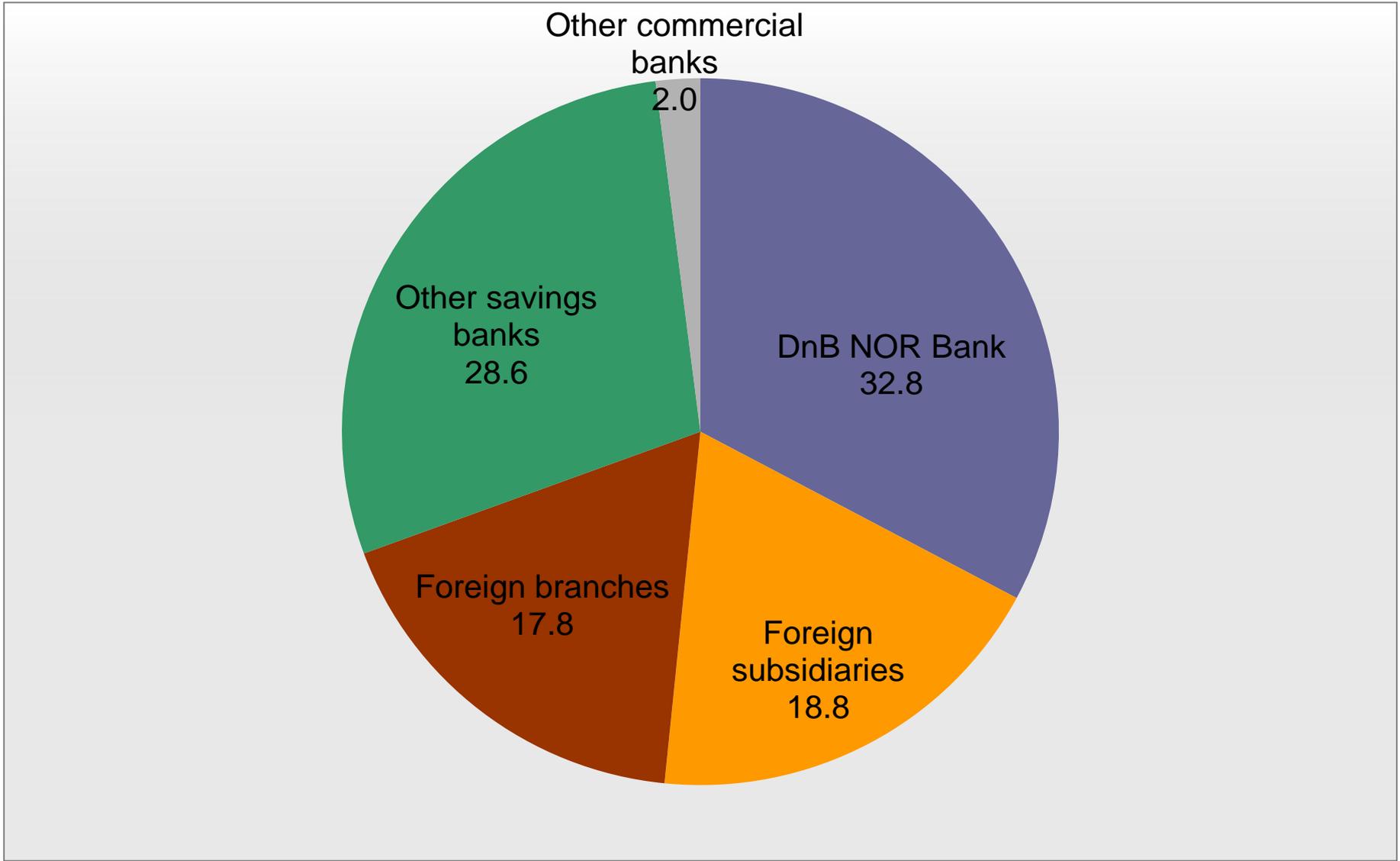
Chart A.11 Norwegian banks' <sup>1)</sup> deposits in Norges Bank and government and government-guaranteed bonds and short-term paper. Outstanding Treasury bills in connection with swap arrangement. In billions of NOK. Monthly figures. June 2007 – September 2010



1) All banks excluding branches of foreign banks in Norway

Source: Norges Bank

Chart A.12 Banks and OMF covered bond mortgage companies'¹) lending to the corporate market. Market shares. Per cent. As of 30 September 2010



1) All banks and OMF covered bond mortgage companies in Norway

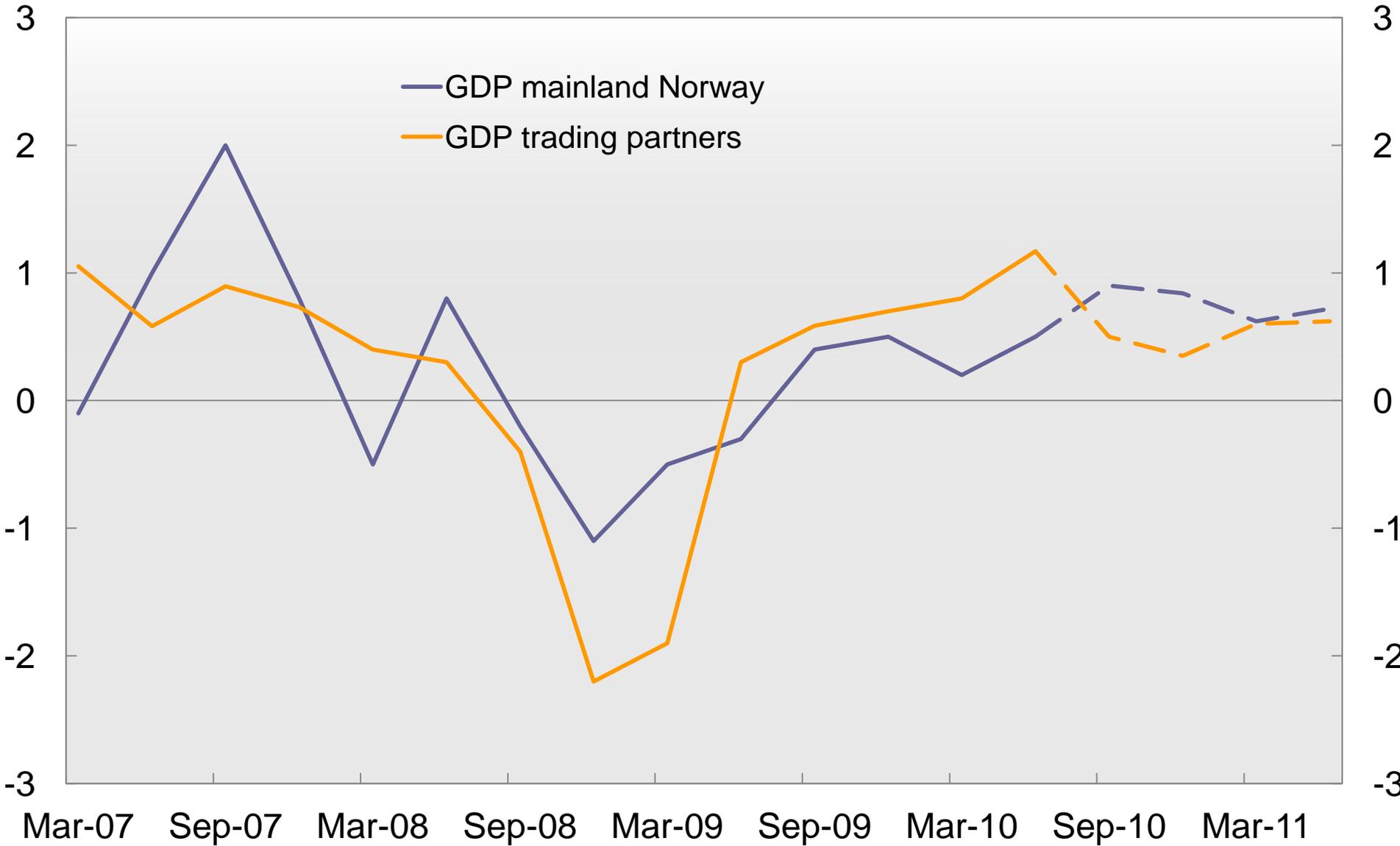
Source: Norges Bank

Table A.1 Average risk weights on loans secured on dwellings. Per cent.  
Consolidated numbers for 2009 and 2010

Bank	Risk weight
<i>Norwegian banks (IRB)</i>	
SpareBank 1 SR-Bank	10
DnB NOR Bank	11
SpareBank 1 Nord-Norge	11
SpareBank 1 SMN	12
Nordea Bank Norge	13
Sparebanken Vest	14
<i>Nordic banks (IRB)</i>	
Handelsbanken	7
Swedbank	7
Danske Bank	10
Nordea	11
SEB	17
<i>Norwegian banks (Standardised approach)</i>	
Loans with loan-to-value ratio of less than 80 per cent	35

Sources: Capital adequacy reports and quarterly reports by banks and Norges Bank

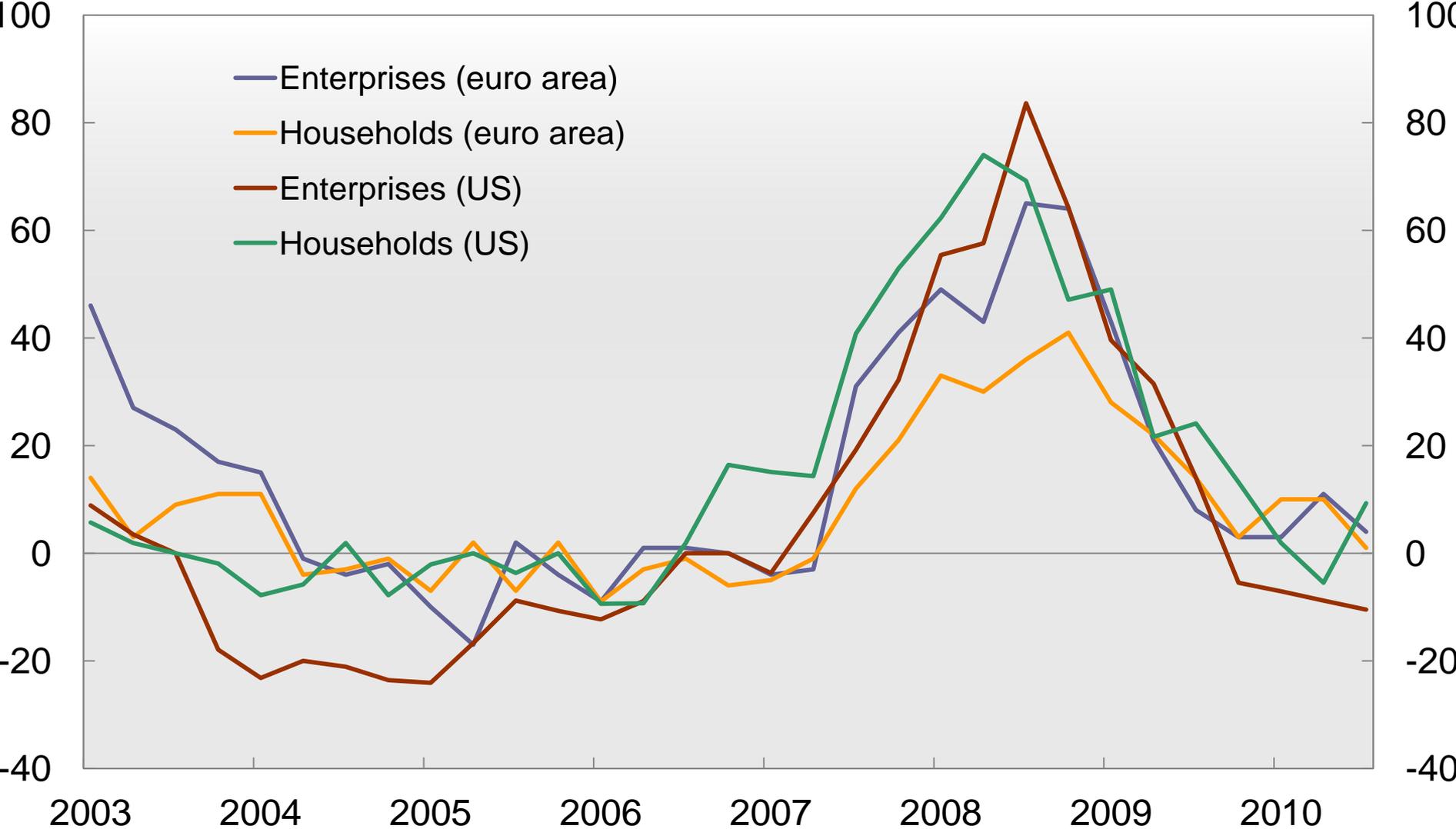
Chart B.1 GDP mainland Norway and trading partners. Quarterly change. Seasonally adjusted. Per cent. 2007 Q1 – 2011 Q2<sup>1)</sup>



1) Projections for 2010 Q3 – 2011 Q2

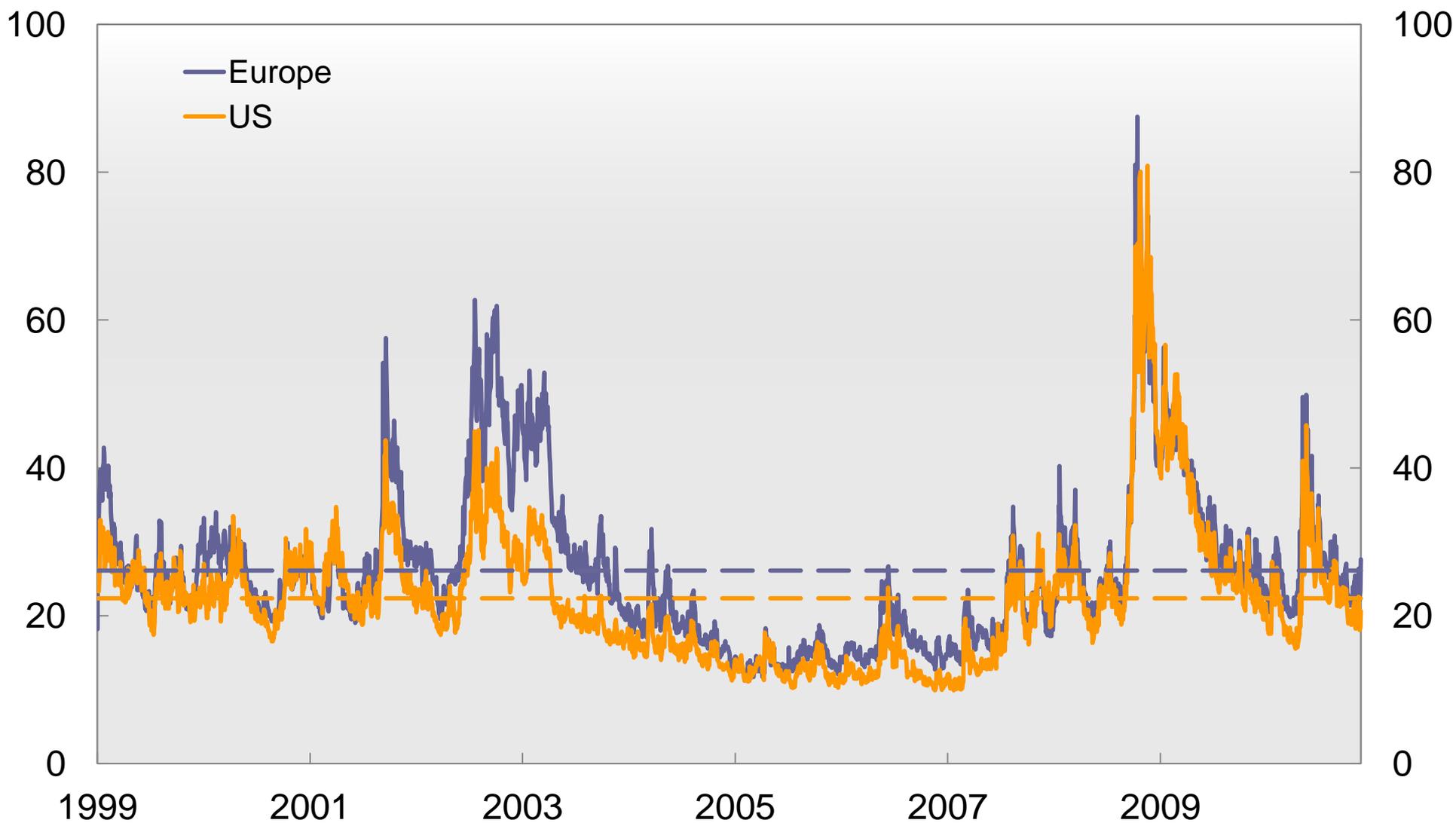
Sources: Statistics Norway, OECD, Thomson Reuters and Norges Bank

Chart B.2 Bank lending surveys in US and euro area. Percentage of banks that have tightened credit standards minus percentage of banks that have eased credit standards. Quarterly figures. 2003 Q1 – 2010 Q3



Sources: Federal Reserve and the European Central Bank (ECB)

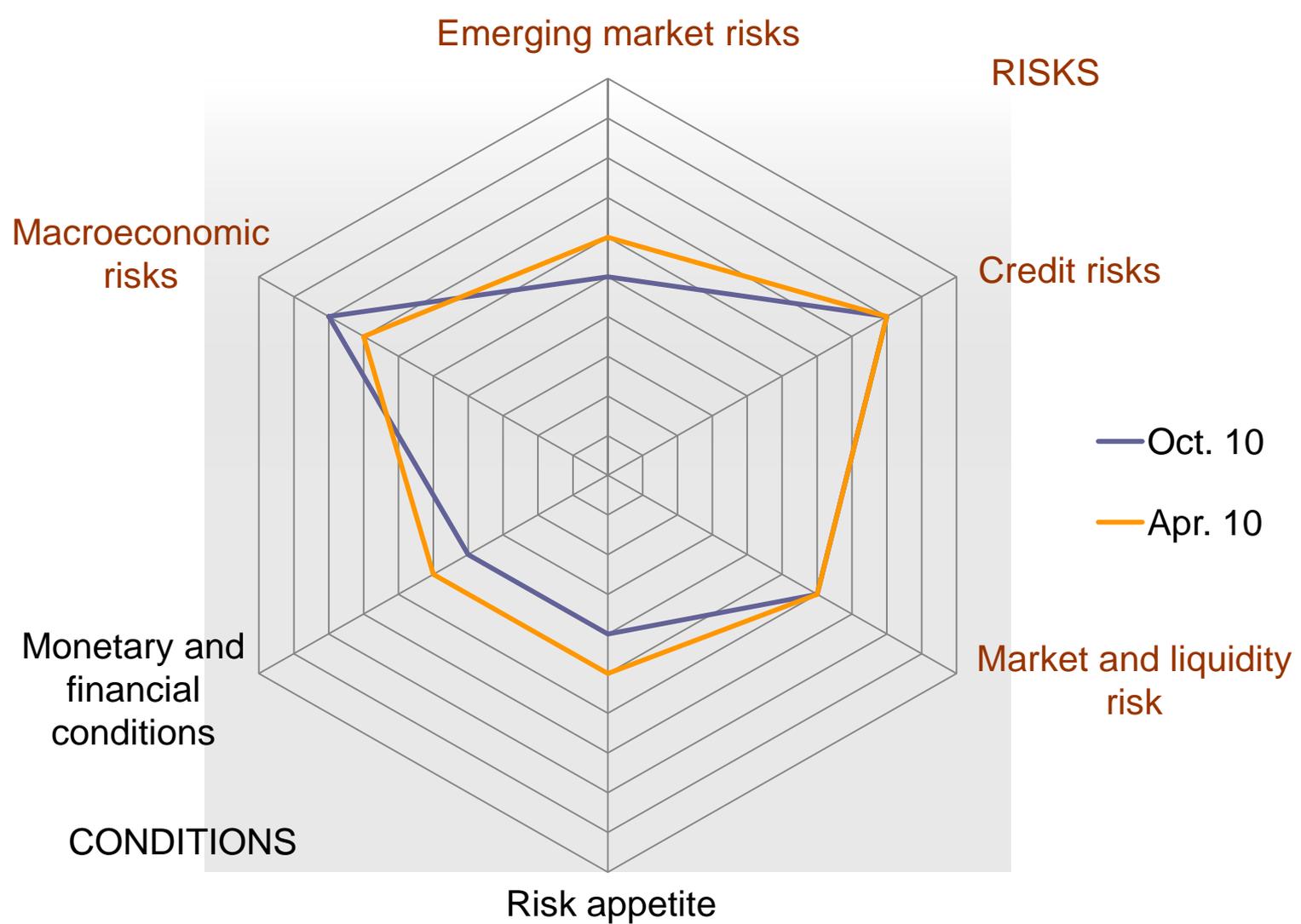
Chart B.3 Implied volatility<sup>1)</sup> derived from equity options. Per cent. Daily figures.  
4 January 1999 – 23 November 2010



1) Market participants' expectations as to future fluctuations in equity prices. The broken lines show the average for the period 1999 – 2010

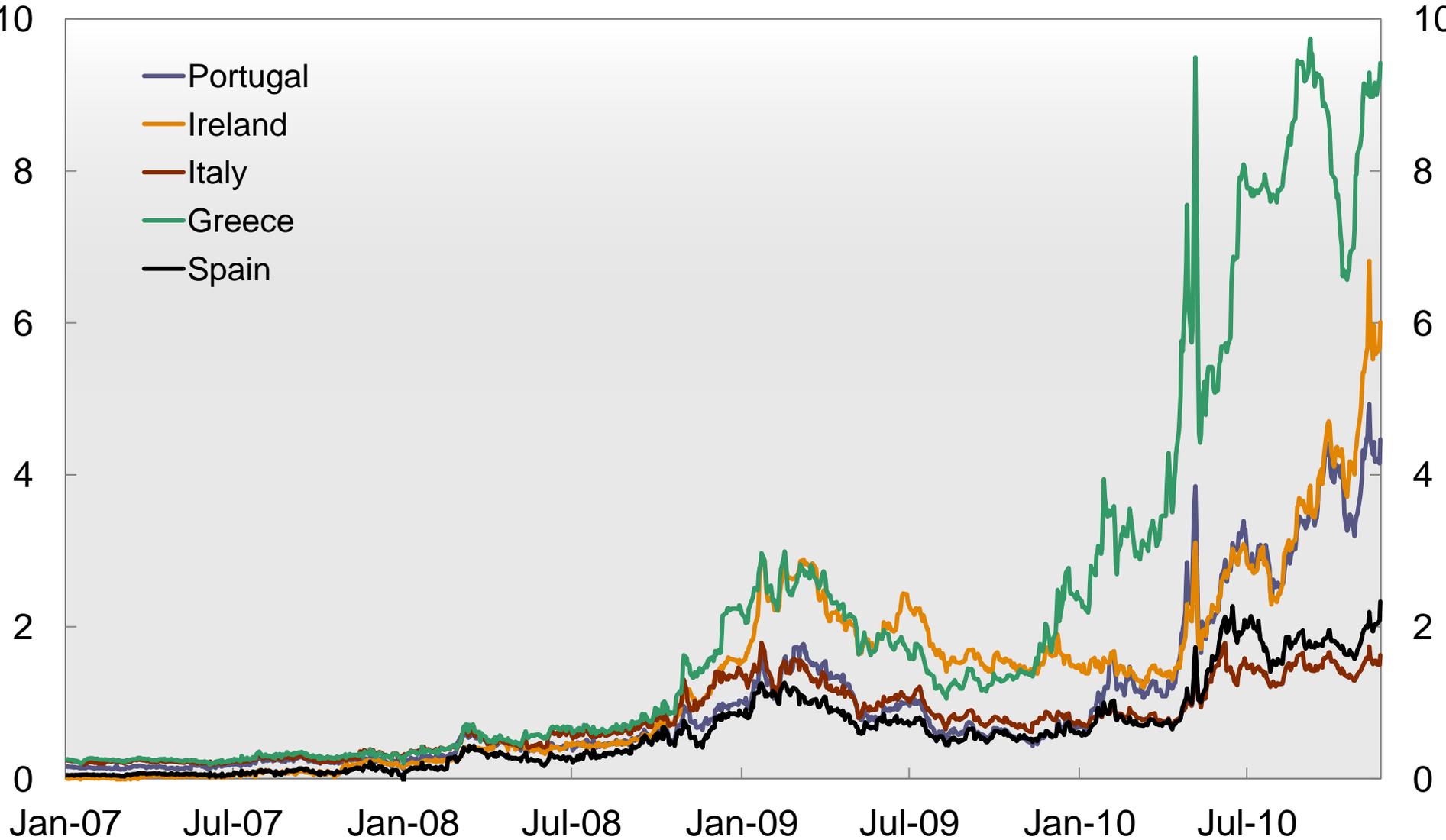
Sources: Thomson Reuters and Norges Bank

Chart B.4 The IMF's Global Financial Stability Map<sup>1)</sup>



1) *Risks*: Closer to centre signifies less risk. *Conditions*: Farther from centre signifies improved monetary and financial conditions or increased risk appetite.

Chart B.5 Government bond spreads. Compared with German government bonds. 10-year maturity. Percentage points. Daily figures.  
1 January 2007 – 23 November 2010



Source: Thomson Reuters

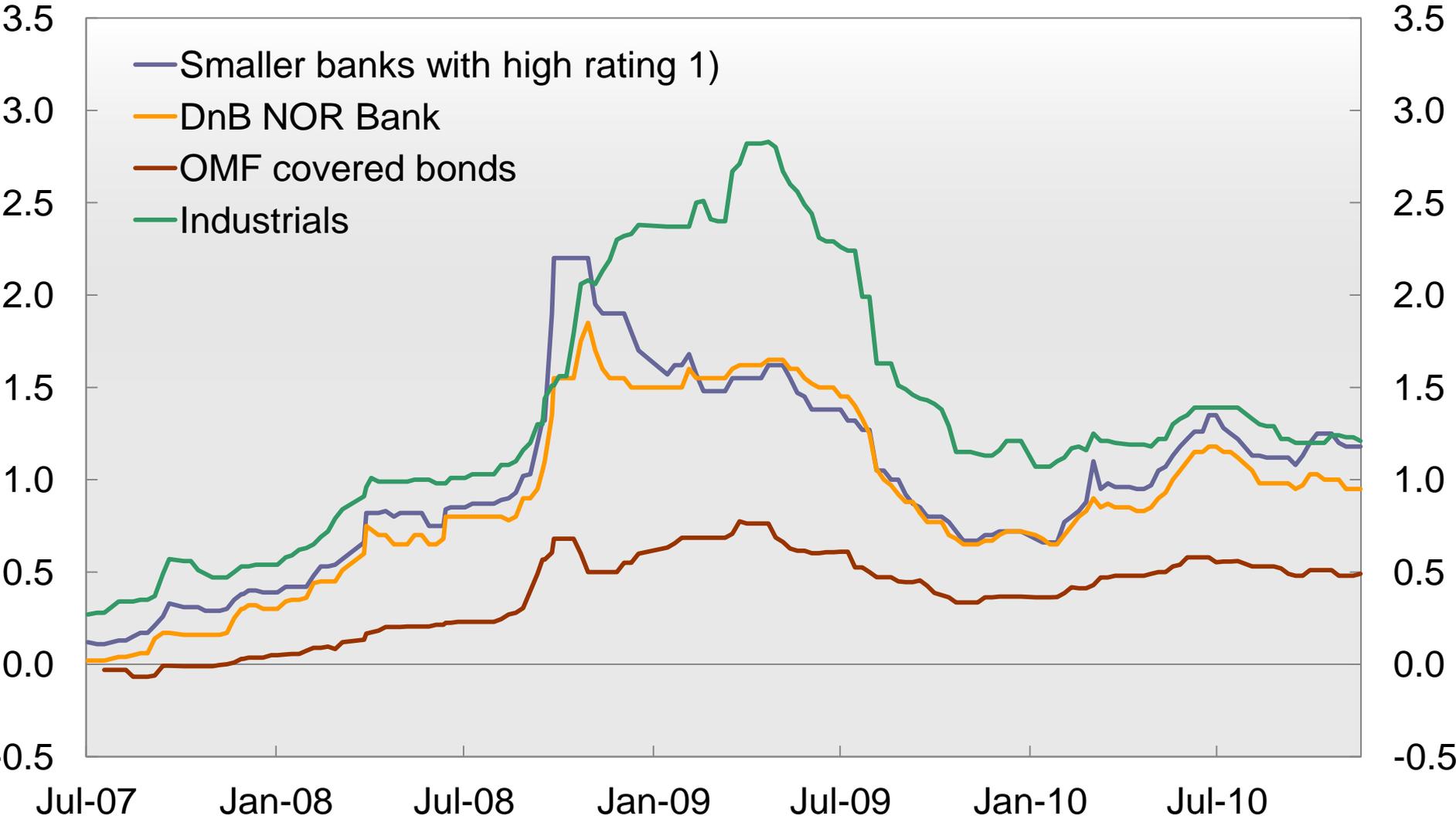
Chart B.6 CDS prices. iTraxx Senior Financials<sup>1)</sup> and Nordic banks. Basis points. 1 January 2007 – 23 November 2010



1) iTraxx Senior Financials comprises 25 large European financial institutions

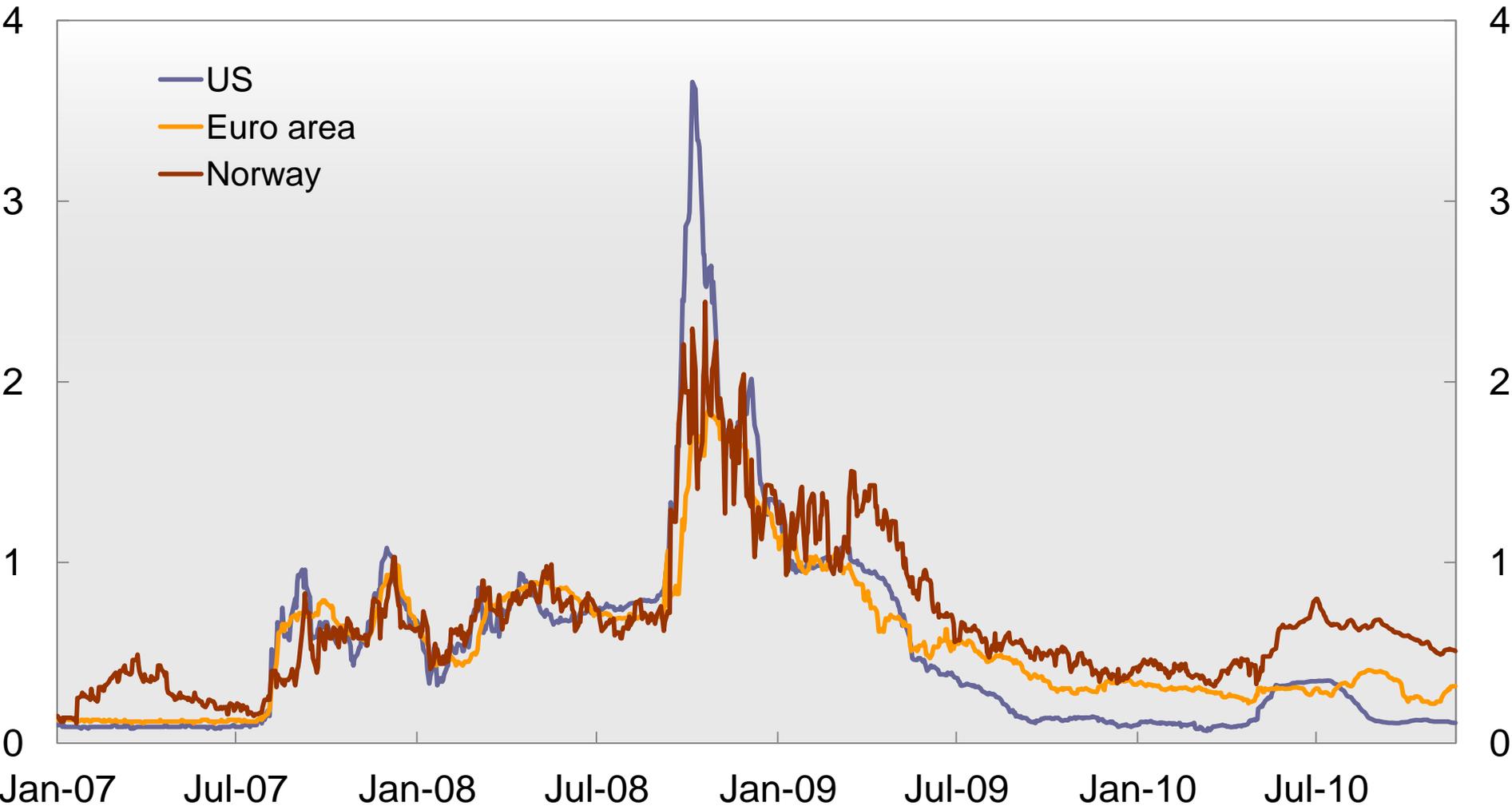
Source: Bloomberg

Chart B.7 Indicative risk premiums on 5-year Norwegian corporate bonds, bank bonds and OMF covered bonds. Spreads against swap rates. Percentage points. Weekly figures. 2 July 2007 – 17 November 2010



1) Banks with total assets between NOK 5bn and 15bn and rated A by DnB NOR Markets  
 Source: DnB NOR Markets

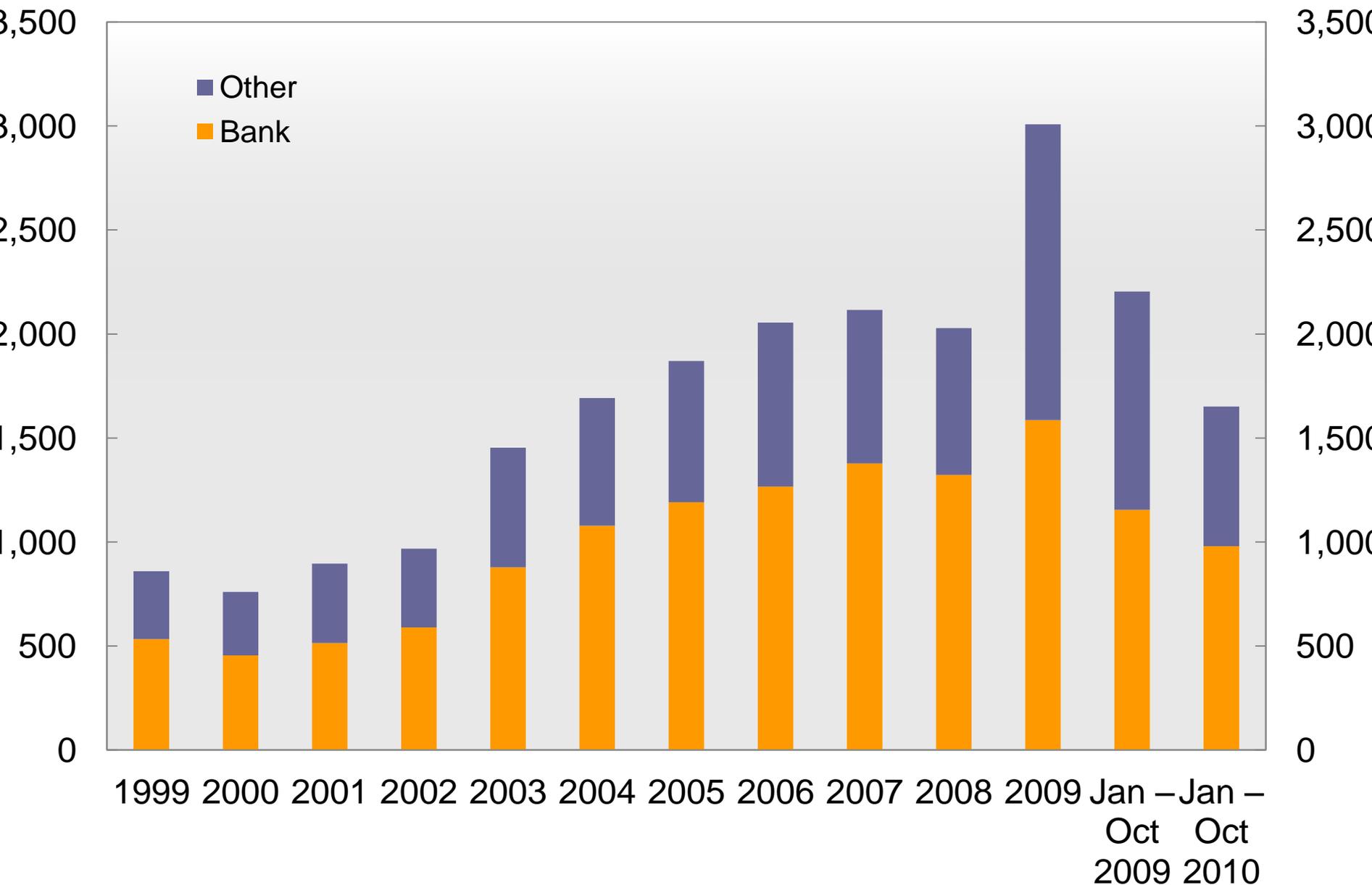
Chart B.8 Spread between 3-month money market rate and market expectations as to the key rate.<sup>1)</sup> Percentage points. 5-day moving average. Daily figures. 5 January 2007 – 23 November 2010



1) Expected key rates are derived from Overnight Indexed Swaps (OIS). OIS for Norway estimated by Norges Bank

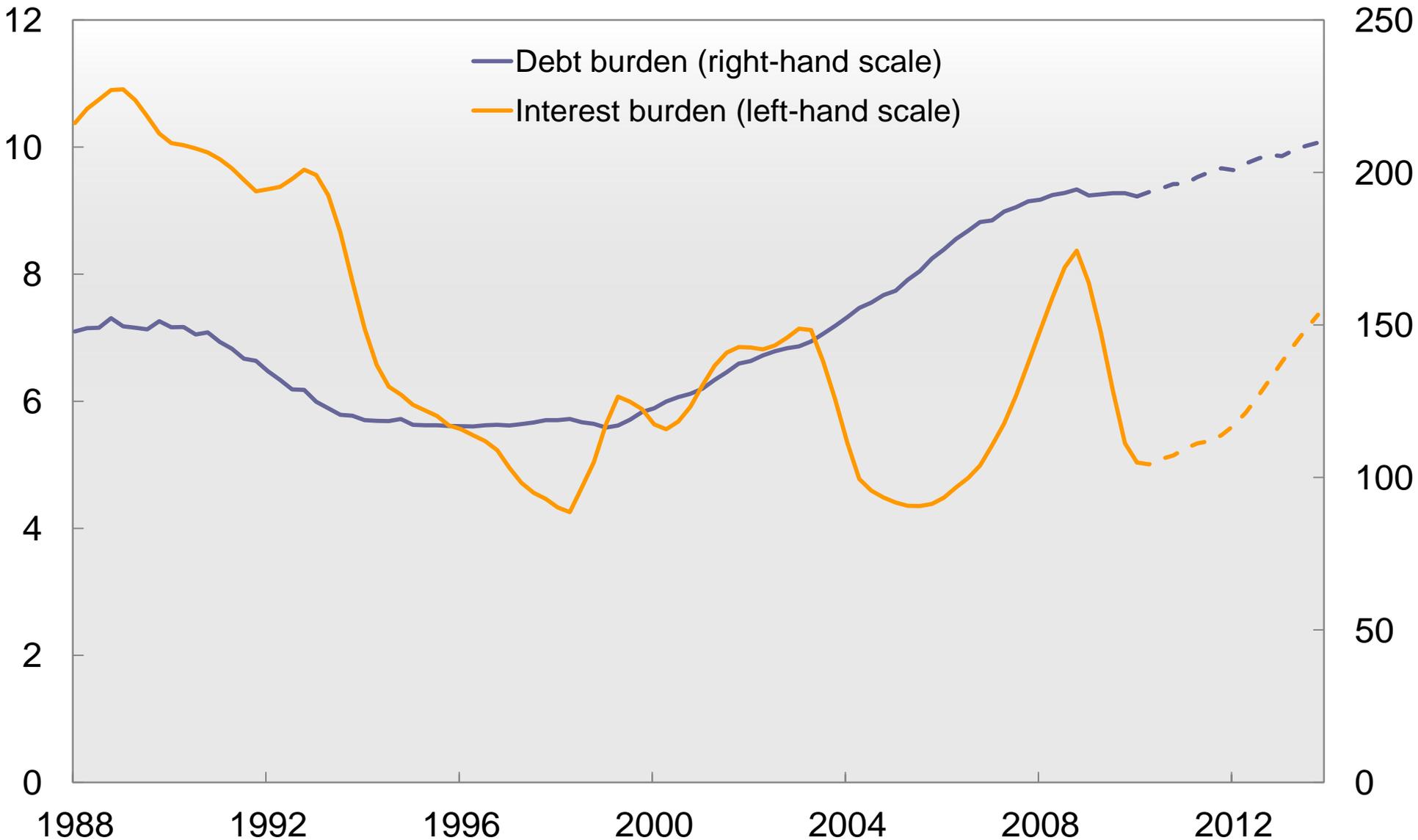
Sources: Bloomberg, Thomson Reuters and Norges Bank

Chart B.9 Bonds issued by European companies. Total issuance in all currencies. In billions of USD. 1999 – 2010



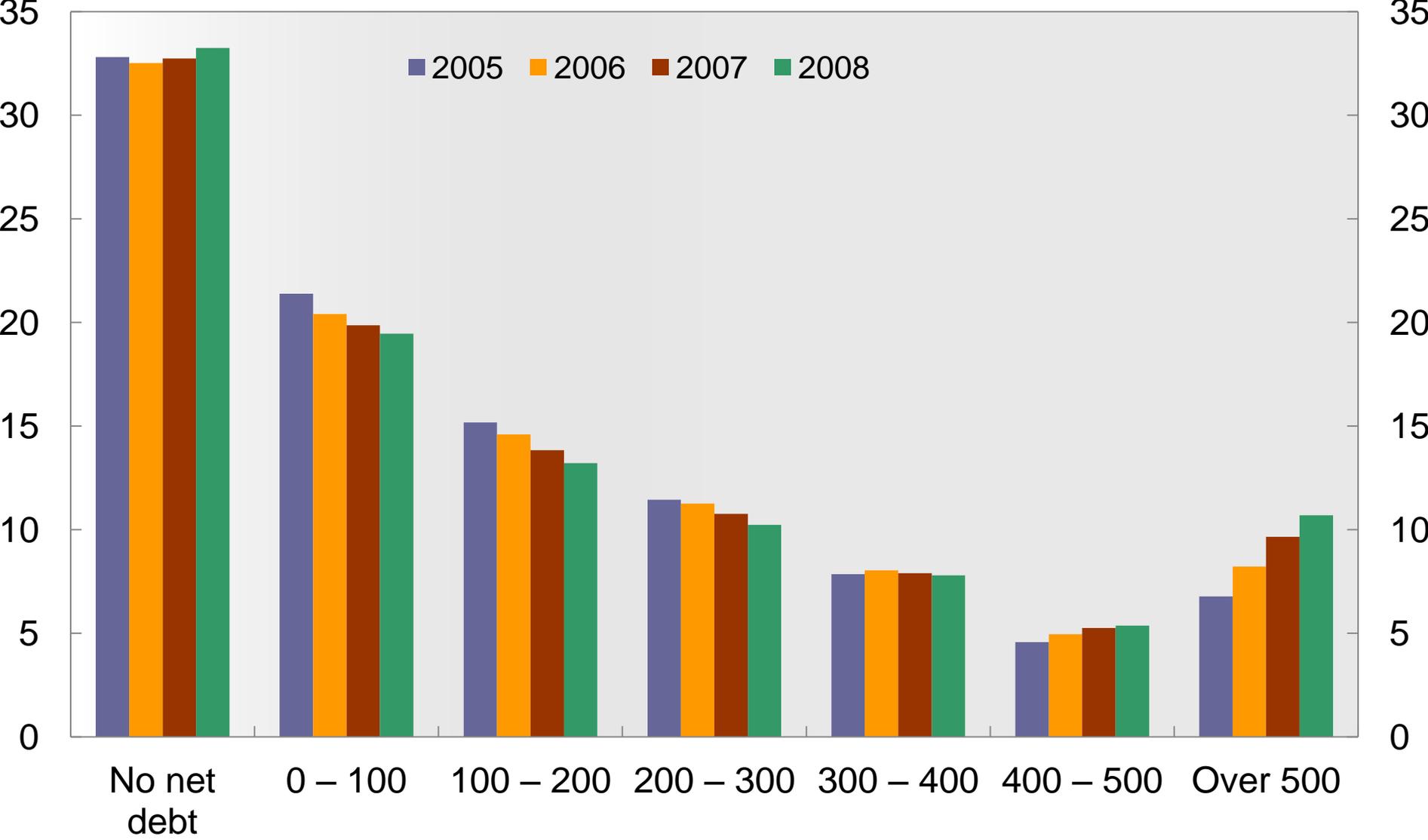
Sources: Bloomberg and Norges Bank

Chart B.10 Household debt burden and interest burden. Per cent. Quarterly figures. 1988 Q1 – 2013 Q4<sup>1)</sup>



1) Projections for 2010 Q1 – 2013 Q4  
Sources: Statistics Norway and Norges Bank

Chart B.11 Private households<sup>1)</sup> by net debt burden.<sup>2)</sup> Per cent. Annual figures. 2005 – 2008

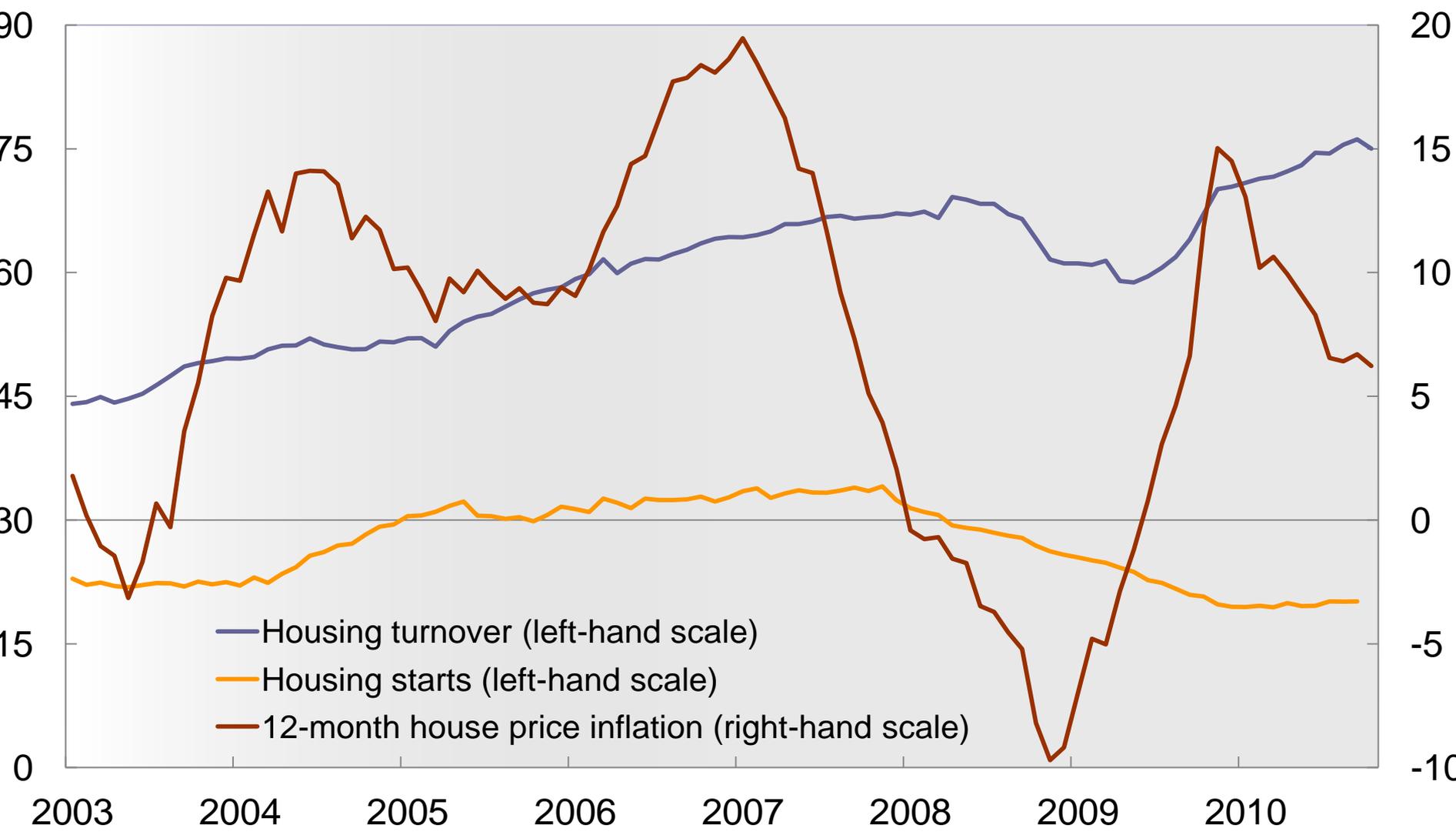


1) Corresponds to the term retail market

2) Net debt burden is debt minus bank deposits as a percentage of disposable income

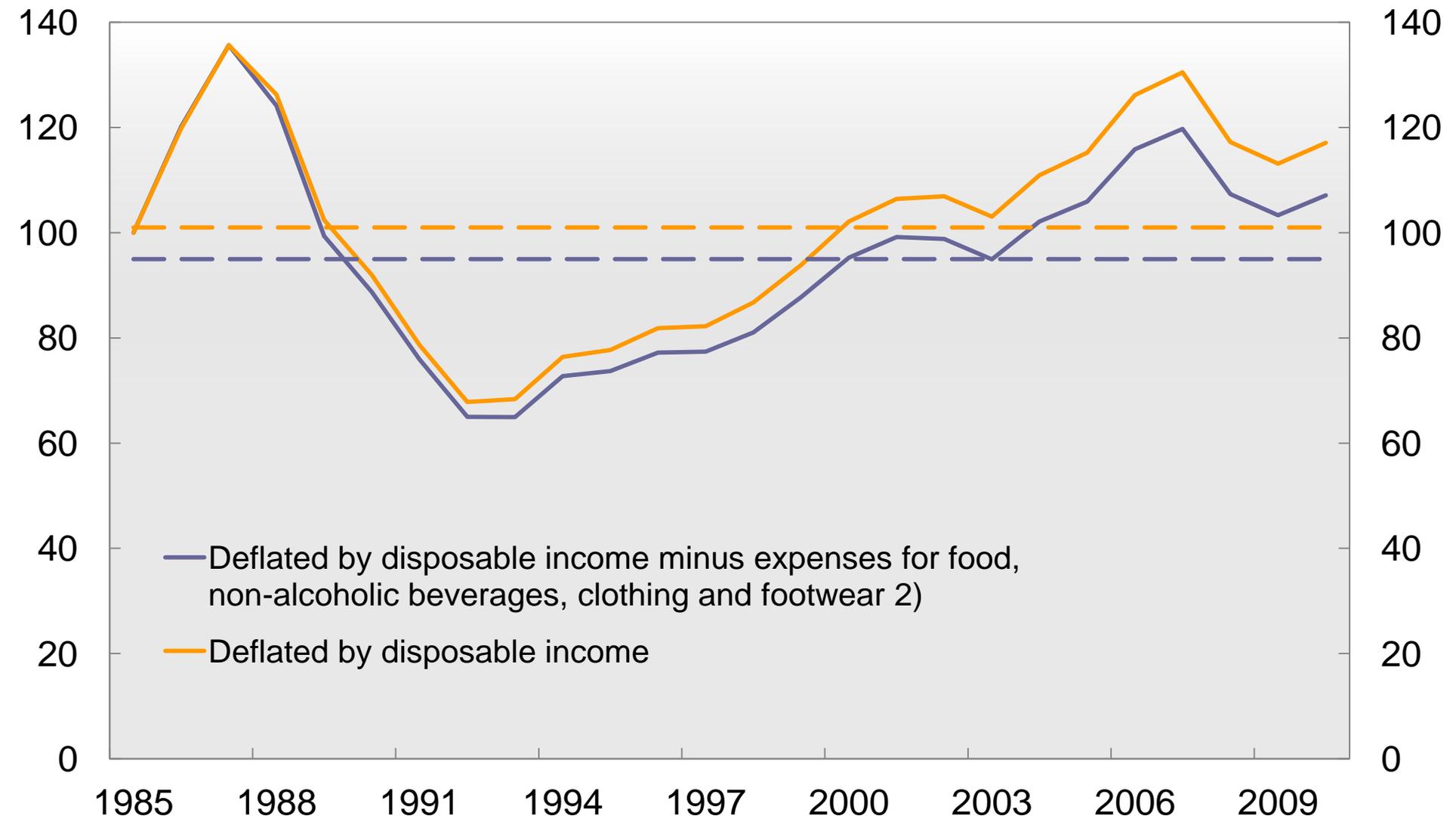
Sources: Statistics Norway and Norges Bank

Chart B.12 12-month house price inflation in per cent, housing starts and housing turnover in thousands (total over past 12 months). Monthly figures. January 2003 – October 2010



Sources: Association of Norwegian Real Estate agents, Association of Real Estate Agency Firms, Finn.no, Econ Pöyry, Statistics Norway and Norges Bank

Chart B.13 Real house prices. Indices. 1985 = 100. Annual figures. 1985 – 2010<sup>1)</sup>

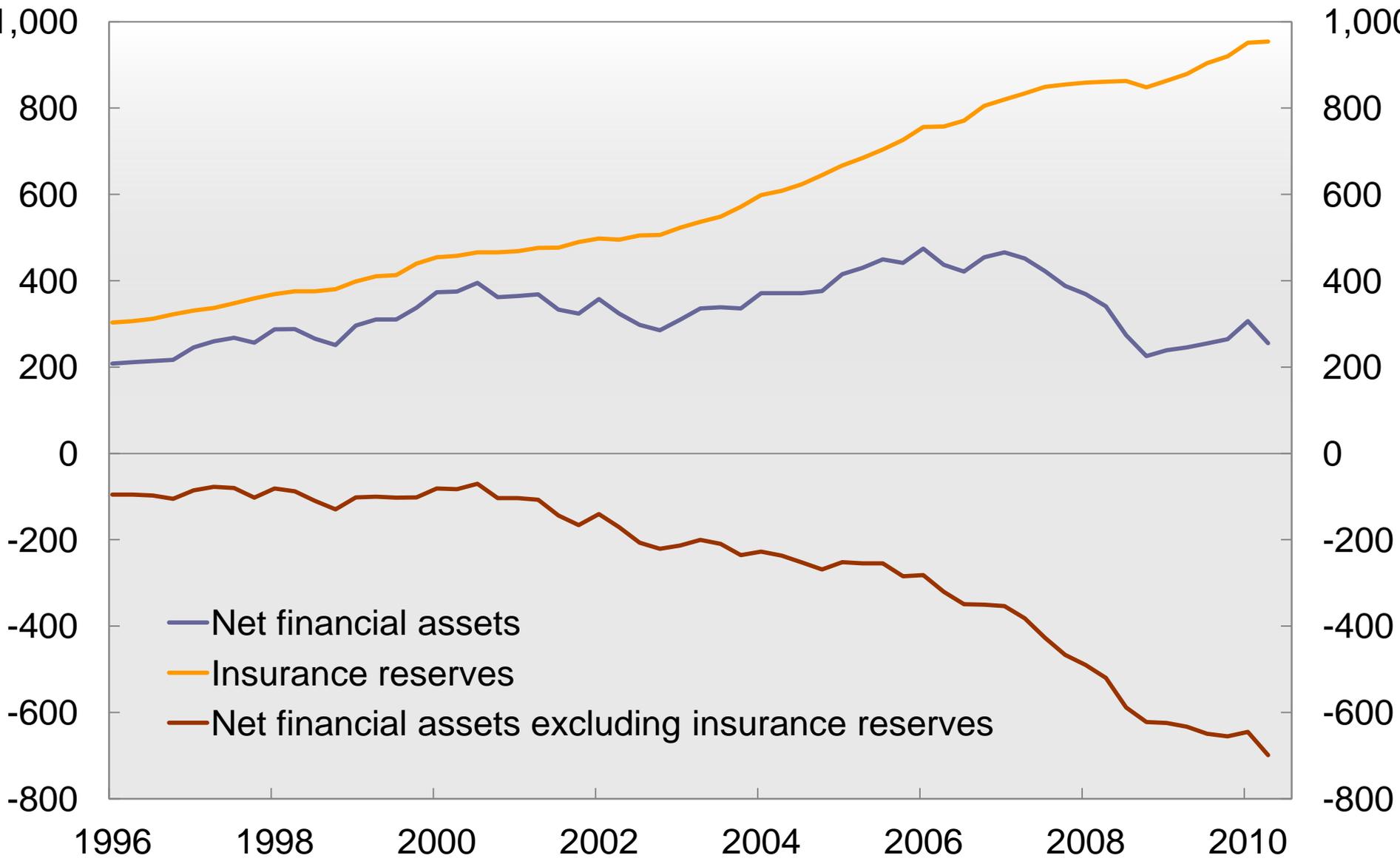


1) January – October 2010. Broken lines show the average over the period 1985 – 2009

2) Sub-indices for private consumption from the national accounts

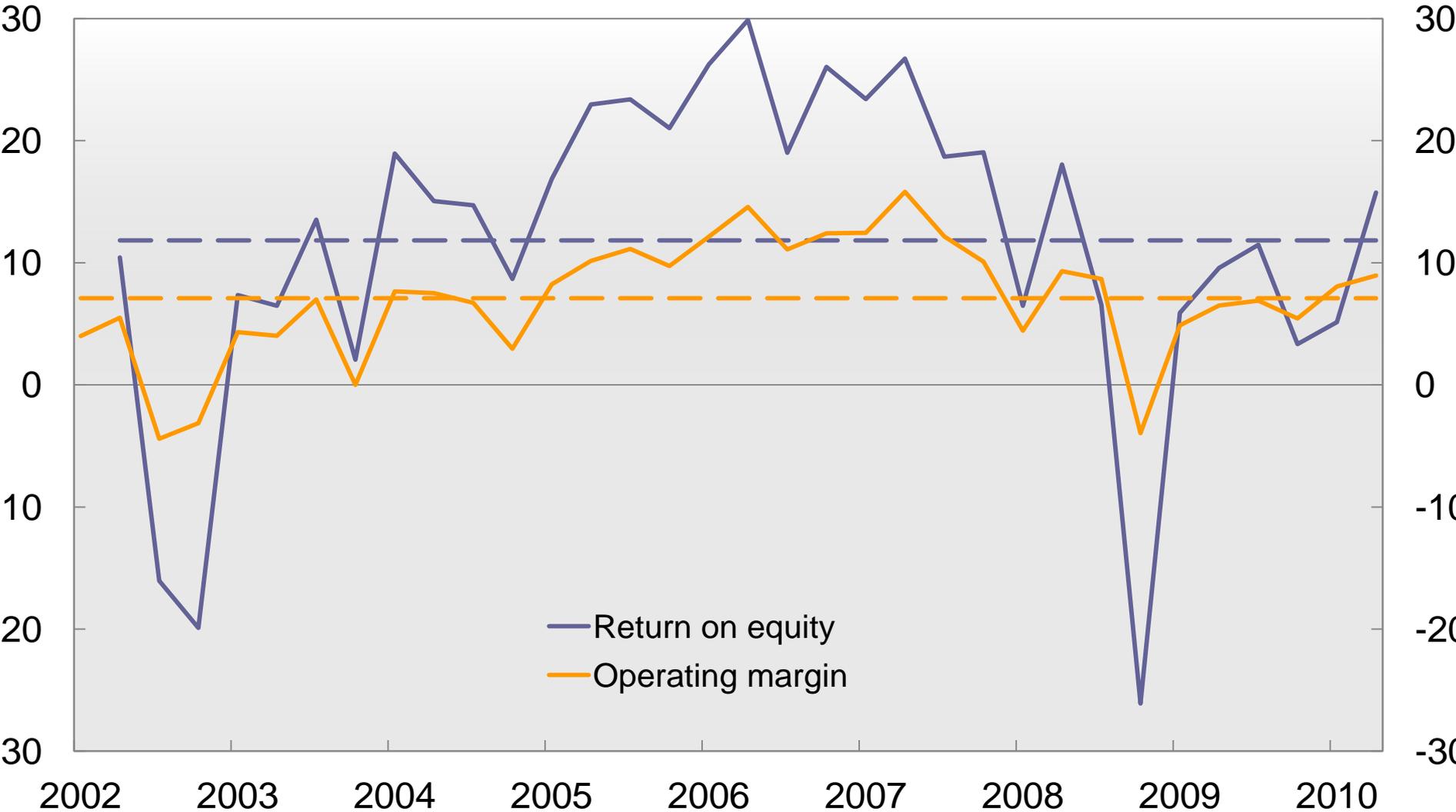
Sources: Association of Norwegian Real Estate agents, Association of Real Estate Agency Firms, Finn.no, Econ Pöyry, Statistics Norway and Norges Bank

Chart B.14 Household net financial assets incl. and excl. insurance reserves. In billions of NOK. Quarterly figures. 1996 Q1 – 2010 Q2



Sources: Statistics Norway and Norges Bank

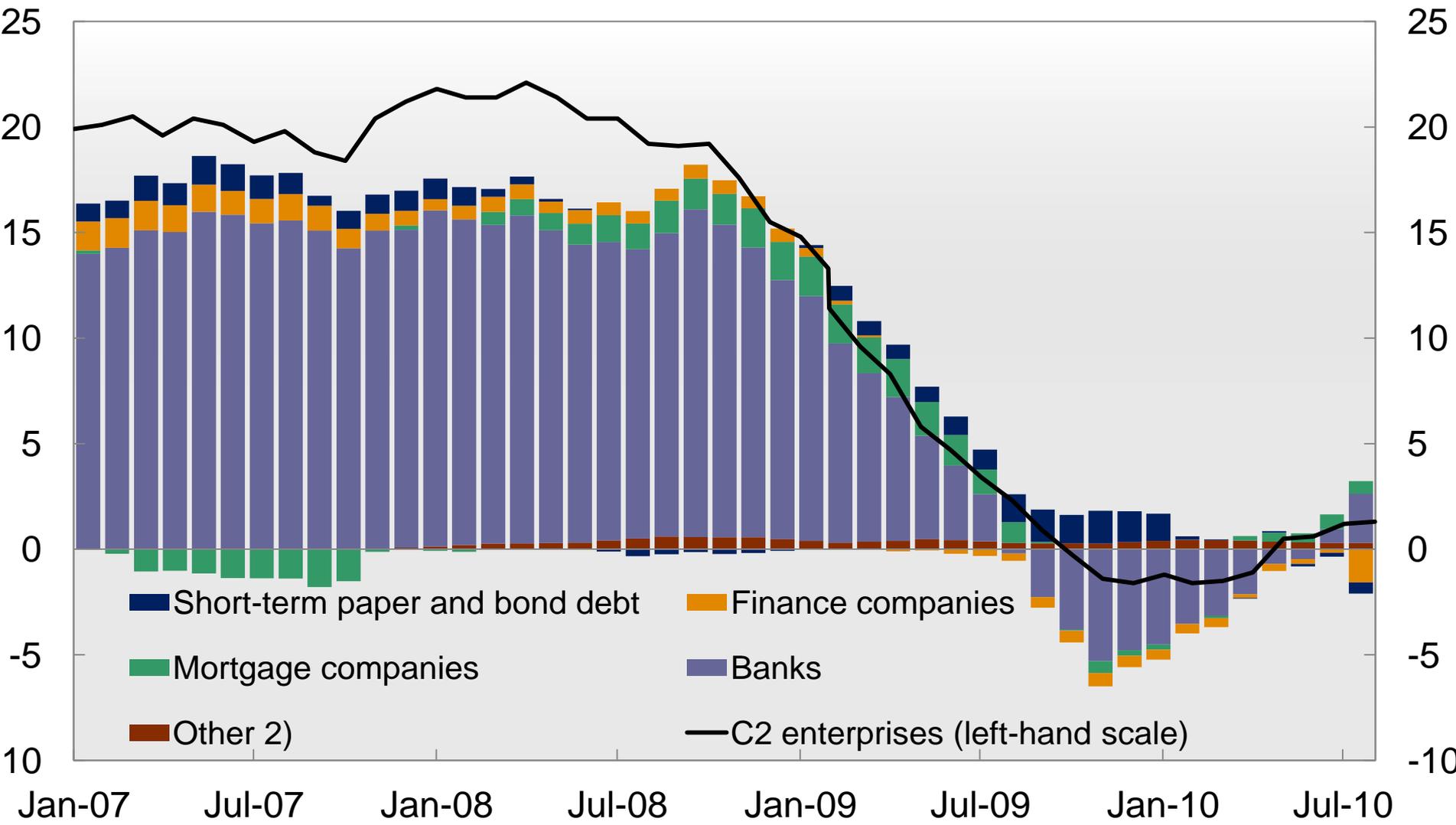
Chart B.15 Key ratios for enterprises listed on Oslo Børs.<sup>1)</sup> Per cent.  
Quarterly figures. 2002 Q1 – 2010 Q2



1) Sample consisting of 139 listed non-financial enterprises as of 2010 Q2. Statoil is not included in the sample. Broken lines show the average for the period 2002 Q1 – 2010 Q2

Sources: Statistics Norway and Norges Bank

Chart B.16 12-month growth in credit (C2) to enterprises and contribution in per cent<sup>1)</sup>. Monthly figures. January 2007 – September 2010

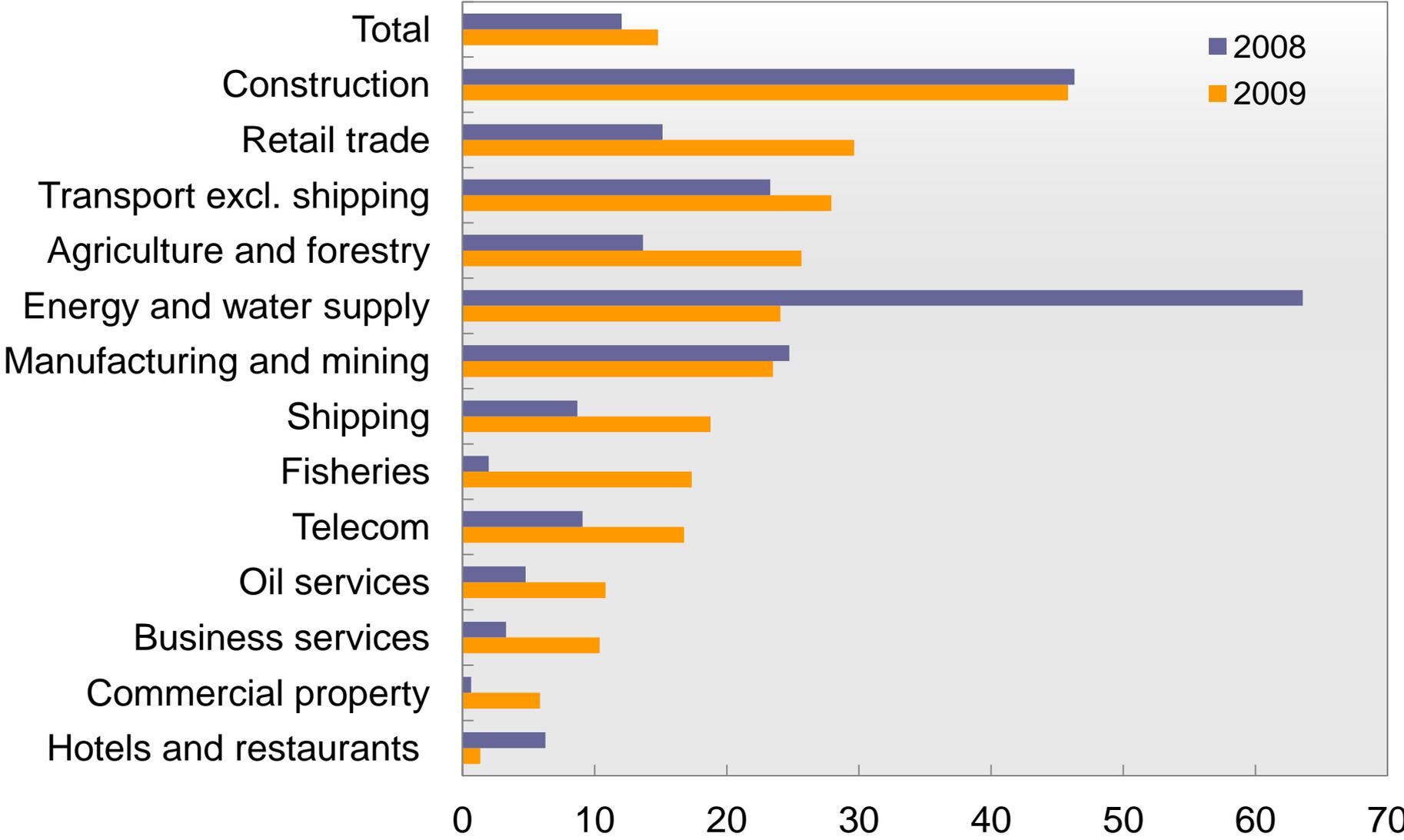


1) Not adjusted for exchange rate fluctuations in the contributions

2) Loans from insurance companies, state lending institutions and pension funds

Source: Statistics Norway

Chart B.17 Debt servicing capacity<sup>1)</sup> for selected industries. Per cent.  
 Annual figures. 2008 – 2009

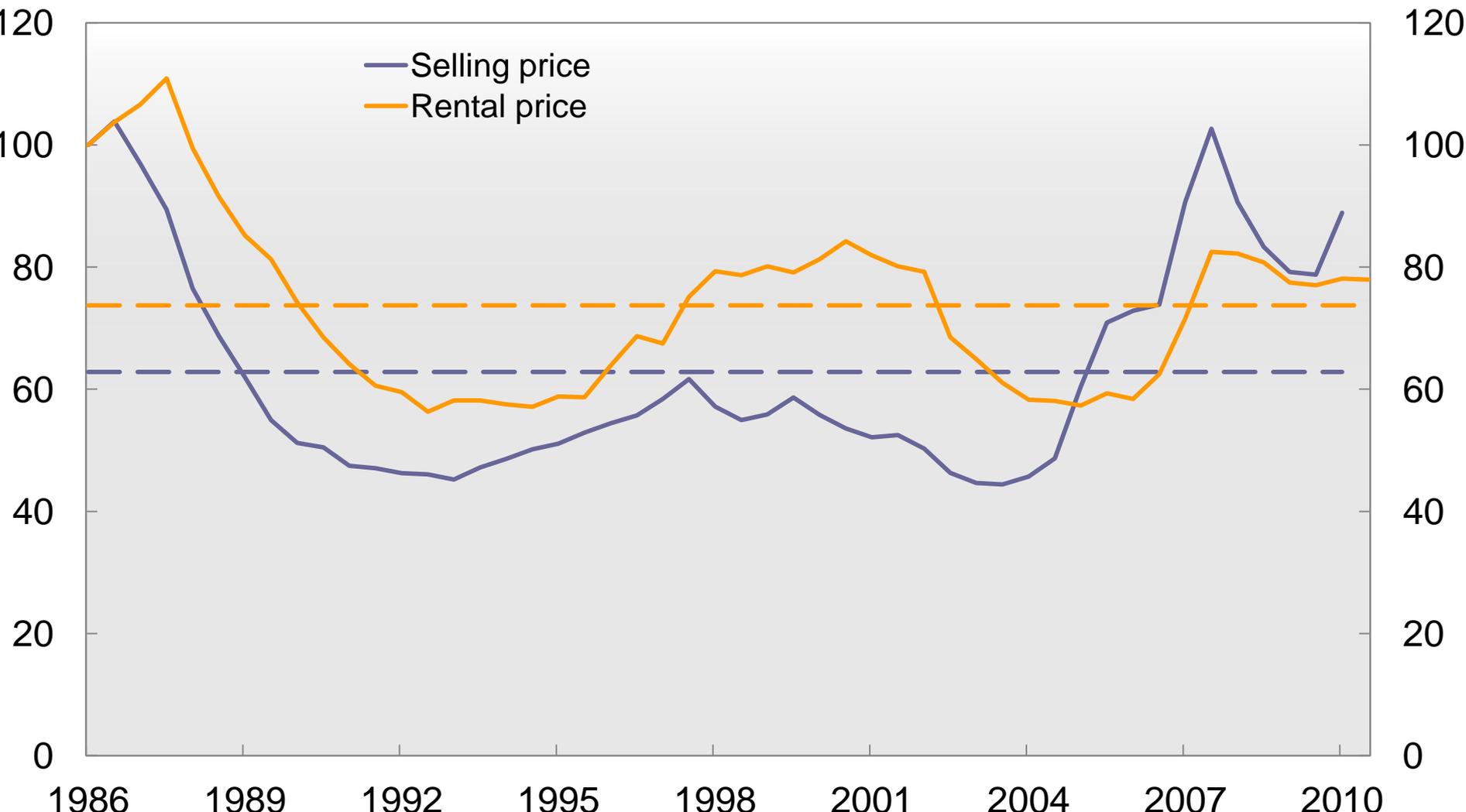


1) Profits before tax, writedowns and depreciation as a percentage of bank and bond debt.

Intragroup funding is not included

Source: Norges Bank

Chart B.18 Real rental and selling prices for office premises.<sup>1)</sup> Semi-annual figures. Indices. 1986 = 100. June 1986 – December 2010<sup>2)</sup>

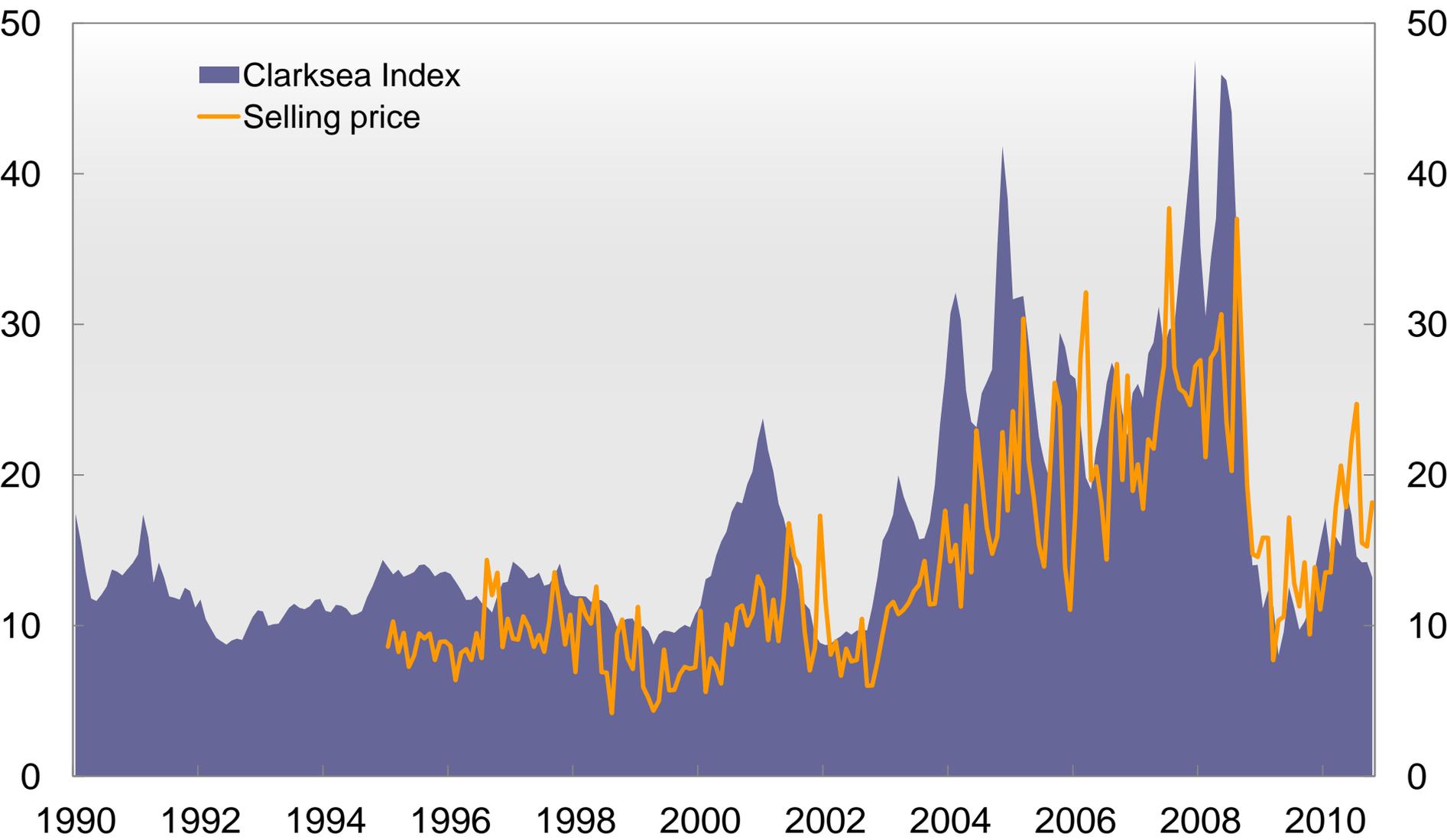


1) High-standard offices centrally located in Oslo. Broken lines shows the average over the period 1986 – 2010

2) Selling price until June 2010

Sources: OPAK, Statistics Norway and Norges Bank

Chart B.19 Freight rates (Clarksea Index)<sup>1)</sup> in USD per day and selling price of ships in millions of USD. Monthly figures. January 1990 – October 2010<sup>2)</sup>



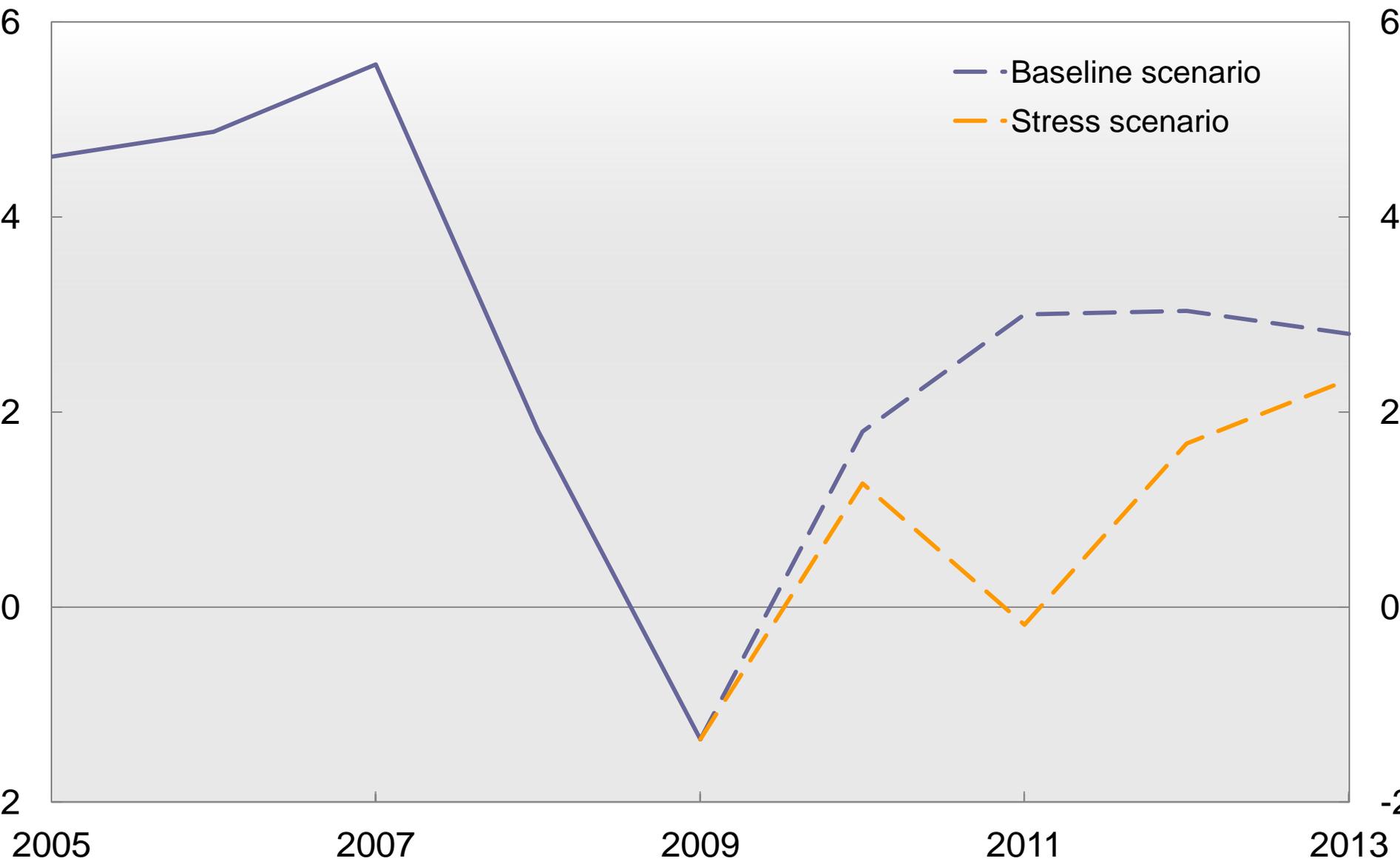
1) Weighted average for earnings in the tanker, bulk, container and gas segments

2) Selling price from January 1995

Source: Clarkson Research Services Ltd

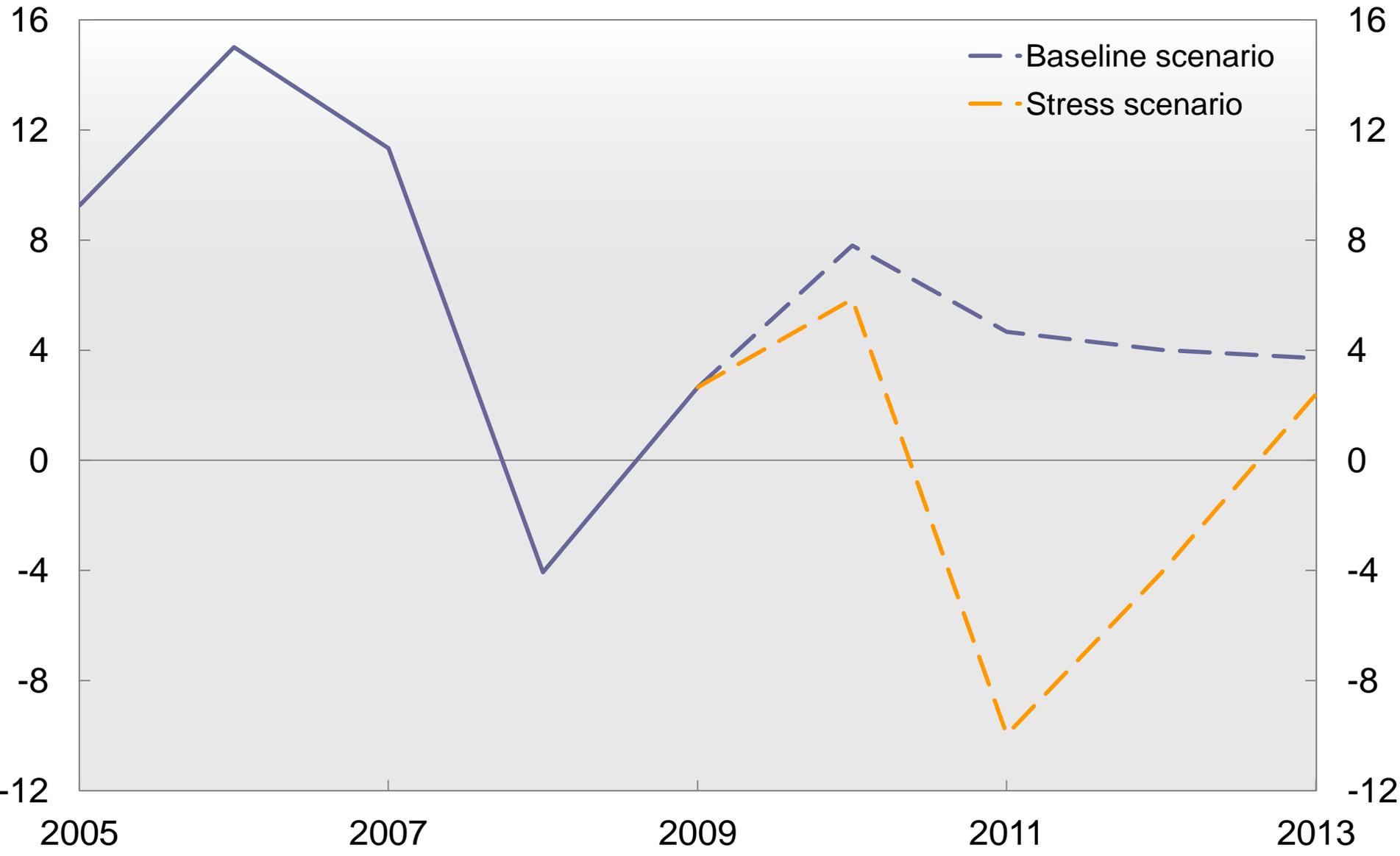
# Chapter 2

Chart 1 Mainland GDP. Annual volume change. Per cent. Annual figures. 2005 – 2013<sup>1)</sup>



1) Projections for 2010 – 2013  
Sources: Statistics Norway and Norges Bank

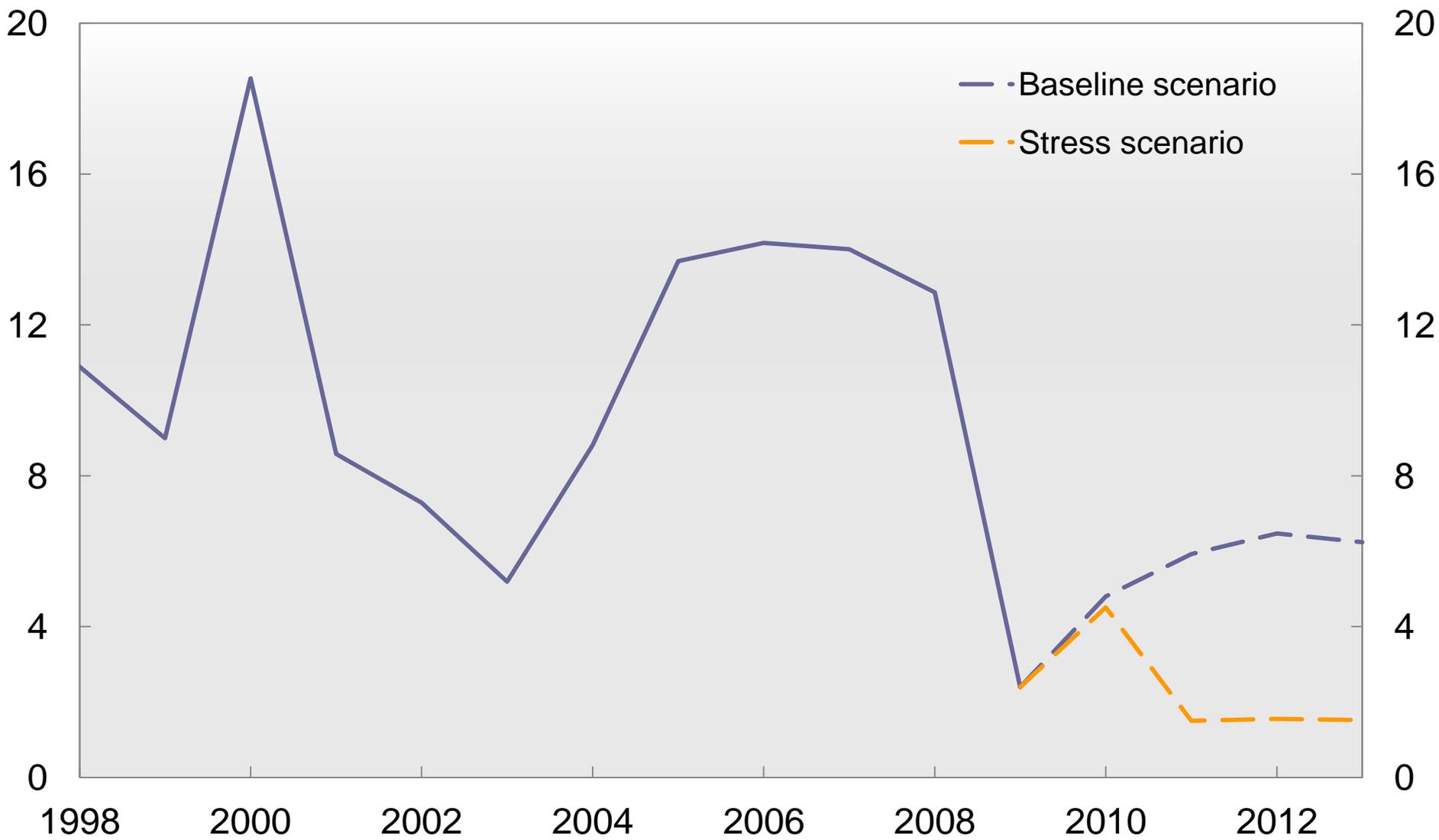
Chart 2 House prices. Annual change. Per cent. Annual figures. 2005 – 2013<sup>1)</sup>



1) Projections for 2010 – 2013

Sources: Association of Norwegian Real Estate Agents, ECON Pöyry, Finn.no, Association of Real Estate Agency Firms and Norges Bank

Chart 3 Credit to households and enterprises. Weighted by sector. Year-on-year growth.<sup>1)</sup> Per cent. Annual figures. 1998 – 2013<sup>2)</sup>

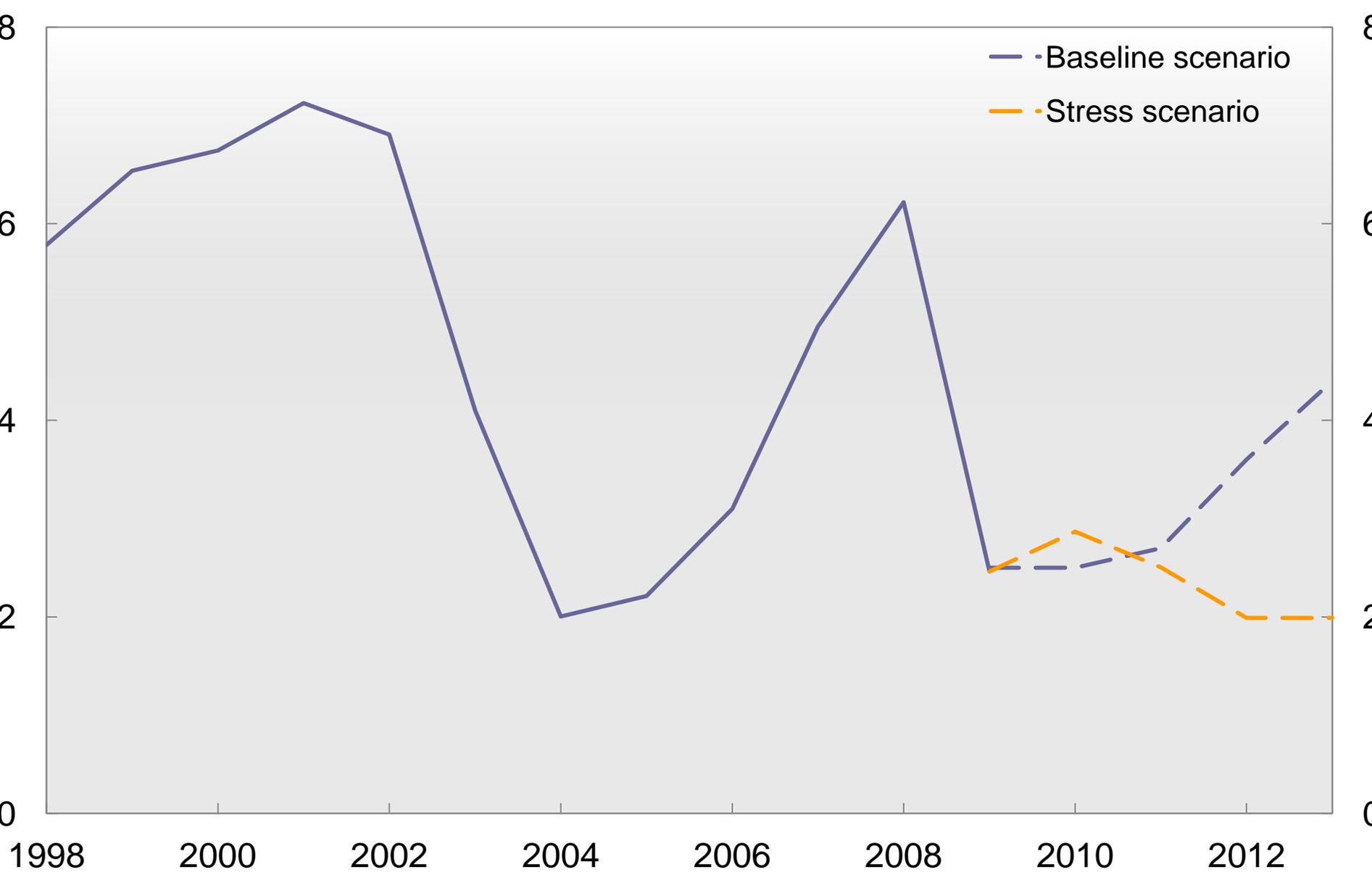


1) Changes in inventory measured at the end of the year

2) Projections for 2010 – 2013

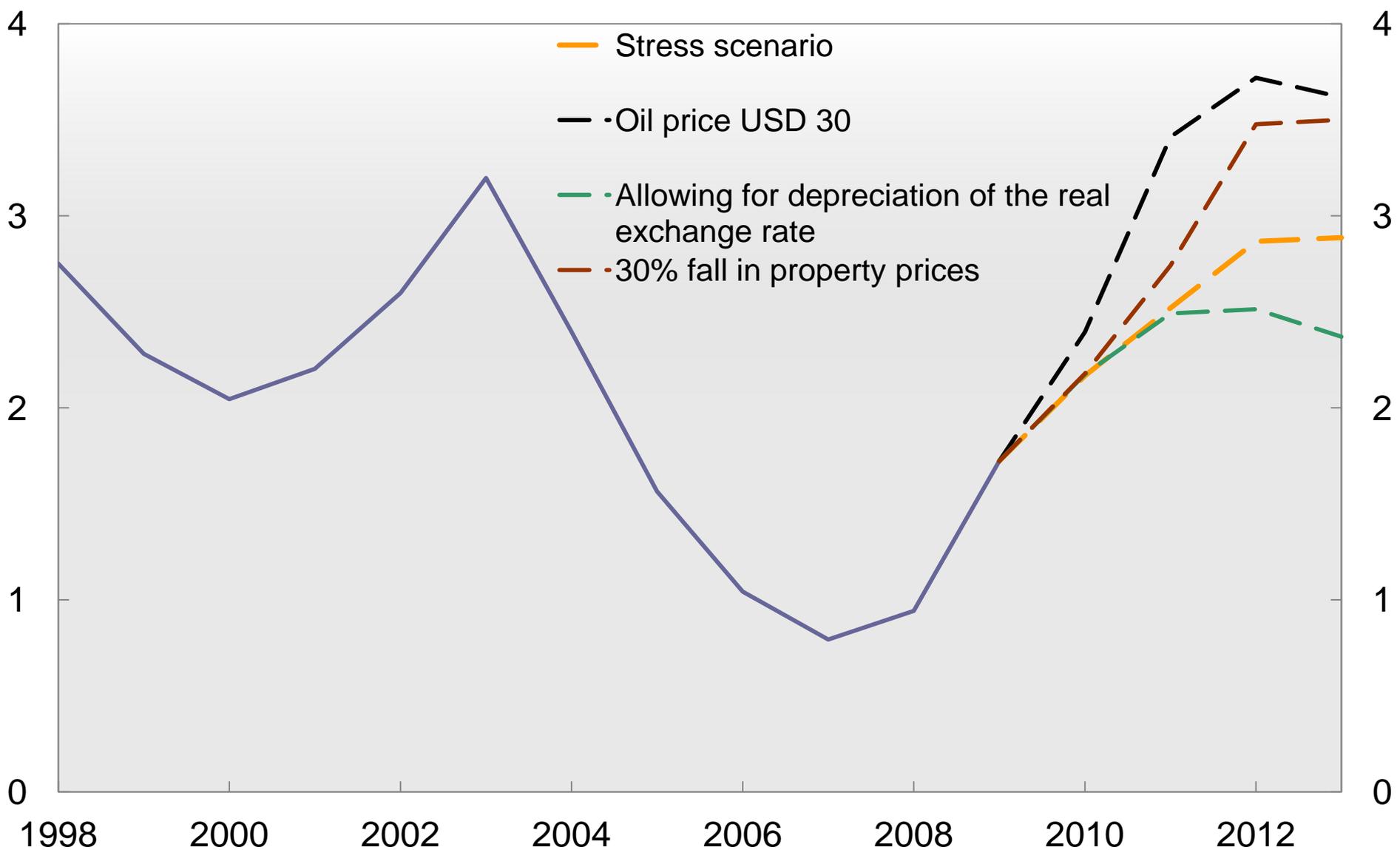
Sources: Statistics Norway and Norges Bank

Chart 4 3-month money market rate. Per cent. Annual figures. 1998 – 2013<sup>1)</sup>



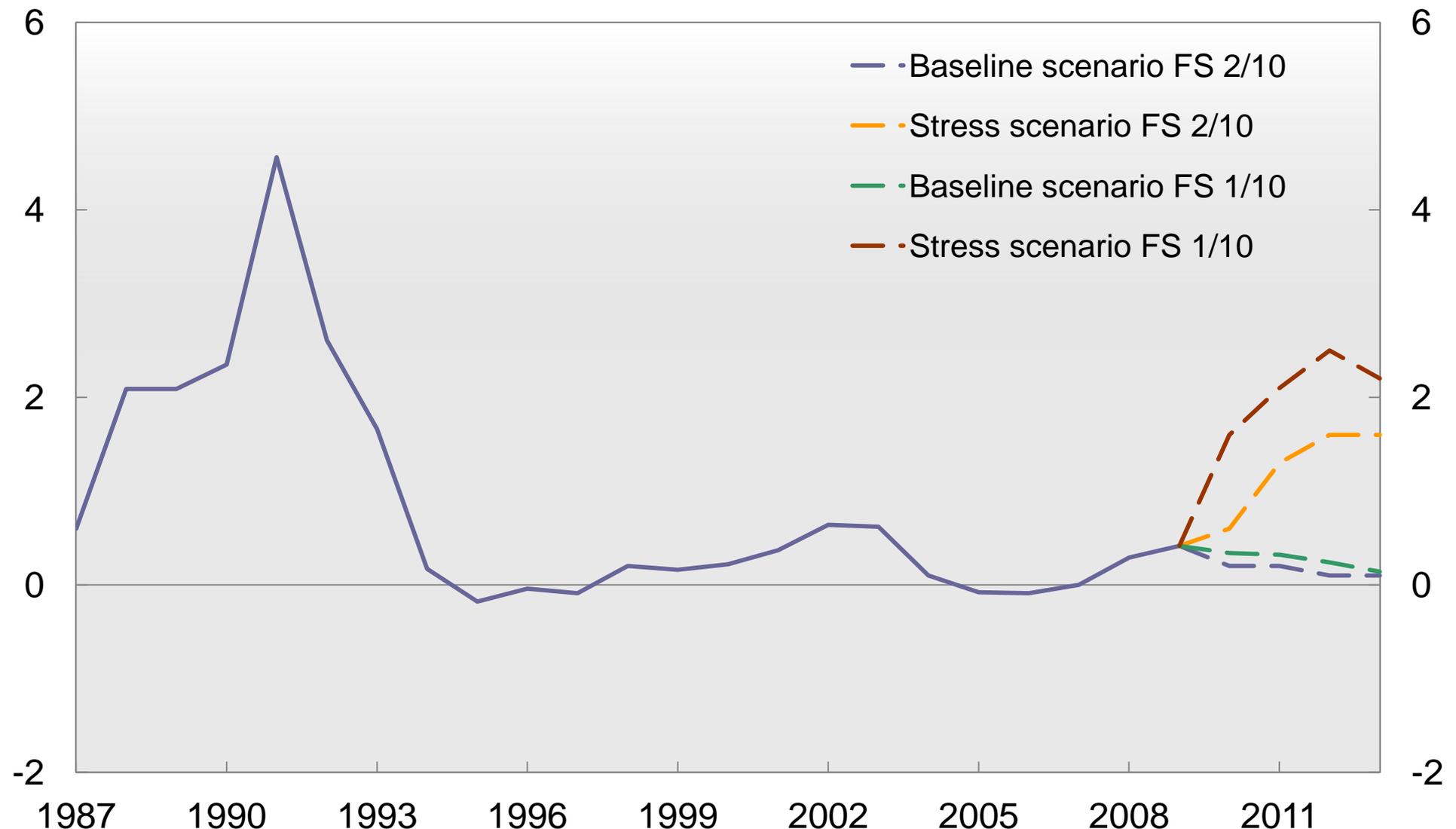
1) Projections for 2010 – 2013  
Source: Norges Bank

Chart 5 Problem loans in stress scenario under alternative assumptions. Percentage of gross lending. Annual figures. 1998 – 2013<sup>1)</sup>



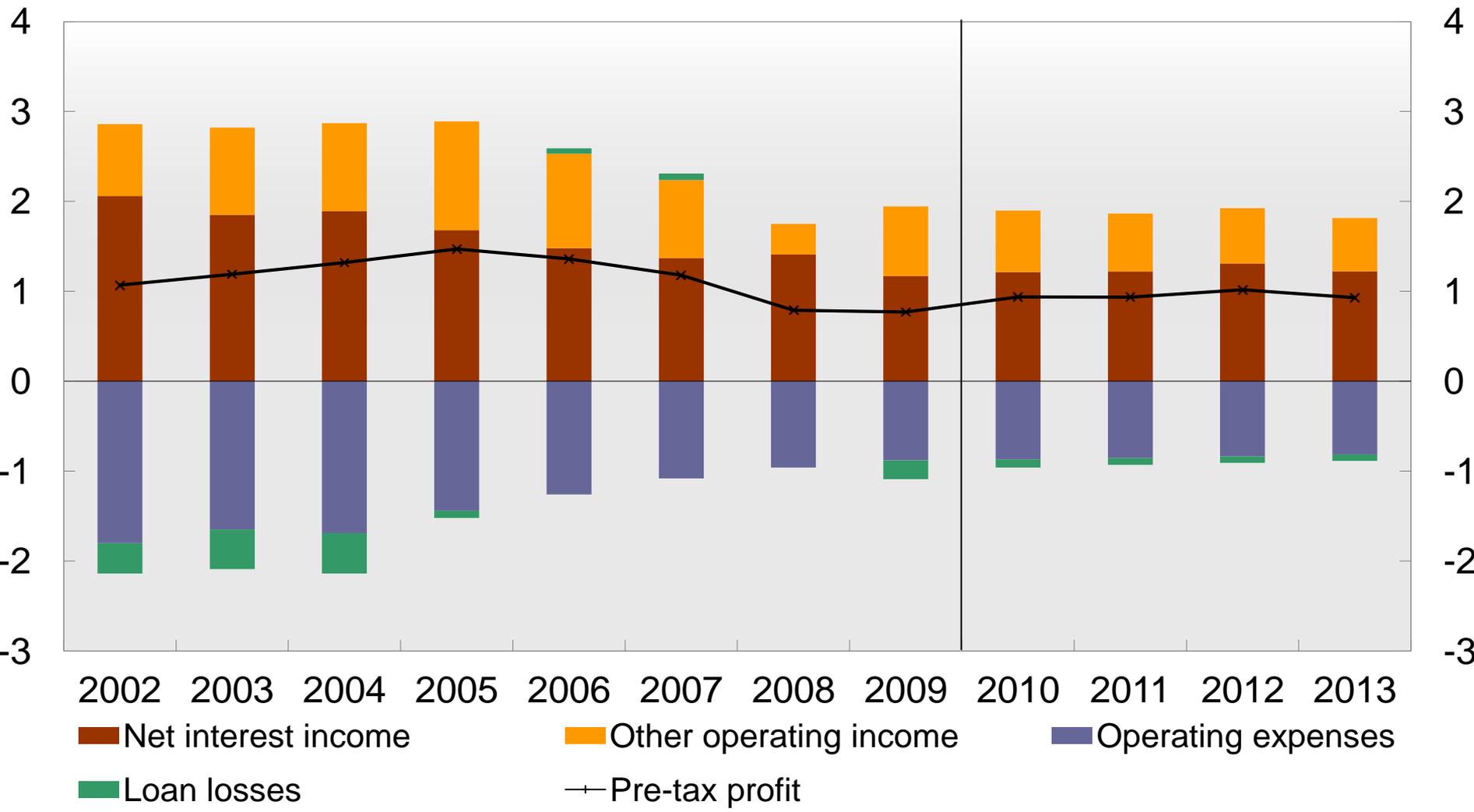
1) Projections for 2010 – 2013  
 Sources: Statistics Norway and Norges Bank

Chart 6 Loan losses in baseline scenarios and stress scenarios in FS 1/10 and FS 2/10. Percentage of gross lending to customers. Annual figures. 1987 – 2013<sup>1)</sup>



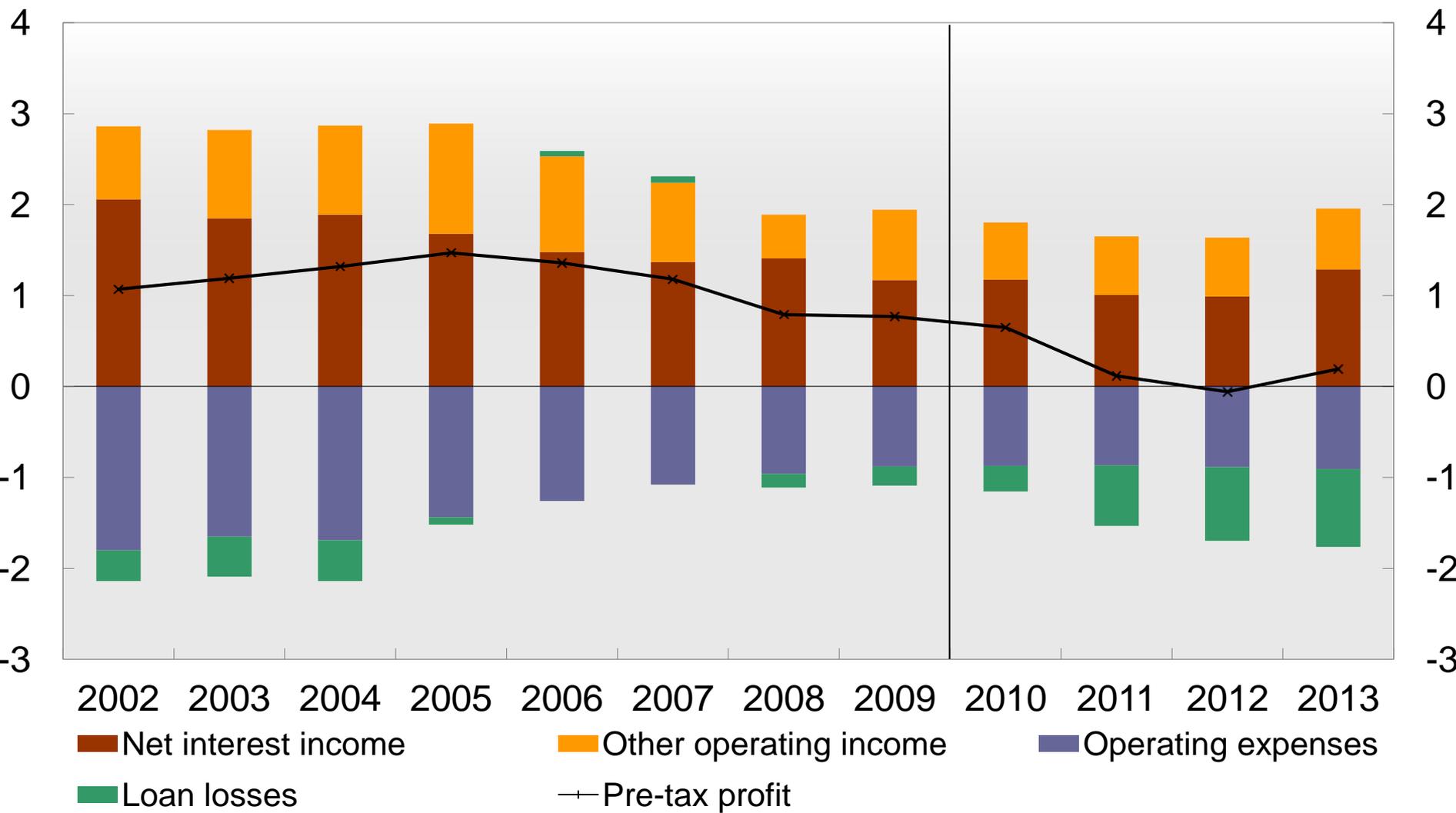
1) Projections for 2010 – 2013 for DnB NOR Bank, Nordea Bank Norge, SpareBank 1 SR-Bank, Sparebanken Vest, SpareBank 1 SMN and SpareBank 1 Nord-Norge  
Sources: Statistics Norway and Norges Bank

Chart 7 Banks' pre-tax profits as a percentage of average total assets. Baseline scenario. Per cent. Annual figures. 2002 – 2013



1) All banks excluding branches of foreign banks in Norway  
 2) Projections for 2010 – 2013 for DnB NOR Bank, Nordea Bank Norge, SpareBank 1 SR-Bank, Sparebanken Vest, SpareBank 1 SMN and SpareBank 1 Nord-Norge  
 Source: Norges Bank

Chart 8 Banks' pre-tax profits as a percentage of average total assets. Stress scenario. Per cent. Annual figures. 2002 – 2013<sup>2)</sup>

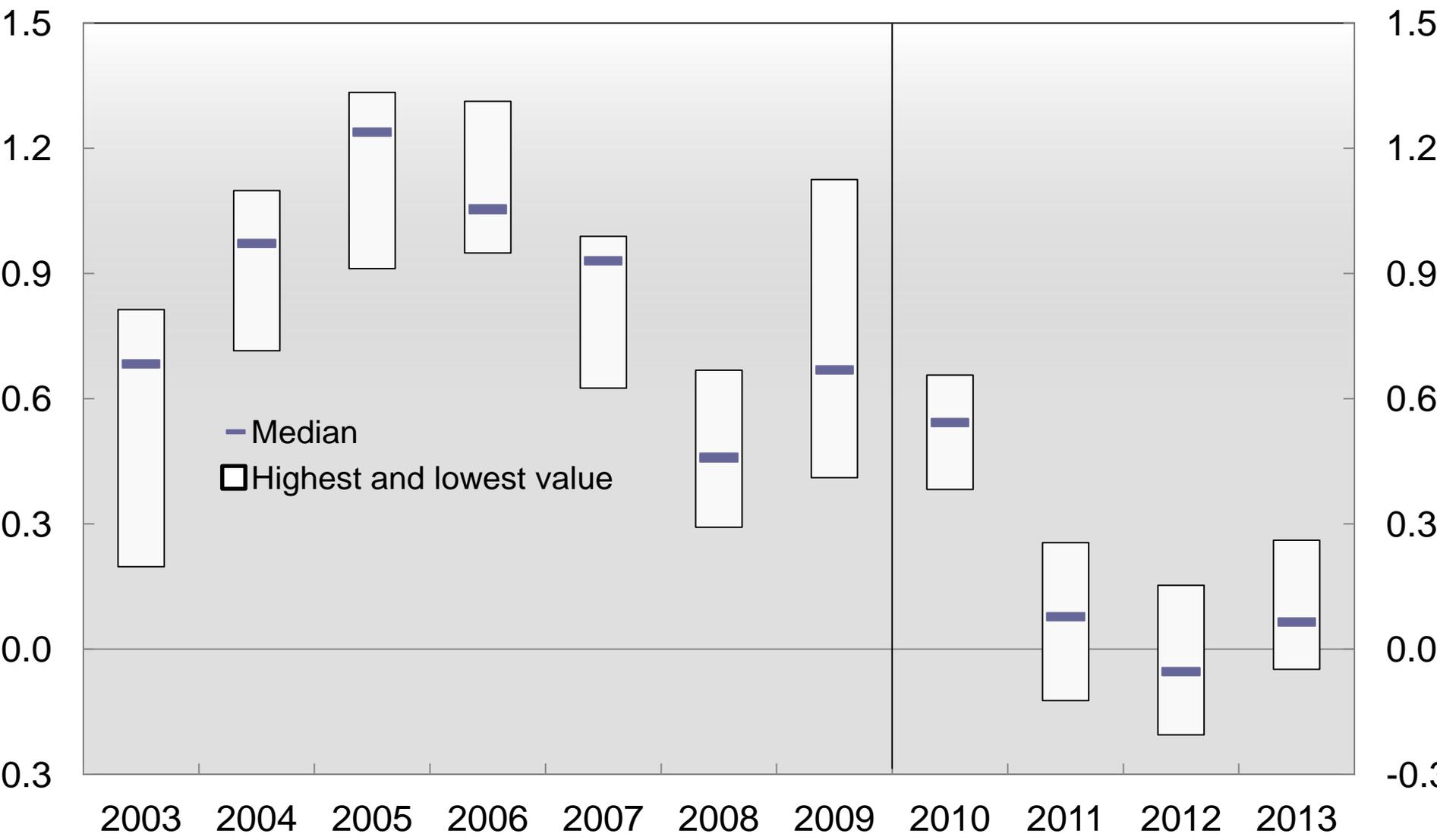


1) All banks excluding branches of foreign banks in Norway

2) Projections for 2010 – 2013 for DnB NOR Bank, Nordea Bank Norge, SpareBank 1 SR-Bank, Sparebanken Vest, SpareBank 1 SMN and SpareBank 1 Nord-Norge

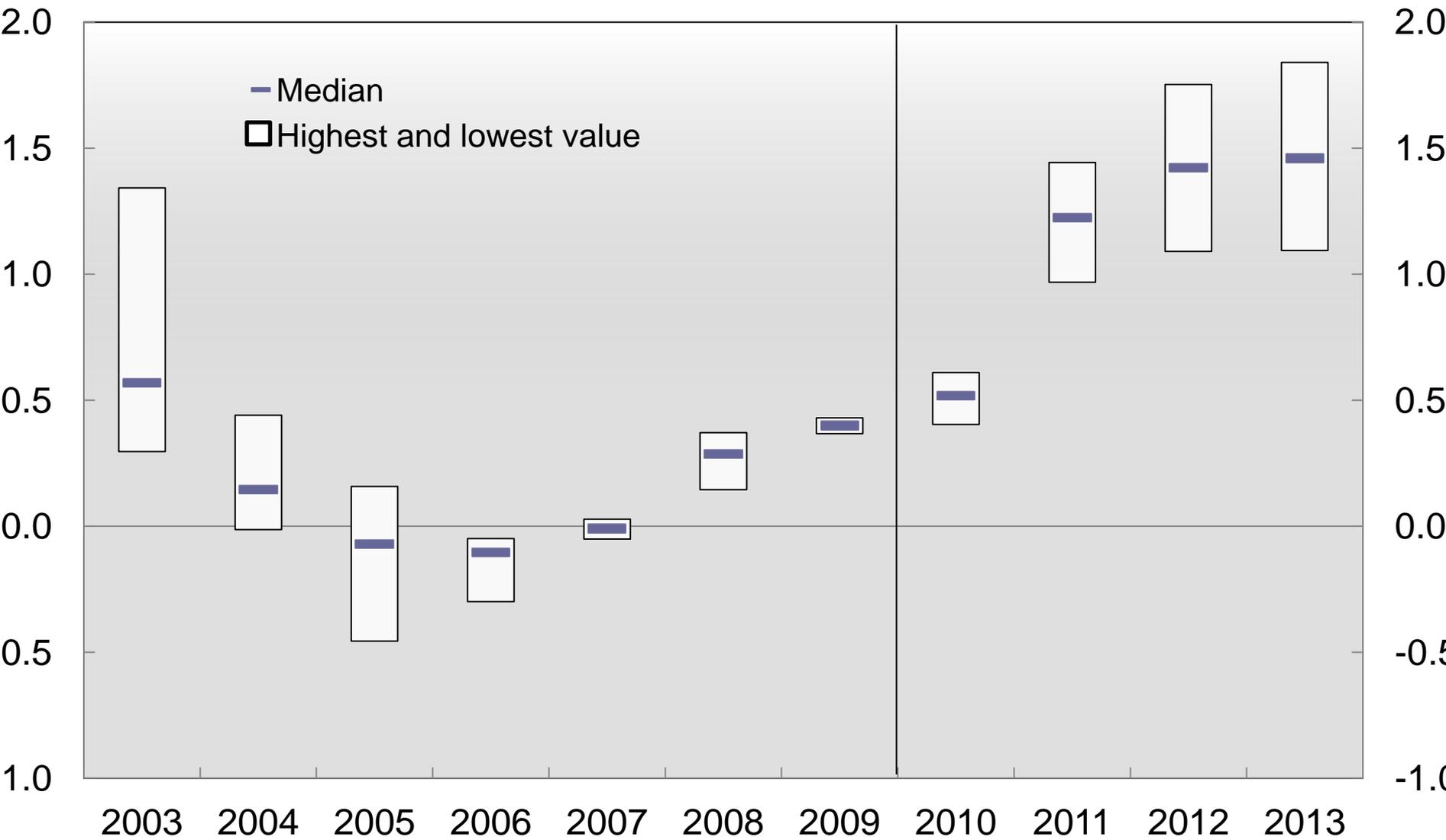
Source: Norges Bank

Chart 9 Banks' post-tax profits. Stress scenario. Percentage of average total assets. Annual figures. 2003 – 2013<sup>1)</sup>



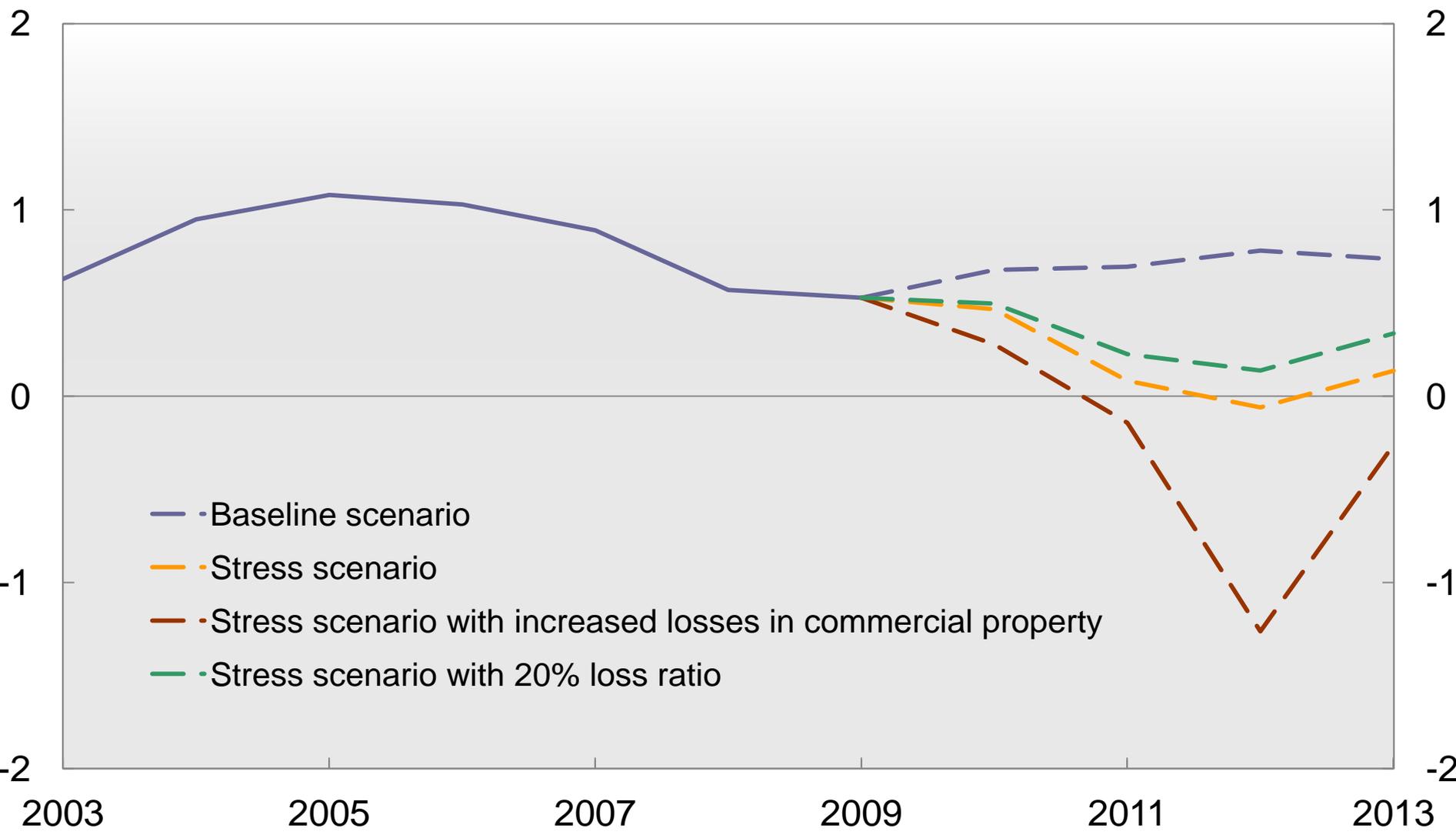
1) Projections for 2010 – 2013 for DnB NOR Bank, Nordea Bank Norge, SpareBank 1 SR-Bank, Sparebanken Vest, SpareBank 1 SMN and SpareBank 1 Nord-Norge  
 Source: Statistics Norway and Norges Bank

Chart 10 Banks' loan losses. Stress scenario. Percentage of gross lending to customers. Annual figures. 2003 – 2013<sup>1)</sup>



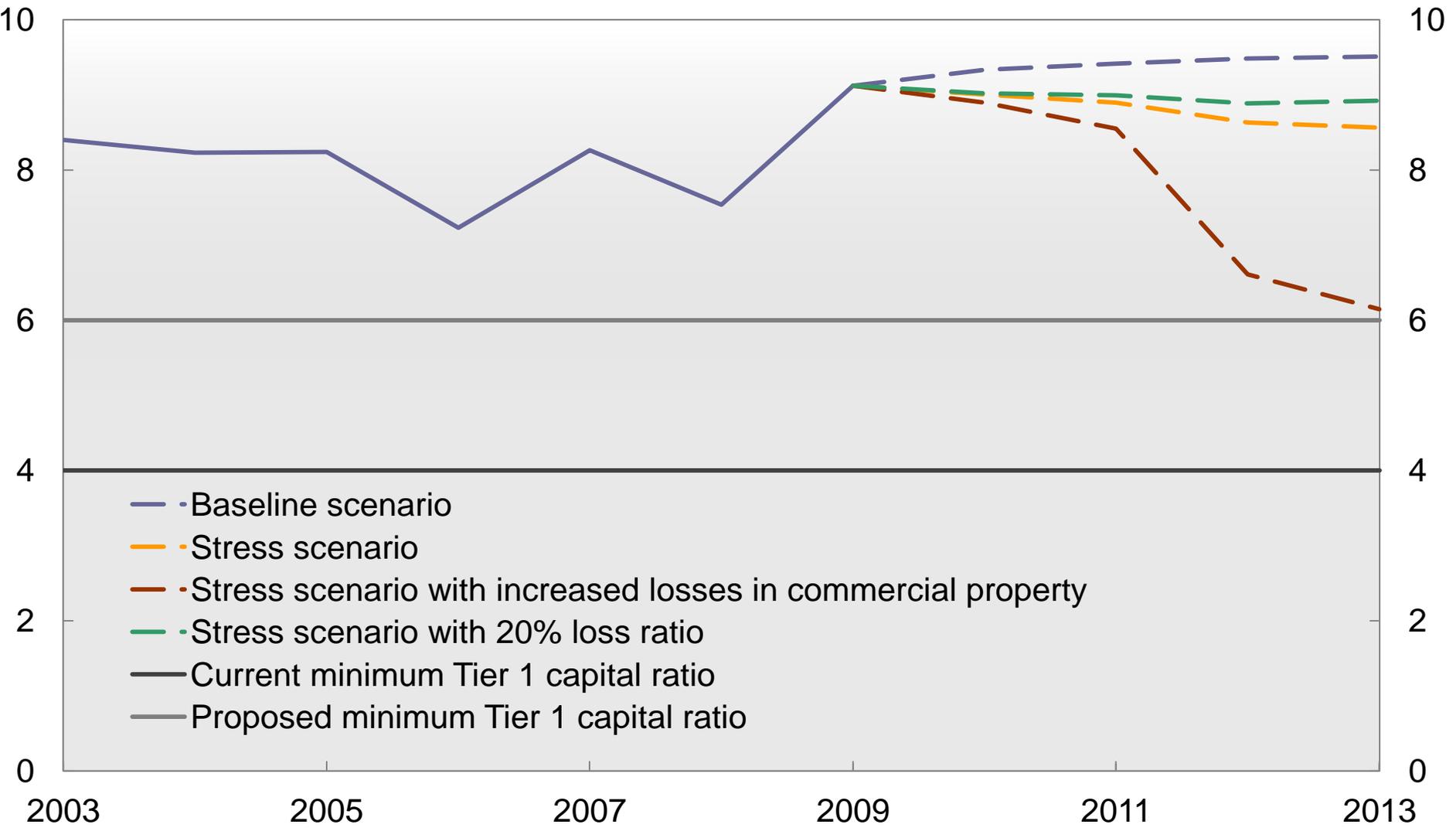
1) Projections for 2010 – 2013 for DnB NOR Bank, Nordea Bank Norge, SpareBank 1 SR-Bank, Sparebanken Vest, SpareBank 1 SMN and SpareBank 1 Nord-Norge  
 Source: Statistics Norway and Norges Bank

Chart 11 Banks' post-tax profits in stress scenarios. Percentage of average total assets. Annual figures. 2003 – 2013<sup>1)</sup>



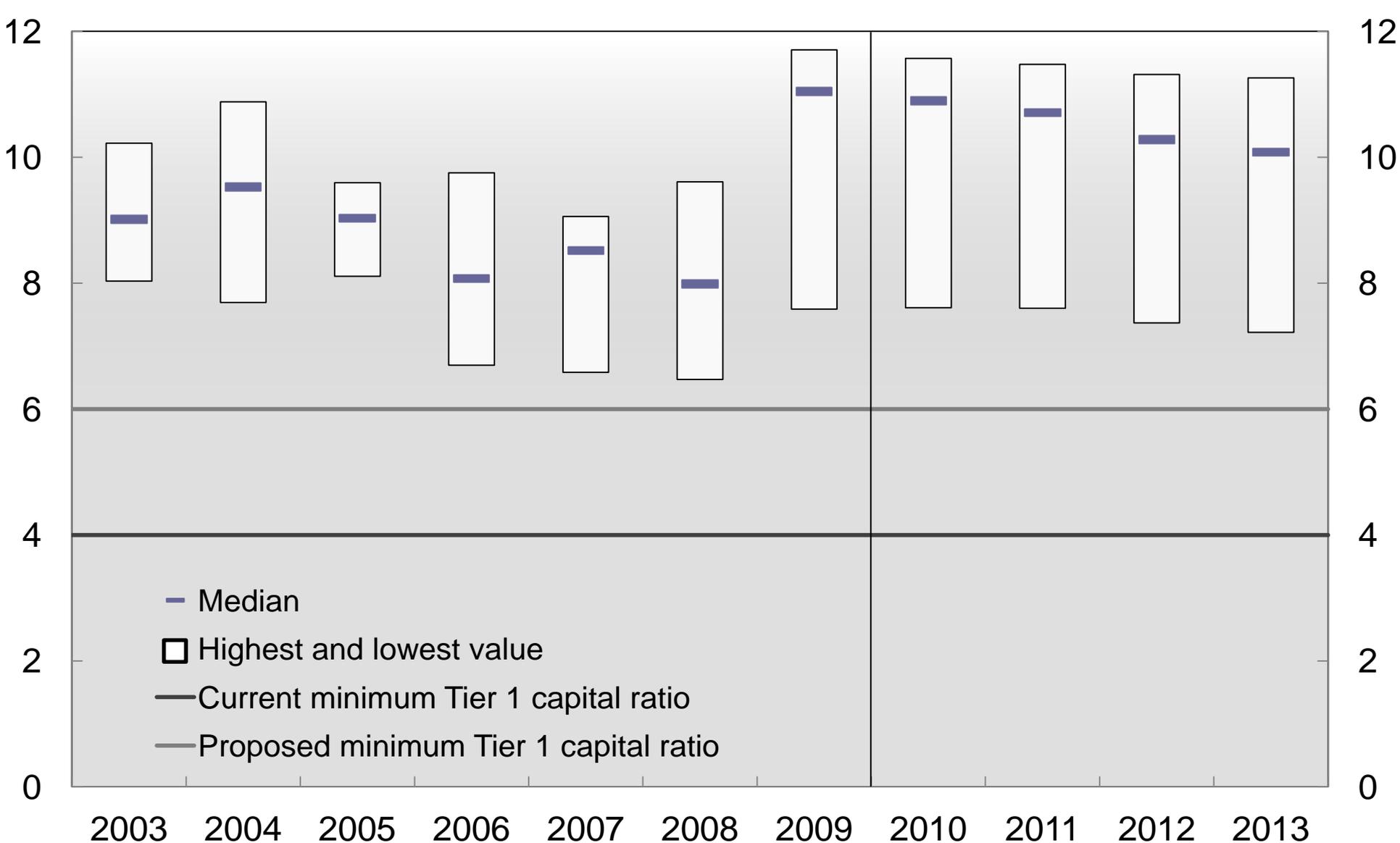
1) Projections for 2010 – 2013 for DnB NOR Bank, Nordea Bank Norge, SpareBank 1 SR-Bank, Sparebanken Vest, SpareBank 1 SMN and SpareBank 1 Nord-Norge  
 Source: Statistics Norway and Norges Bank

Chart 12 Banks' Tier 1 capital ratio in stress scenarios. Per cent. Annual figures. 2003 – 2013<sup>1)</sup>



1) Projections for 2010 – 2013 for DnB NOR Bank, Nordea Bank Norge, SpareBank 1 SR-Bank, Sparebanken Vest, SpareBank 1 SMN and SpareBank 1 Nord-Norge  
 Source: Statistics Norway and Norges Bank

Chart 13 Banks' Tier 1 capital ratio. Stress scenario. Per cent. 2003 – 2013<sup>1)</sup>

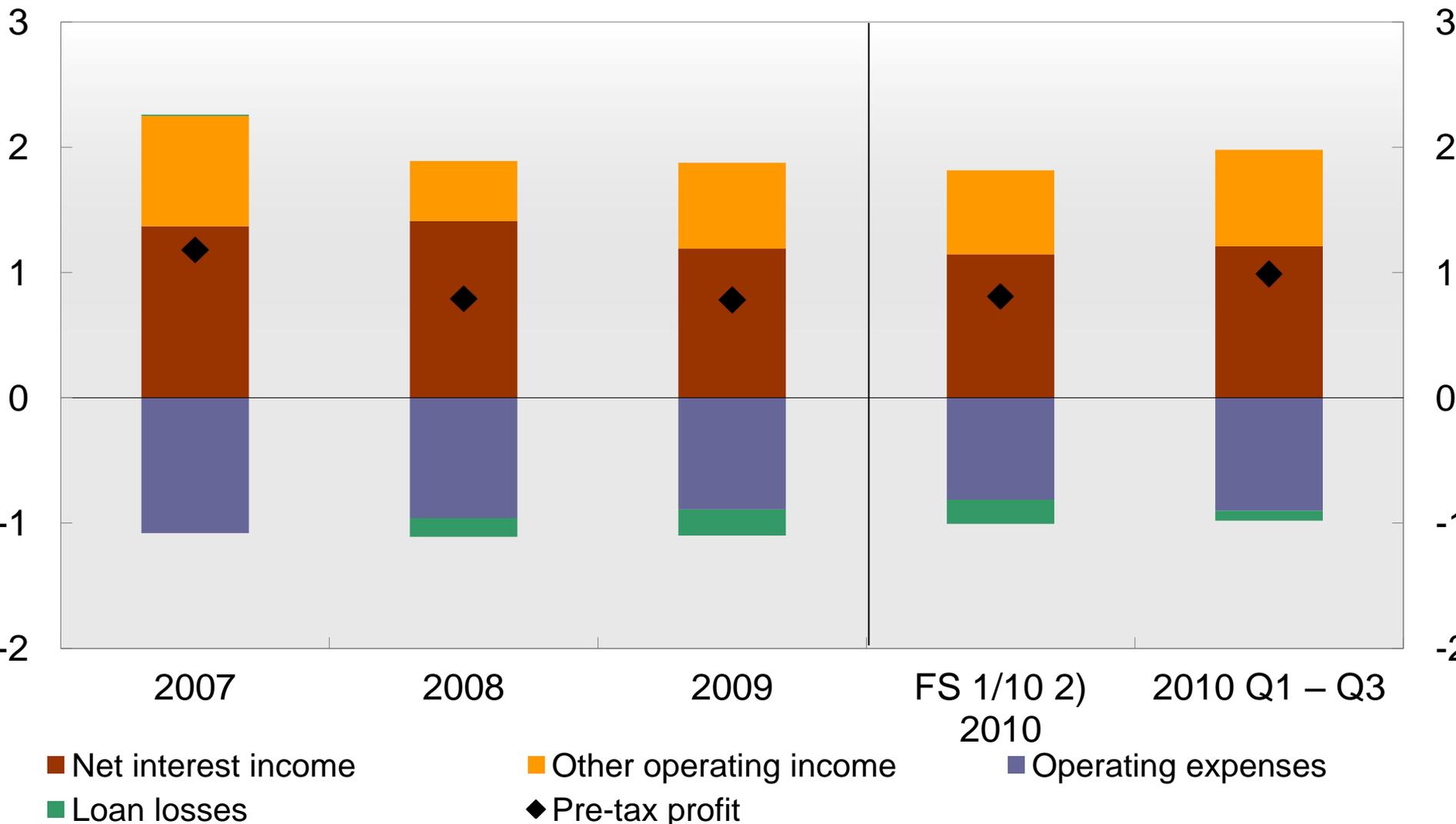


1) Projections for 2010 – 2013 for DnB NOR Bank, Nordea Bank Norge, SpareBank 1 SR-Bank, Sparebanken Vest, SpareBank 1 SMN and SpareBank 1 Nord-Norge

Source: Statistics Norway and Norges Bank

# Box 1

Chart 1 Banks'¹) pre-tax profits as a percentage of average total assets. Annual figures. 2007 – 2010

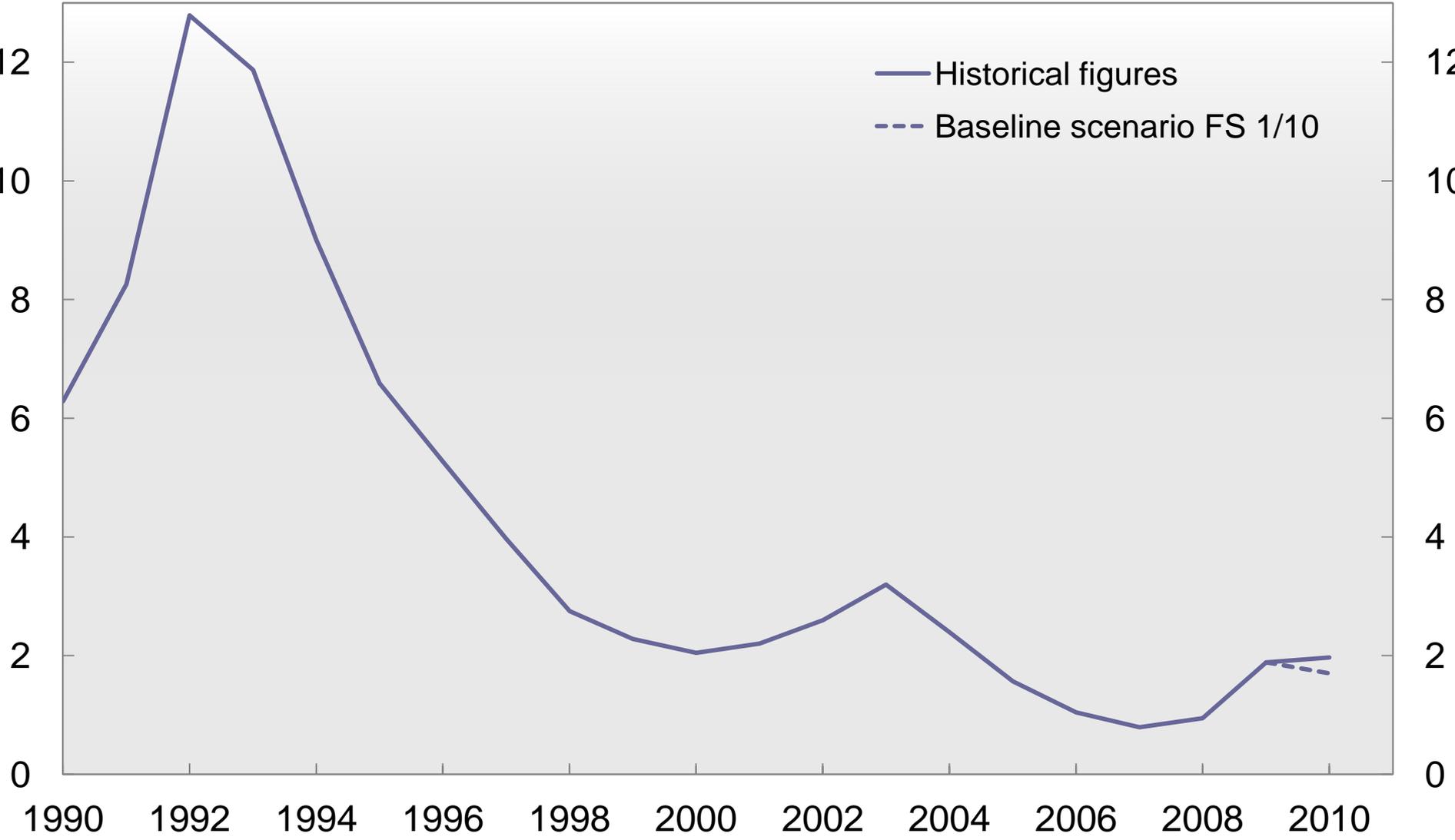


1) DnB NOR Bank, Nordea Bank Norge, SpareBank 1 SR-Bank, Sparebanken Vest, SpareBank 1 SMN and SpareBank 1 Nord-Norge

2) Baseline scenario in FS 1/10

Sources: Statistics Norway and Norges Bank

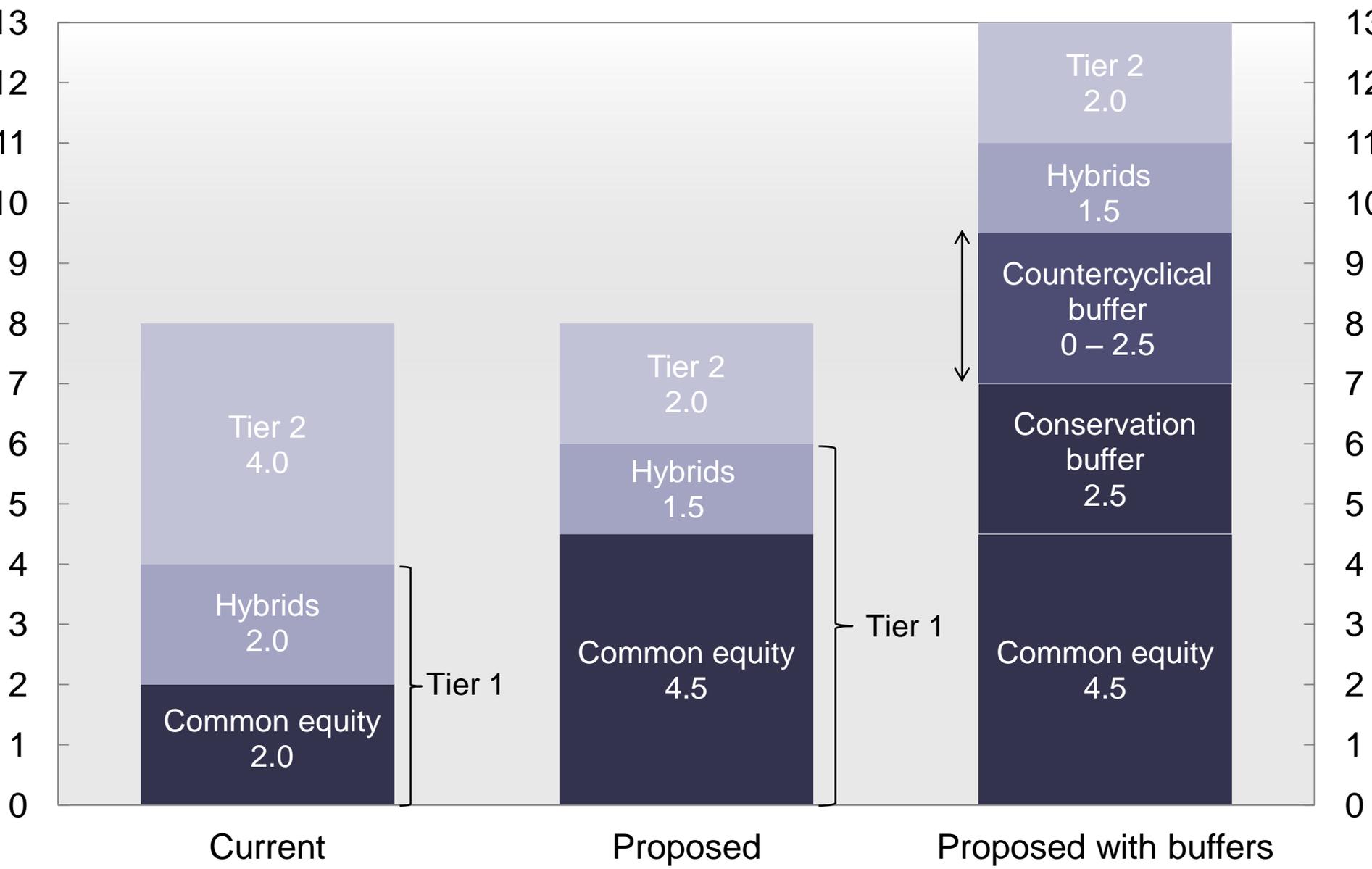
Chart 2 Problem loans as a percentage of gross lending in baseline scenarios. 1990 – 2010<sup>1)</sup>



1) Historical figures until Q3 2010. Projections for 2010 from baseline scenario FS 1/10  
Sources: Statistics Norway and Norges Bank

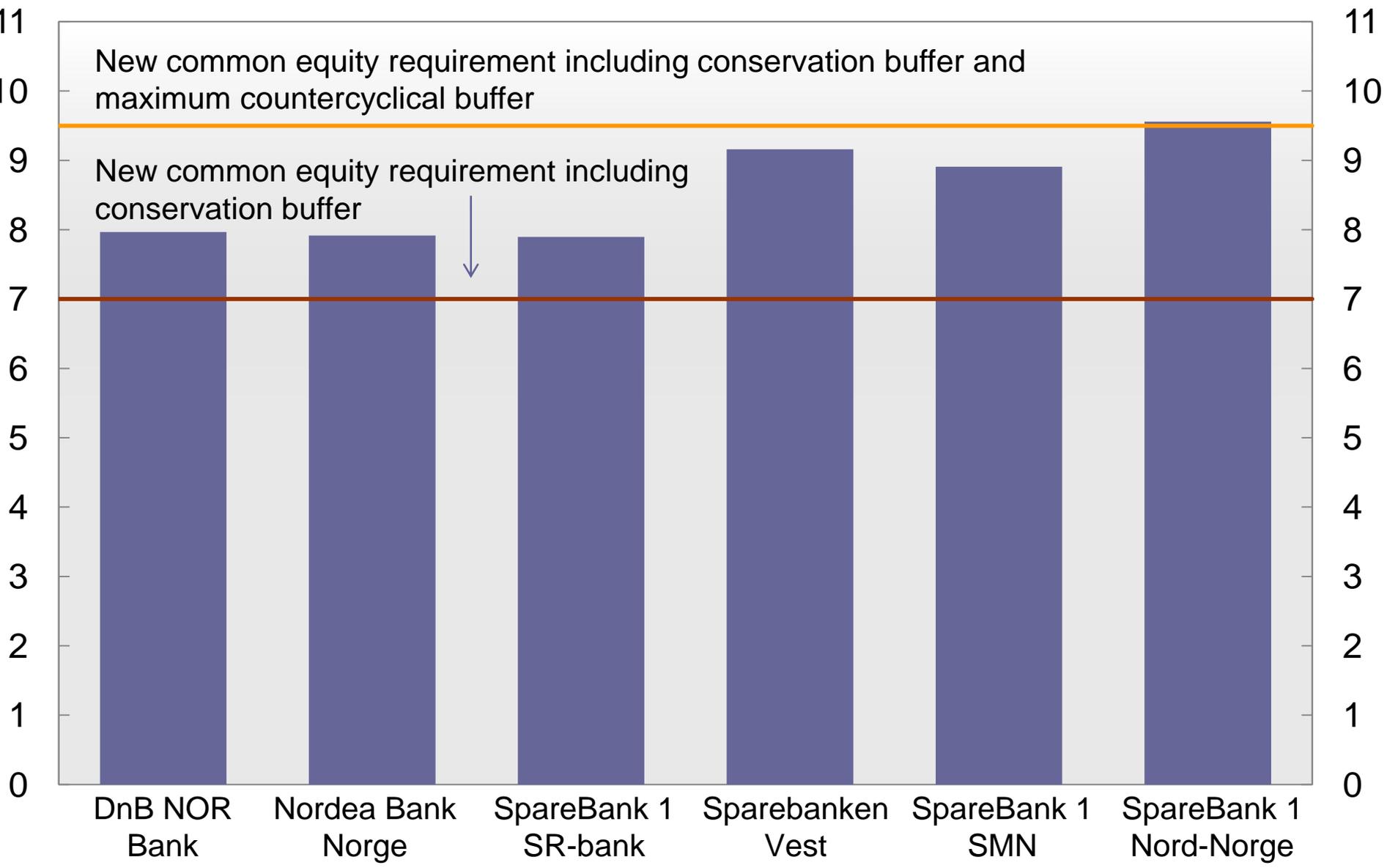
# Box 2

Chart 1 Current and proposed minimum capital requirements, and capital buffer requirements. Per cent of risk-weighted assets



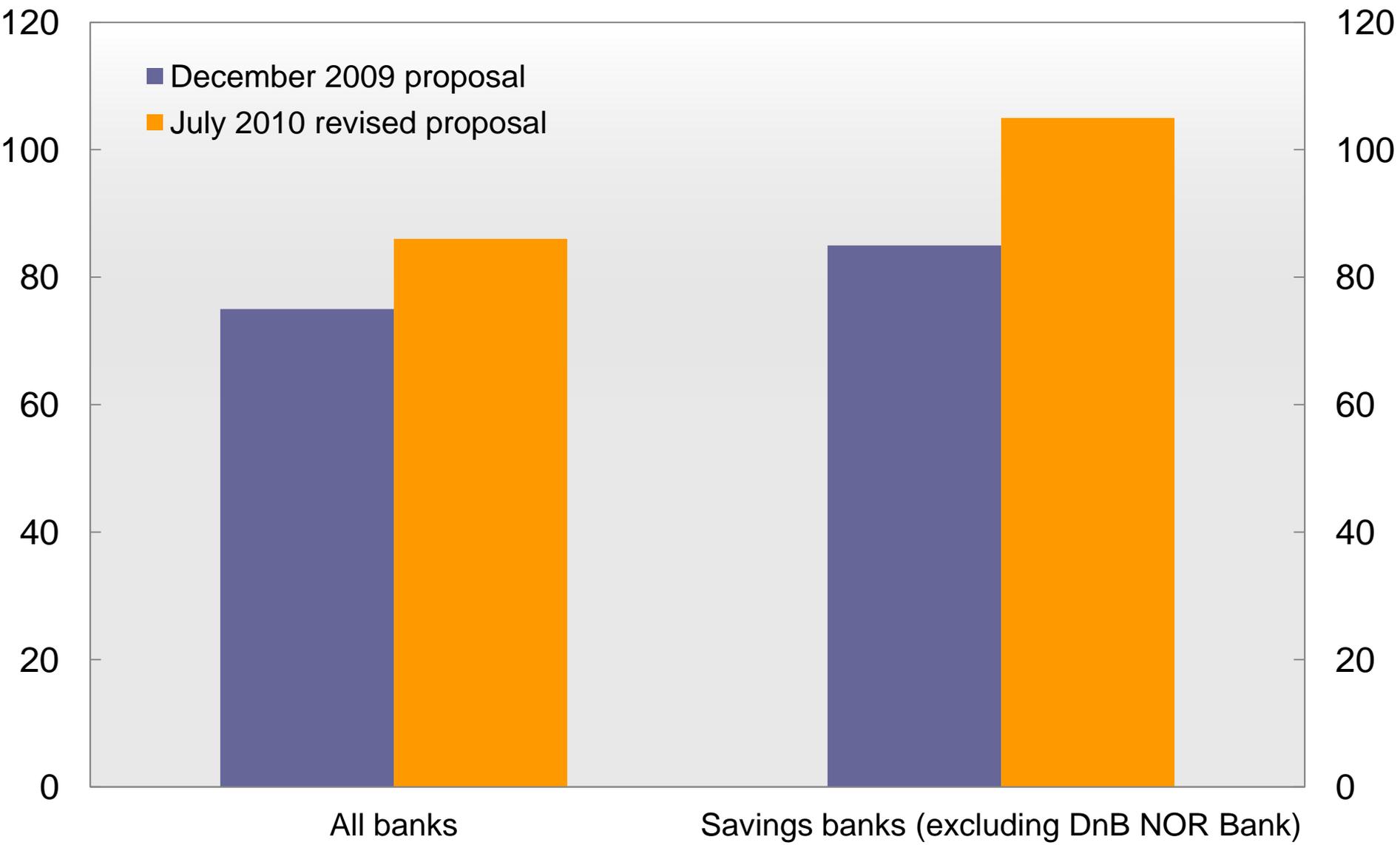
Sources: The Basel Committee and Norges Bank

Chart 2 Consolidated common equity capital ratios of the five largest Norwegian banking groups and Nordea Bank Norge. Per cent. As of 2010 Q3



Sources: Banks' financial reports and Norges Bank

Chart 3 Banks' <sup>1)</sup> stable funding in per cent of requirements. Group average.  
As of 2010 Q2



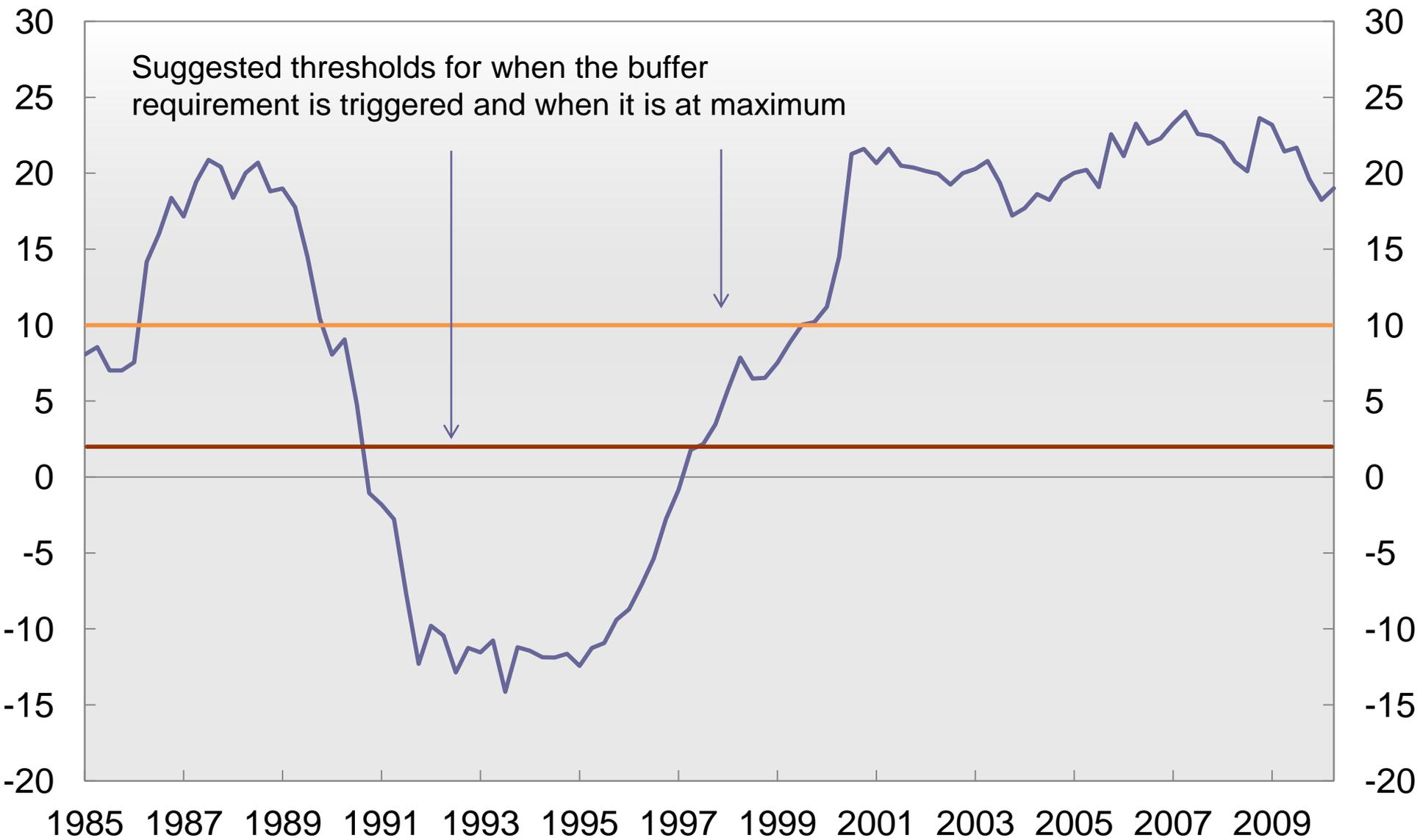
1) All banks excluding branches of foreign banks in Norway

Source: Norges Bank

# Box 3

Chart 1 Credit/GDP in Norway. Measured as gap relative to trend.<sup>1)</sup>

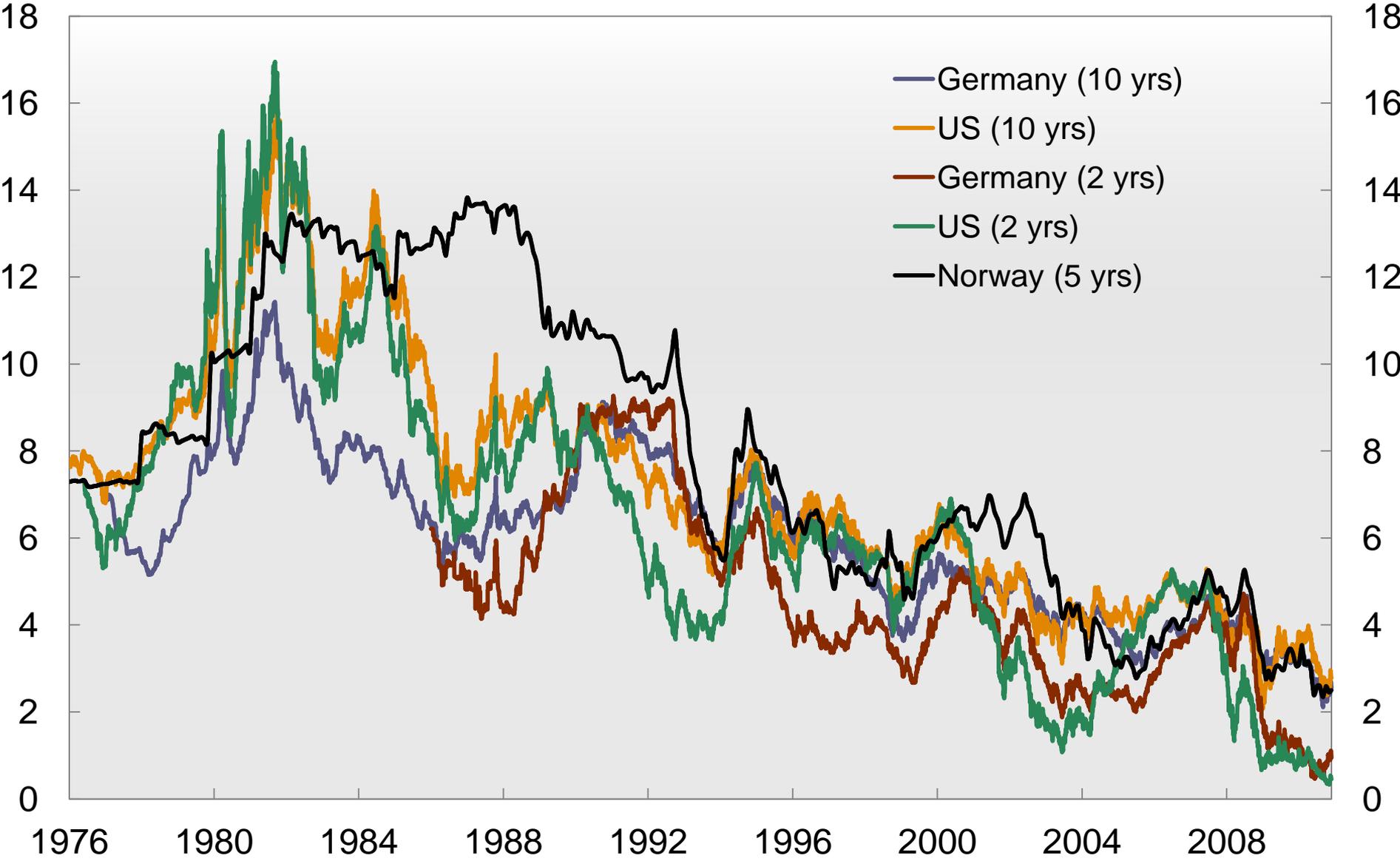
Percentage points. Quarterly data. 1985 Q1 – 2010 Q2



1) According to guidelines from the Basel Committee. Data for mainland Norway from 1993 Q4. Sources: Statistics Norway, IMF and Norges Bank

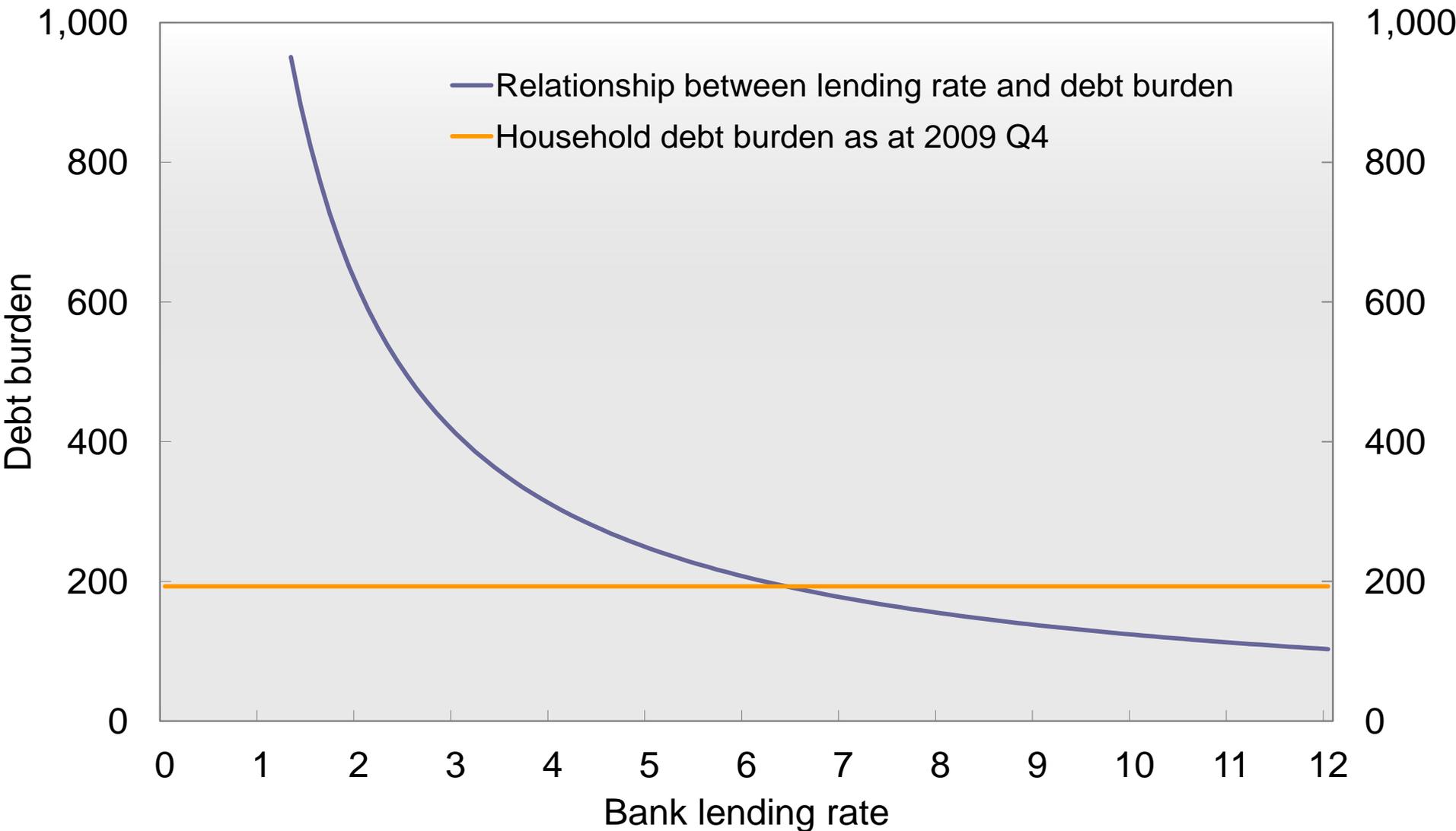
Box 5

Chart 1 Yields on government bonds in Germany, US and Norway. Time to maturity in brackets. Per cent. Daily figures. 1 Jan 1976 – 23 Nov 2010



Source: Thomson Reuters

Chart 2 Relationship between bank lending rate and debt burden<sup>1)</sup> with an interest burden<sup>2)</sup> of 11%



1) Debt as percentage of disposable income  
2) Interest expenses as per cent of after tax income  
Source: Norges Bank