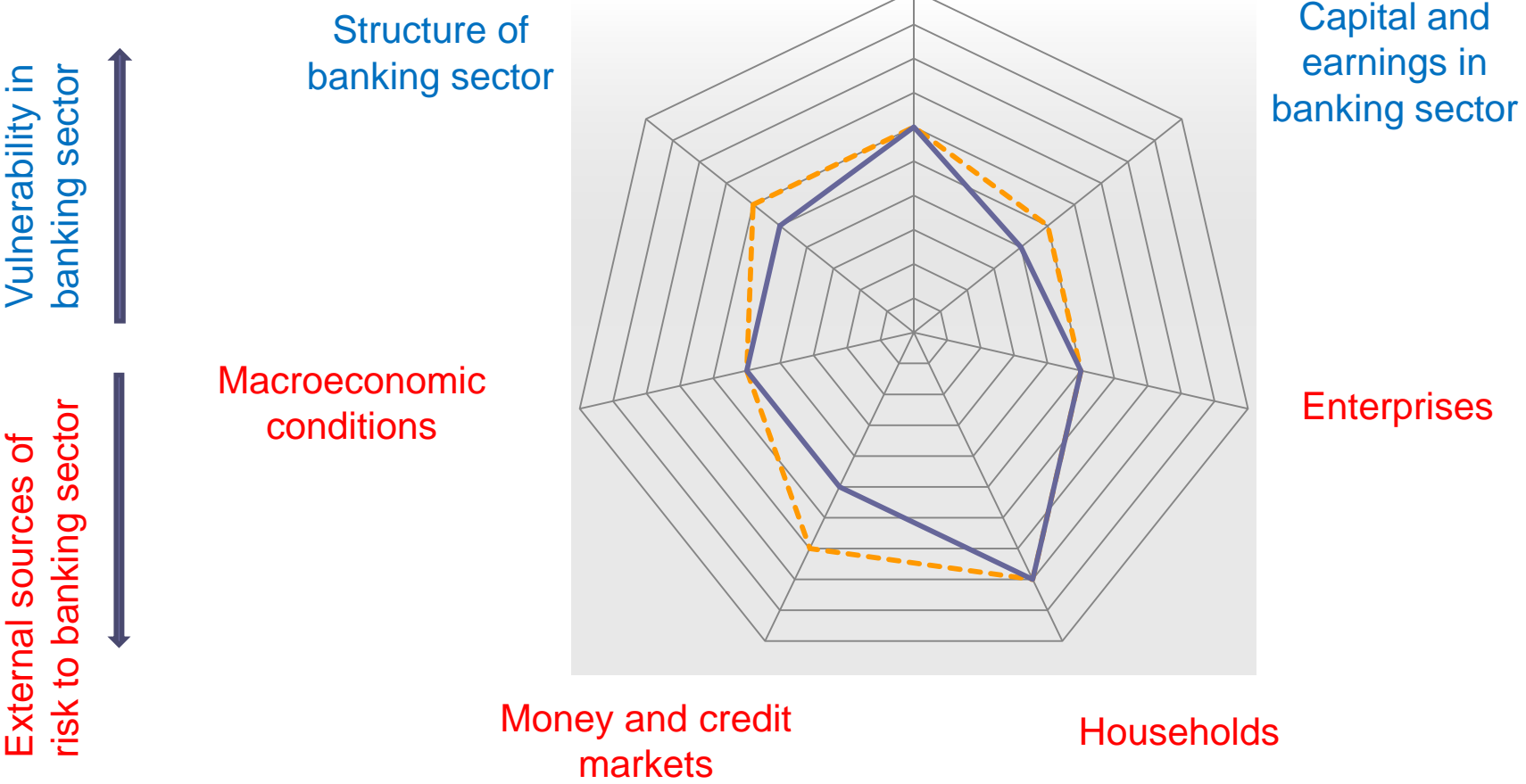


Financial stability 1/12

Charts

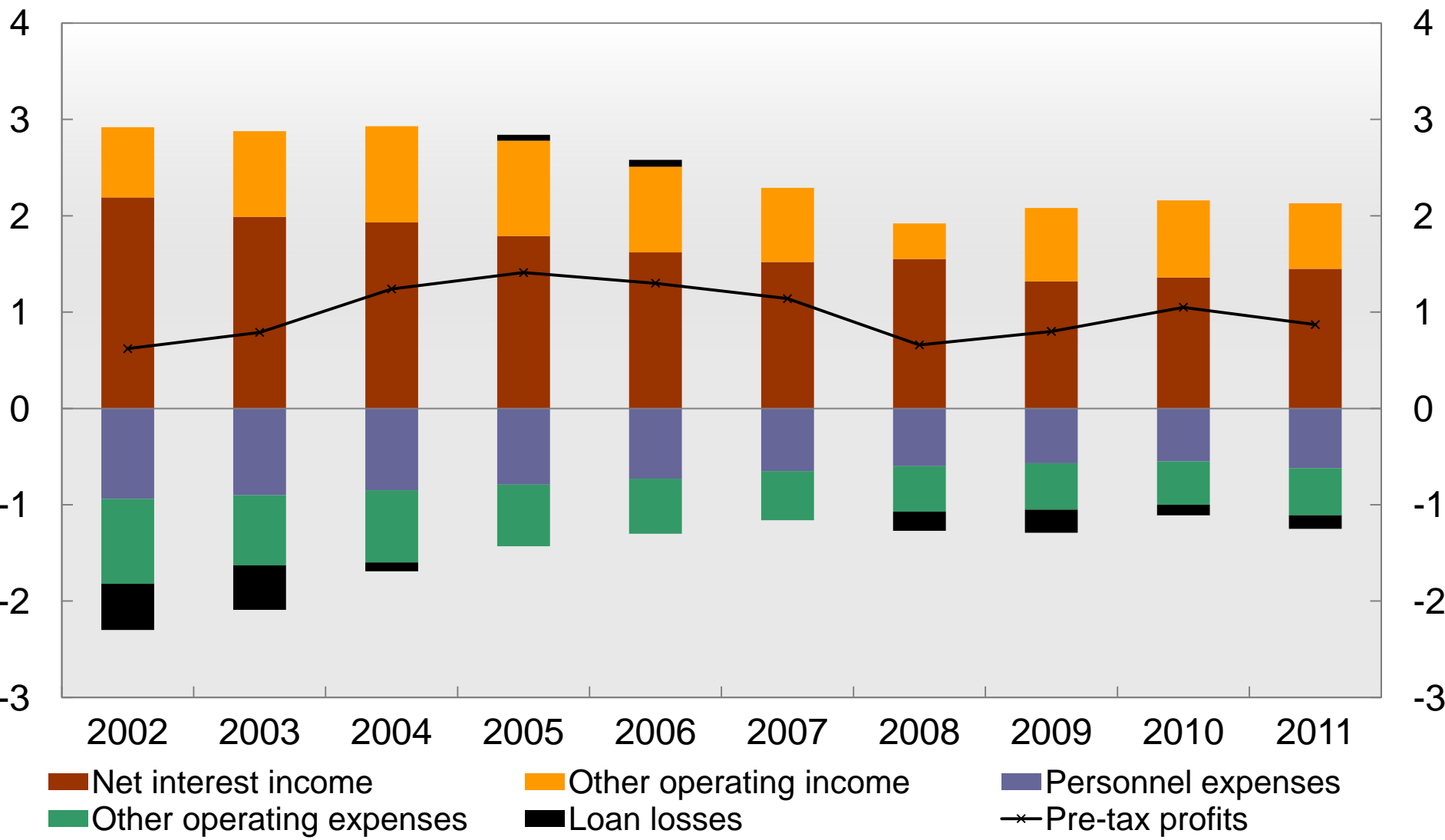
Chart 1.1 Vulnerabilities in the Norwegian banking sector and external sources of risk to the banking sector¹⁾

--- Financial Stability 2/11
 — Financial Stability 1/12



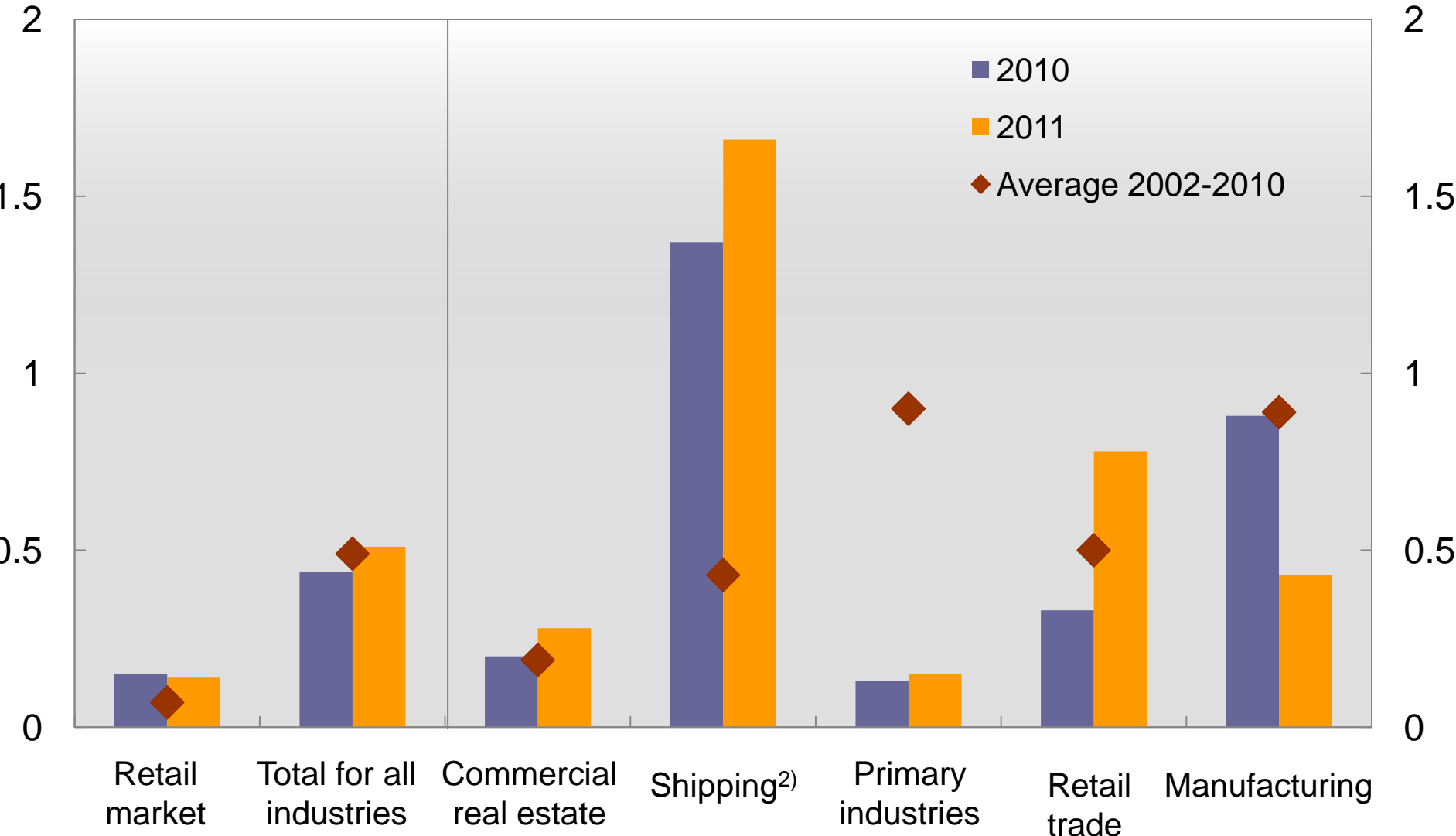
1) A value of 0, ie. origo, denotes the lowest level of risk or vulnerability. A value of 10 denotes the highest level of risk or vulnerability.

Chart 1.2 Banks' ¹⁾ pre-tax profits as a percentage of average total assets. Percent. Annual figures. 2002 – 2011



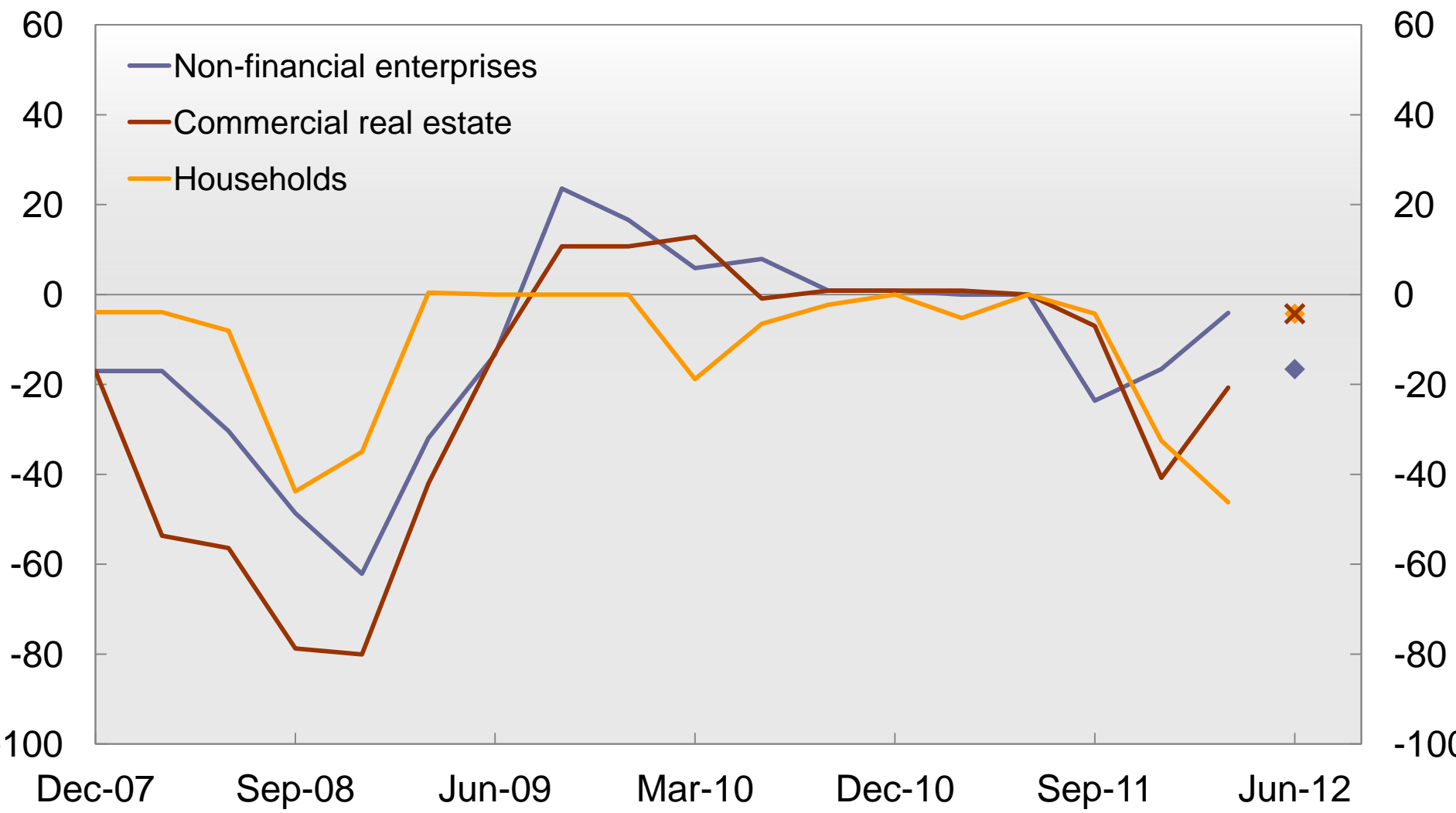
1) All banks except branches of foreign banks in Norway and branches of Norwegian banks abroad
 Source: Norges Bank

Chart 1.3 Banks' losses on lending to various sectors and industries in 2011. Percentage of lending to the respective sectors and industries



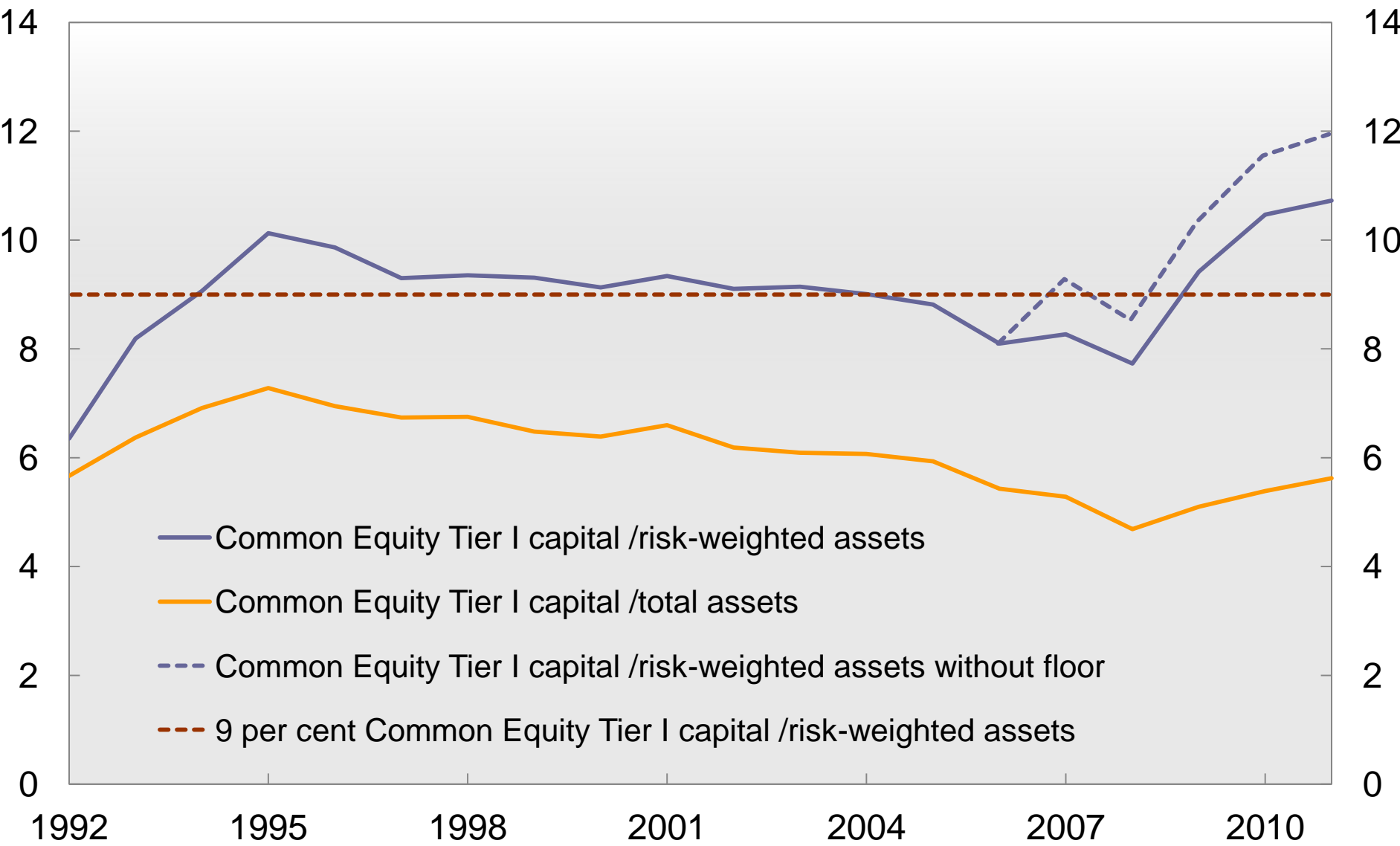
1) All banks in Norway except branches of foreign banks
 2) Shipping is limited to lending to Norwegian shipping companies
 Source: Norges Bank

Chart 1.4 Change in banks' credit standards for households and enterprises. Net percentage balances¹⁾. Quarterly figures. 2007 Q4 – 2012 Q1



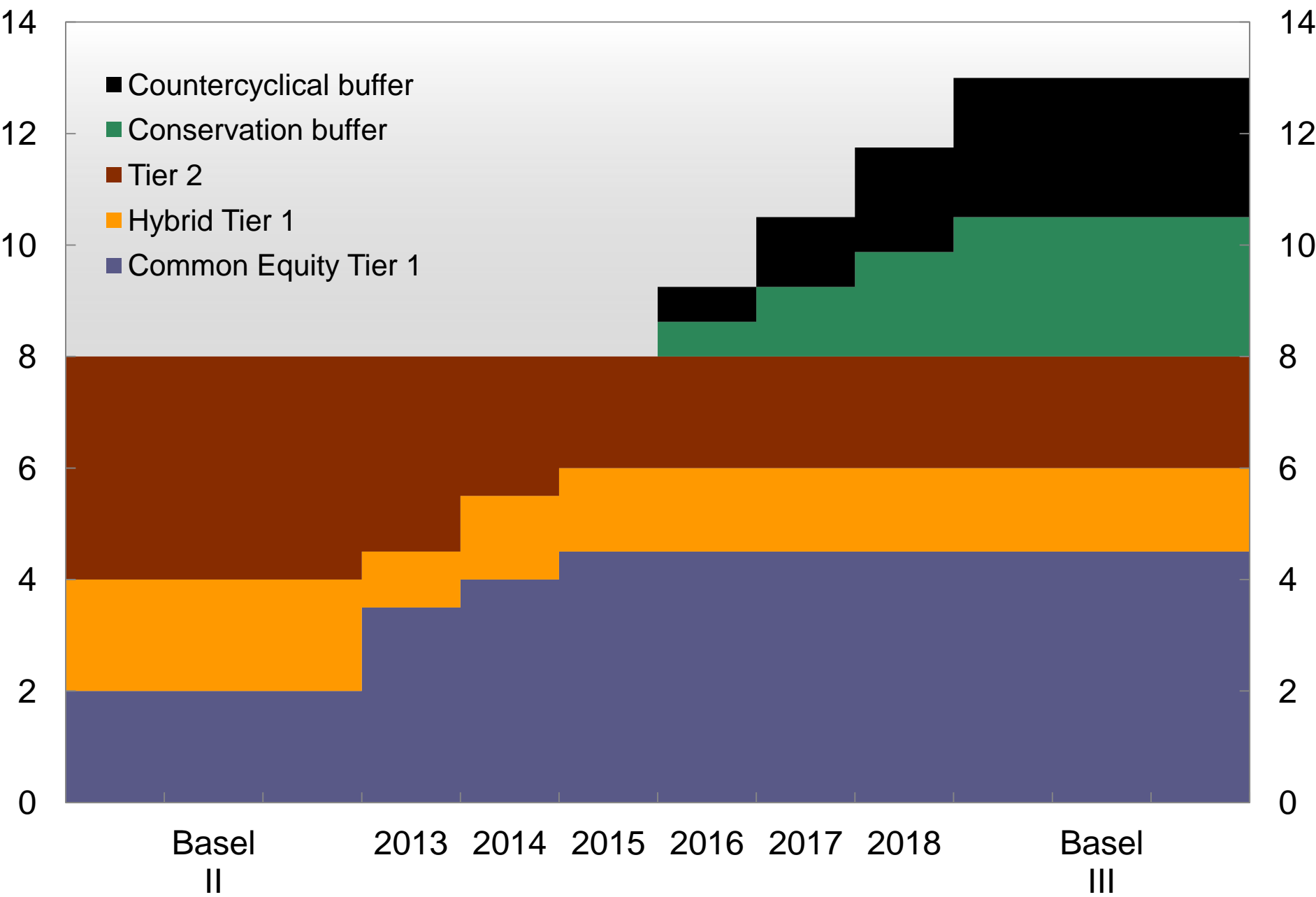
1) Negative net percentage balances denote tighter credit standards compared with previous quarter, while positive balances denote easing in credit standards. The points/diamonds show expectations over the next quarter. The points/diamonds have been moved forward one quarter. Source: Norges Bank

Chart 1.5 Common Equity Tier I capital in banks¹⁾ and covered bond mortgage companies. Percentage. Annual figures. 1992 – 2011



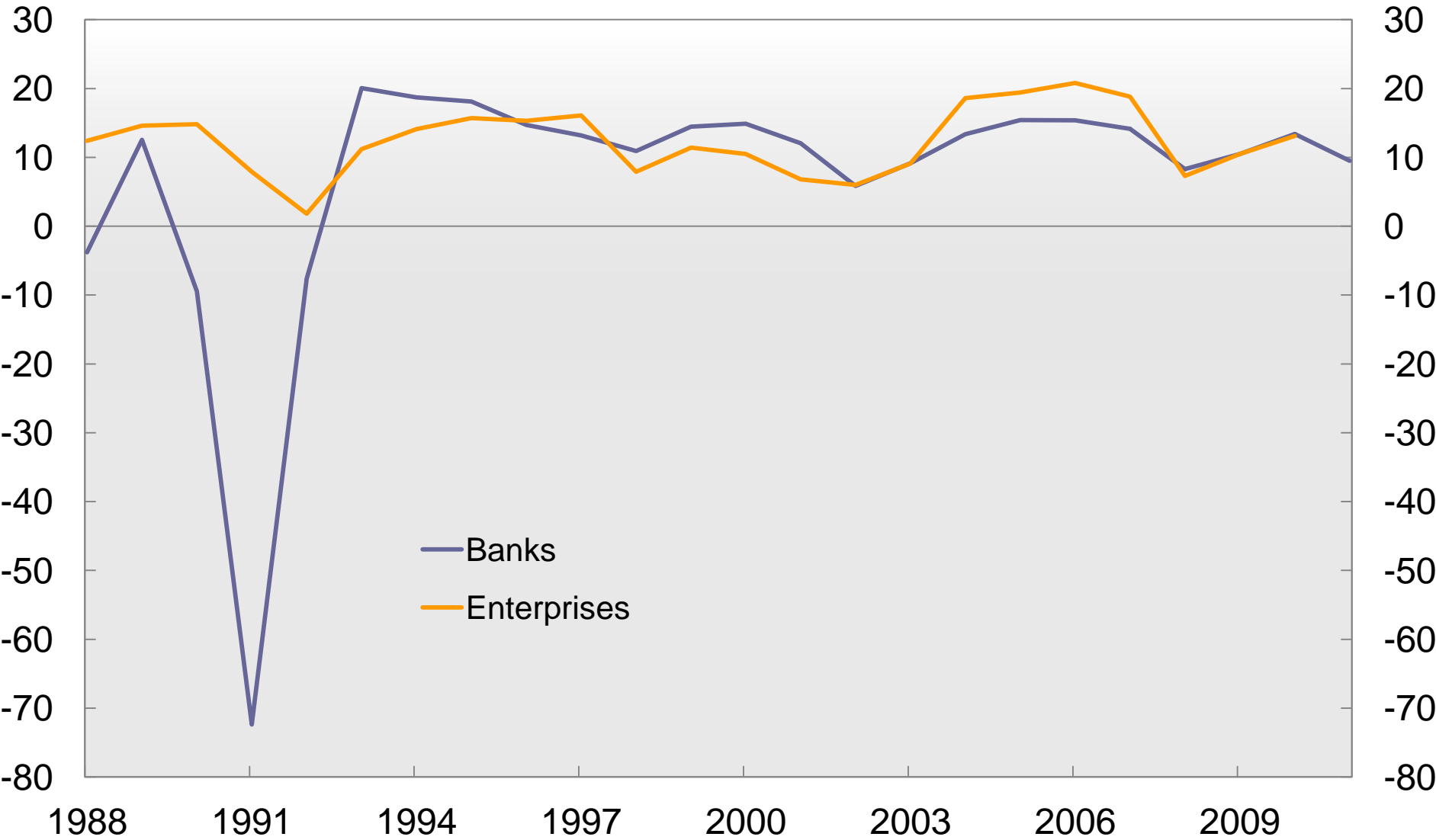
1) All banks except branches of foreign banks in Norway
Source: Finanstilsynet (Financial Supervisory Authority of Norway)

Chart 1 Basel III phase-in of capital requirements



Source: Basel Committee on Banking Supervision

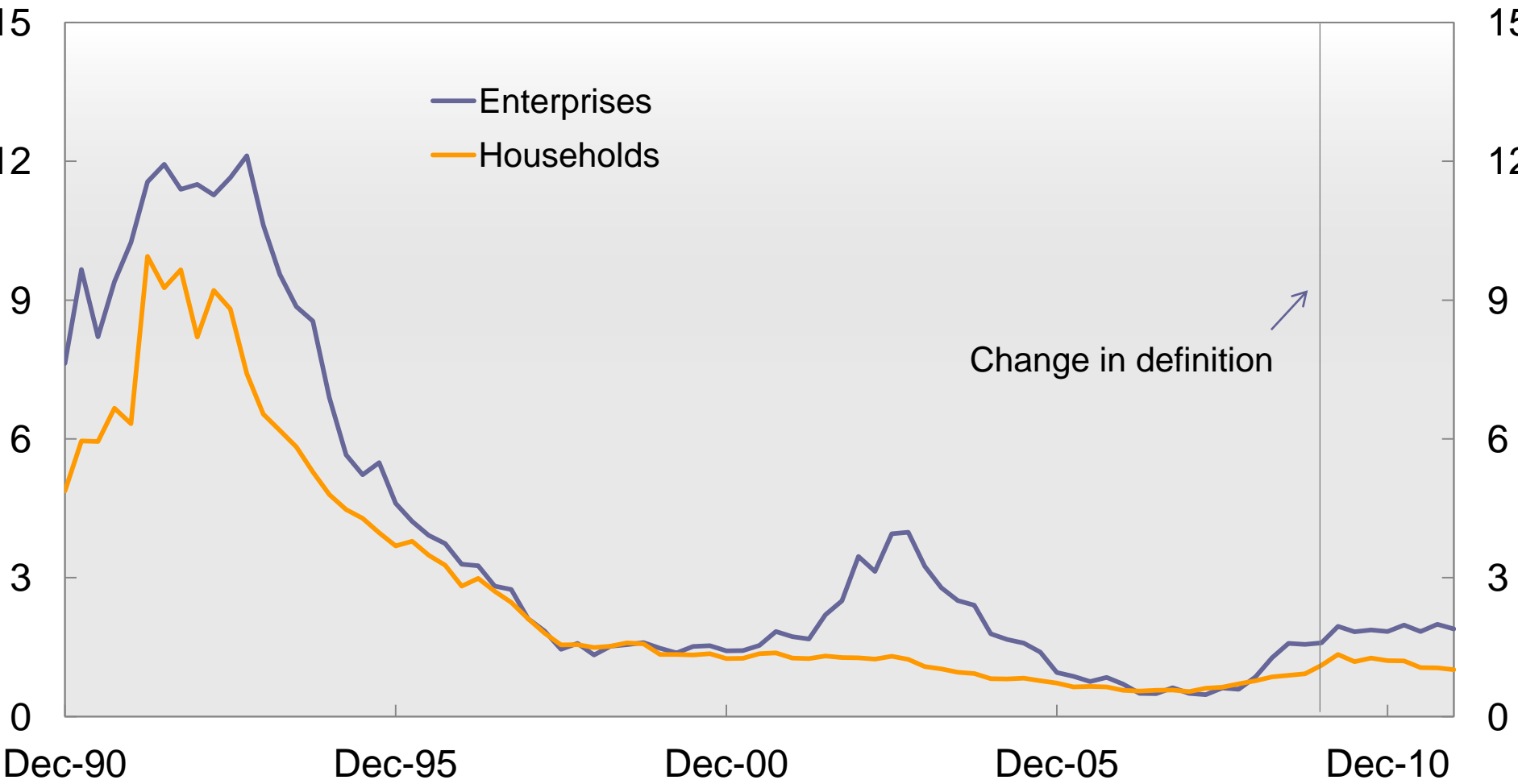
Chart 1.6 Return on equity. Norwegian banks¹⁾ and enterprises.
Percent. Annual figures. 1988 – 2011



1) All banks except branches of foreign banks in Norway. From 2008 all banks (legal entity) excluding branches of foreign banks in Norway

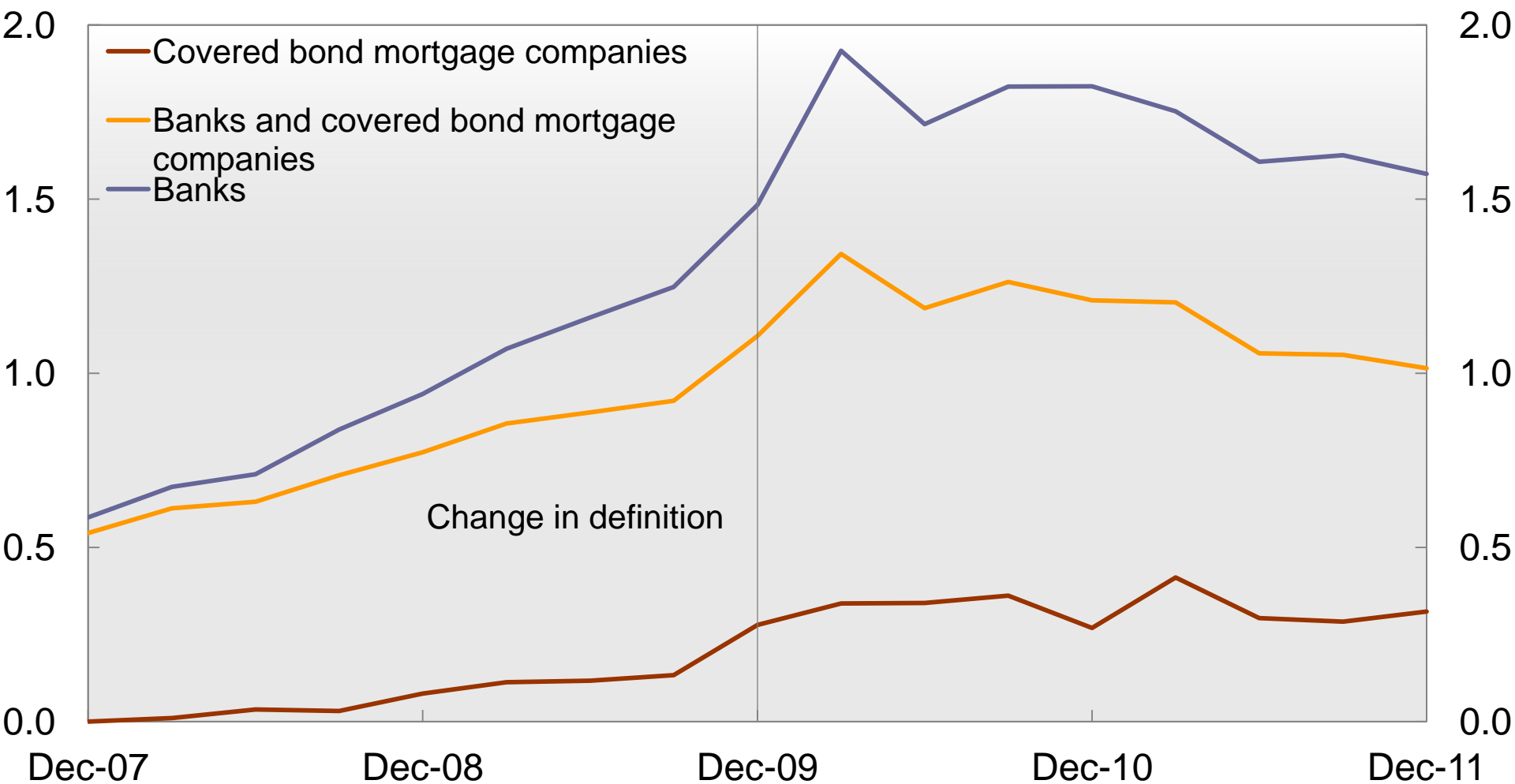
Source: Norges Bank

Chart 1.7 Banks' and covered bond mortgage companies' stock of non-performing loans. Percentage of gross lending to the same sector.¹⁾ Quarterly figures. 1990 Q4 - 2011 Q4



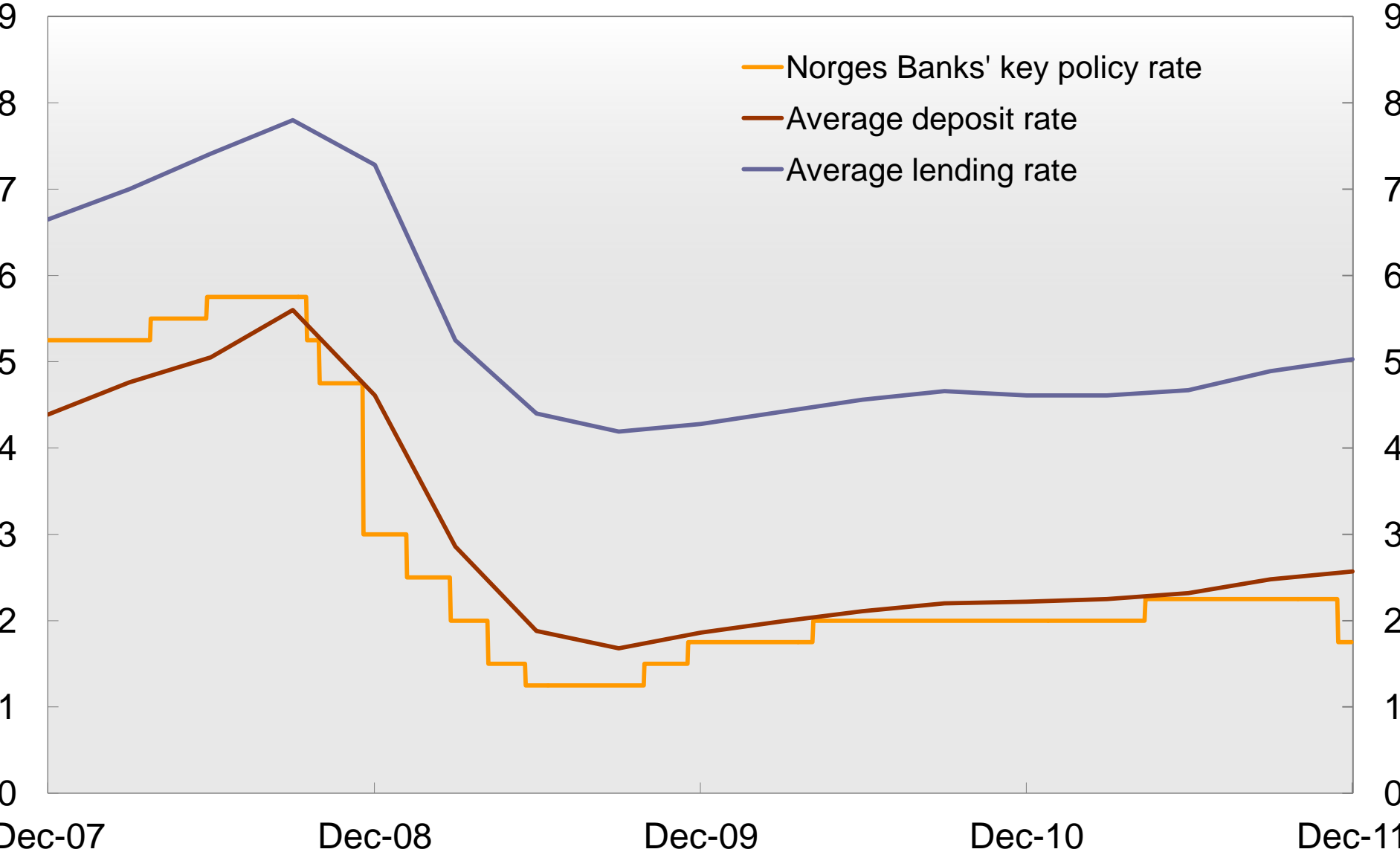
1) All banks including branches of foreign banks in Norway and covered bond mortgage companies. From 2007 Q4 all banks including branches of foreign banks in Norway and branches of Norwegian banks abroad and covered bond mortgage companies

Chart 1.8 Banks' and covered bond mortgage companies' stock of non-performing loans to households.¹⁾ Percentage of gross lending to households. Quarterly figures. 2007 Q4 – 2011 Q4



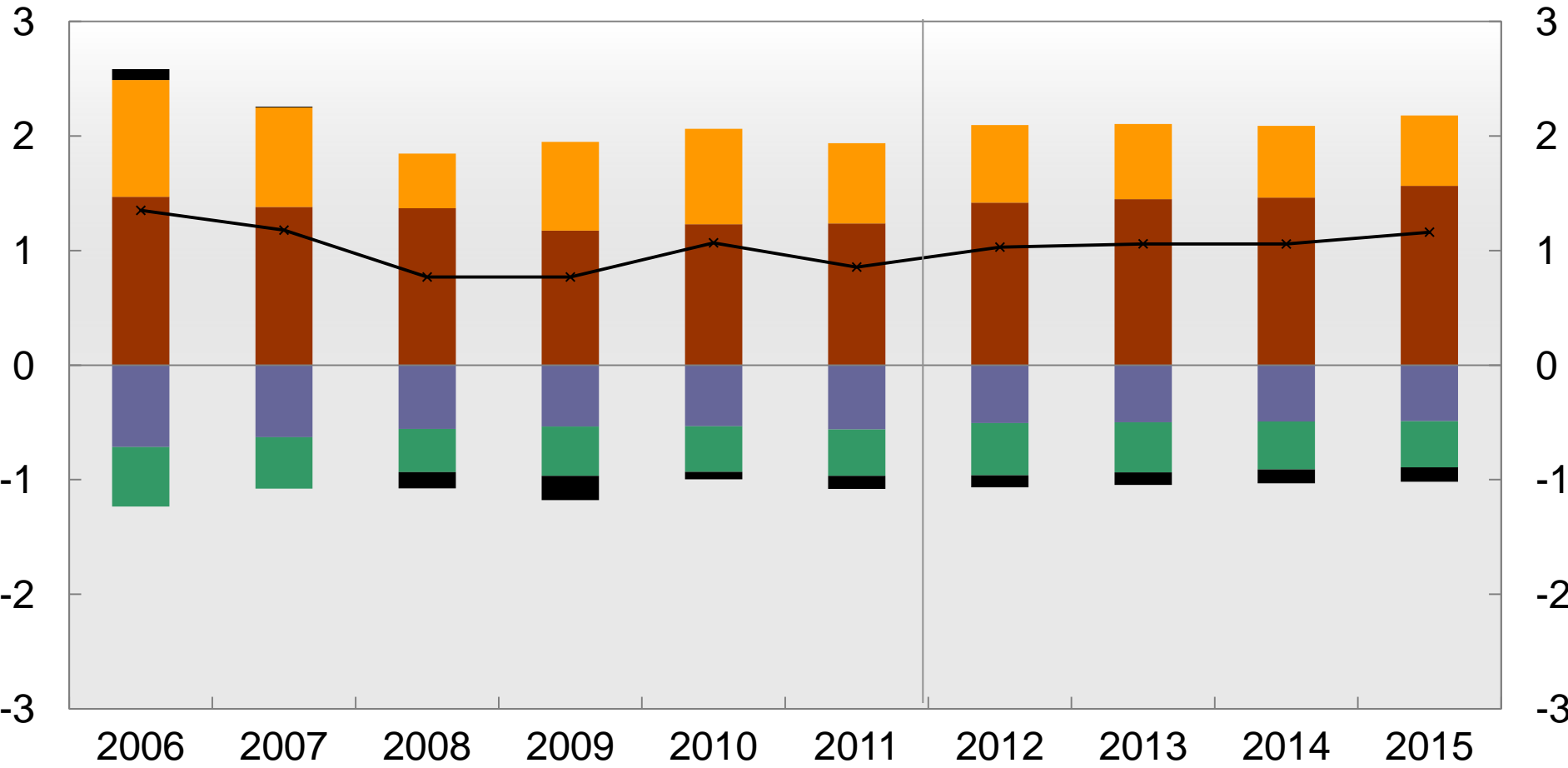
1) All banks including branches of foreign banks in Norway and covered bond mortgage companies. From 2007 Q4 all banks including branches of foreign banks in Norway and branches of Norwegian banks abroad and covered bond mortgage companies
Source: Norges Bank

Chart 1.9 Norges Banks' key policy rate and banks' average lending and deposit rates. Percent. Daily and quarterly figures. 31 December 2007 – 31 December 2011



Sources: Statistics Norway and Norges Bank

Chart 1.10 Banks' ¹⁾ pre-tax profits as a percentage of average total assets. Baseline scenario. Percent. Annual figures. 2006 – 2015 ²⁾



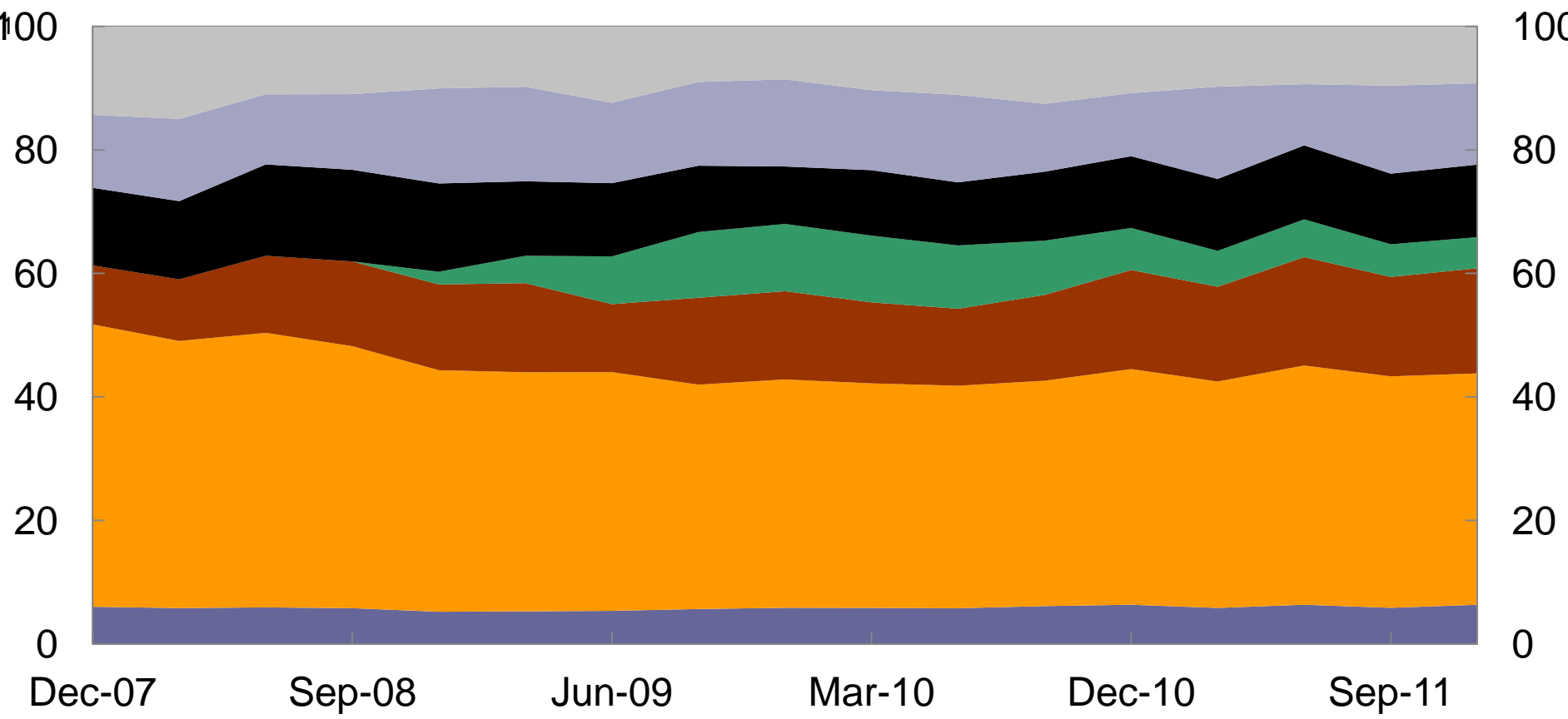
■ Net interest income
 ■ Other operating income
 ■ Personnel expenses
■ Other operating expenses
 ■ Loan losses
 —x— Pre-tax profits

1) DNB Bank, Nordea Bank Norge, Sparebank 1 SR Bank, Sparebank 1 SMN, Sparebank 1 Nord-Norge and Sparebanken Vest

2) Projections for 2012 - 2015

Sources: Statistics Norway and Norges Bank

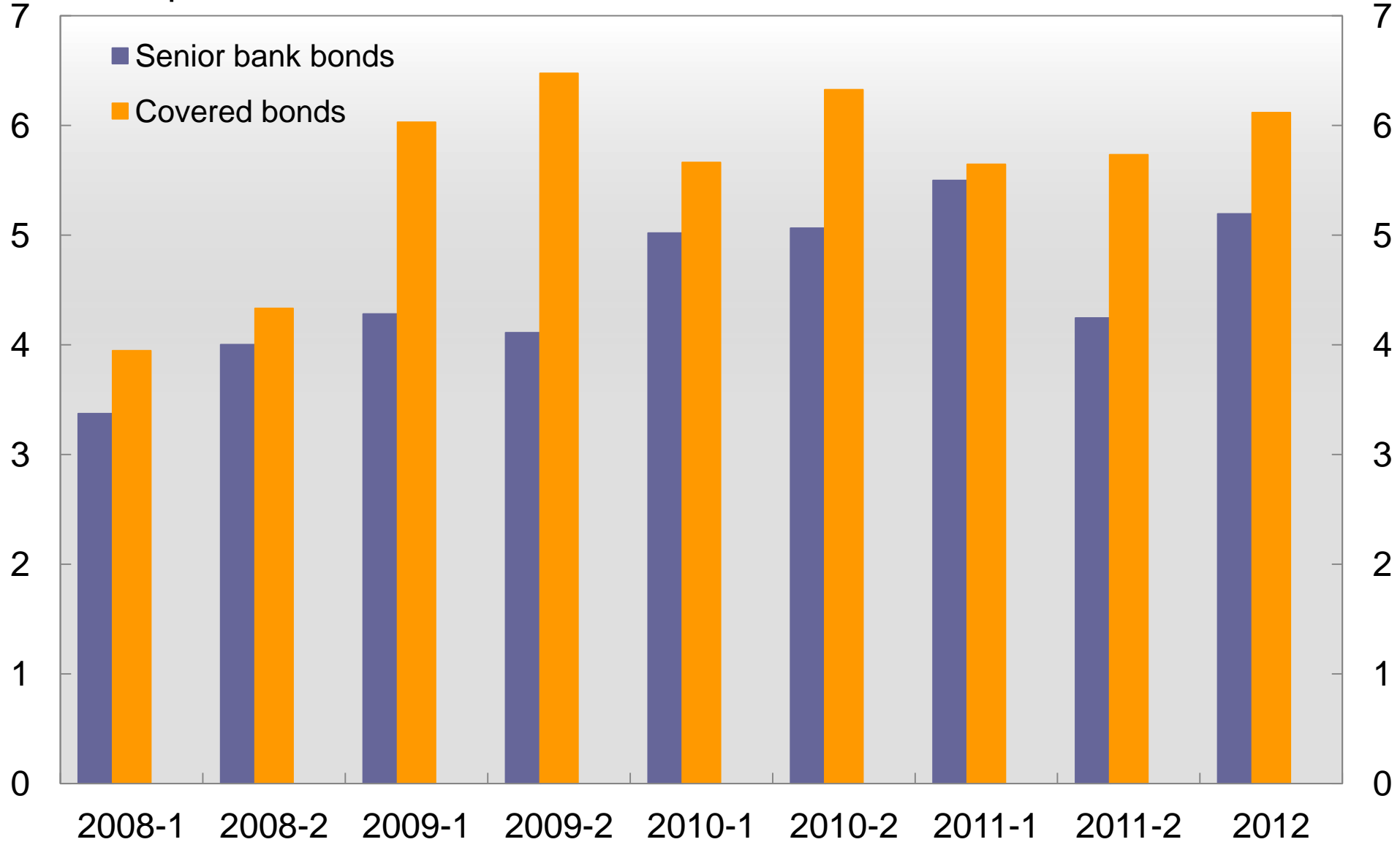
Chart 1.11 Funding as a percentage of total assets. Norwegian-owned banks and covered bond mortgage companies. Quarterly figures. 2007 Q4 – 2011 Q4



- Equity
- Customer deposits
- Other long-term debt in NOK
- Swap arrangement and F-loans > 1 year
- Other long-term debt in foreign currency
- Other short-term debt¹ in foreign currency
- Other short-term debt¹ in NOK

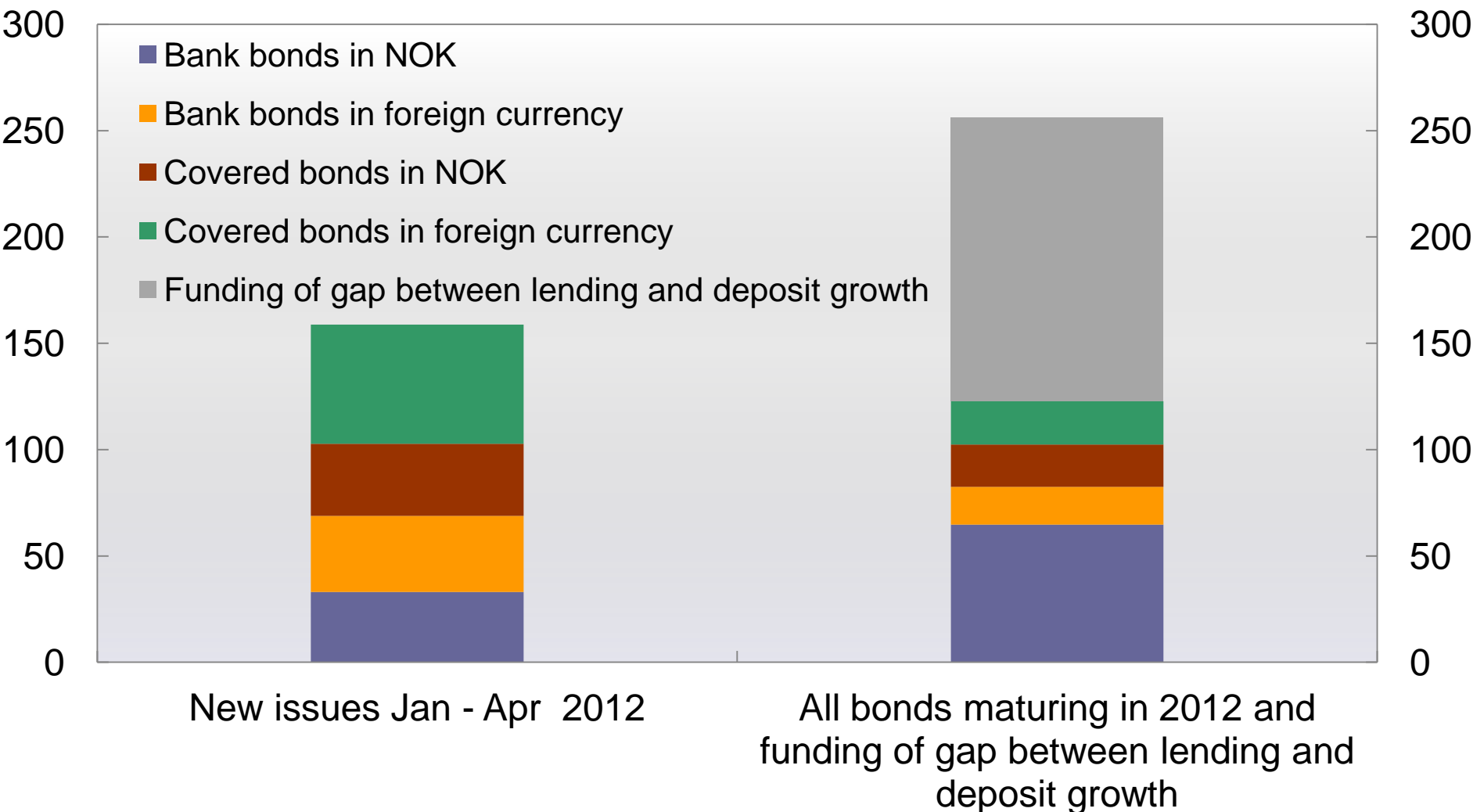
1) Short-term debt is debt with a maturity of 1 year or less

Chart 1.12 Average volume-weighted maturities on new bonds issued by Norwegian banks and mortgage companies. Years. Semiannual figures. 2008 – April 2012



Sources: Bloomberg and Stamdata

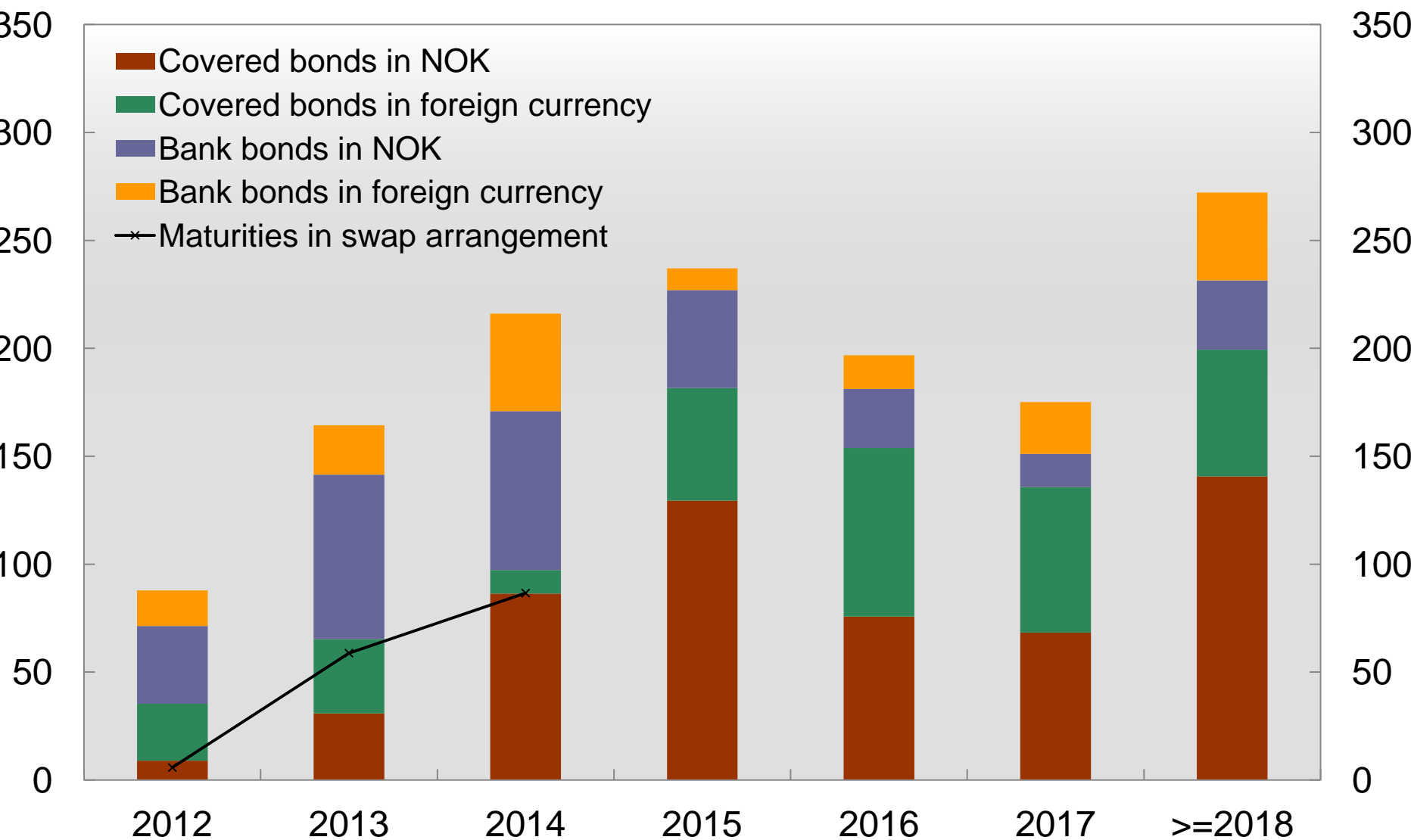
Chart 1.13 Banks' and covered bond mortgage companies' bond debt. New issues, maturing bonds, and funding of assumed gap between lending and deposit growth in 2012.¹⁾ In billions of NOK



1) It has been assumed that lending growth and deposit growth are consistent with the baseline scenario (see Section 2)

Sources: Bloomberg and Stamdata

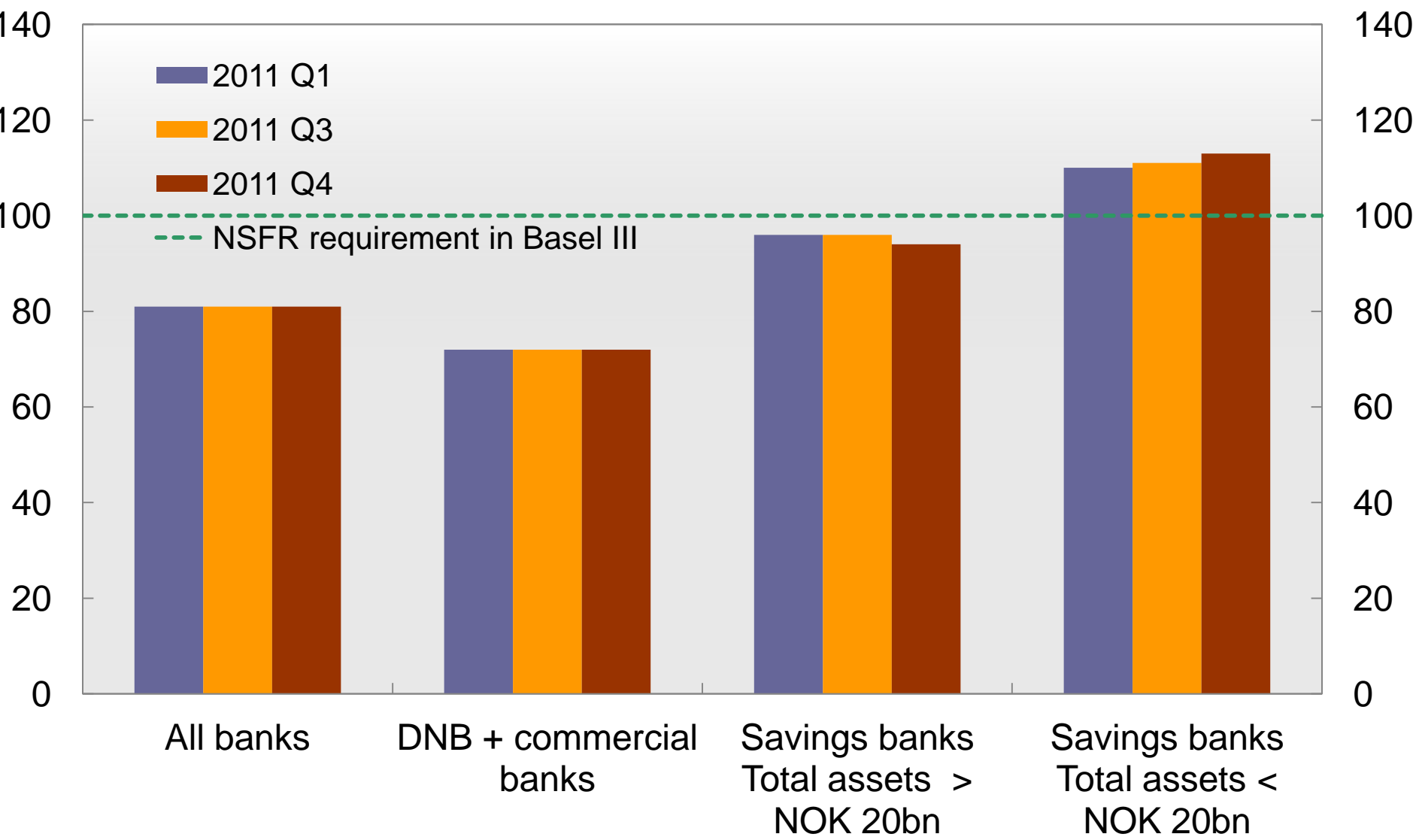
Chart 1.14 Banks' and covered bond mortgage companies' bond debt by maturity in NOK and foreign currency.¹⁾ As at 7 May 2012. In billions of NOK



1) Covered bonds used in the swap arrangement may mature in one of the years following the expiry of the swap agreement

Sources: Bloomberg and Stamdata

Chart 1.15 Banks' ¹⁾ stable funding as a percentage of stable funding requirement (NSFR). ²⁾ Weighted average for group. As at end of quarter

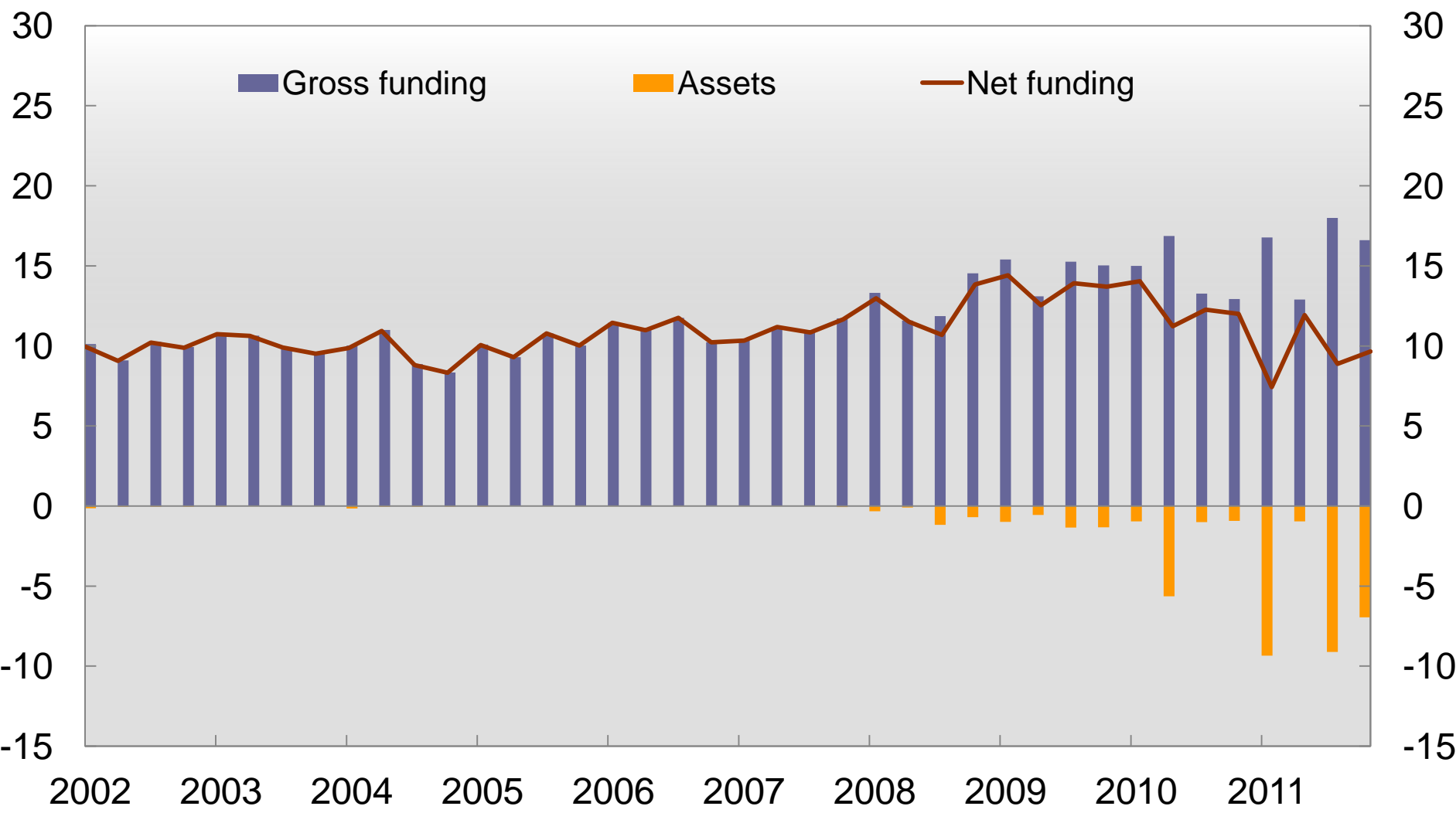


1) All banks except branches of foreign banks in Norway.

2) Estimated by Norges Bank

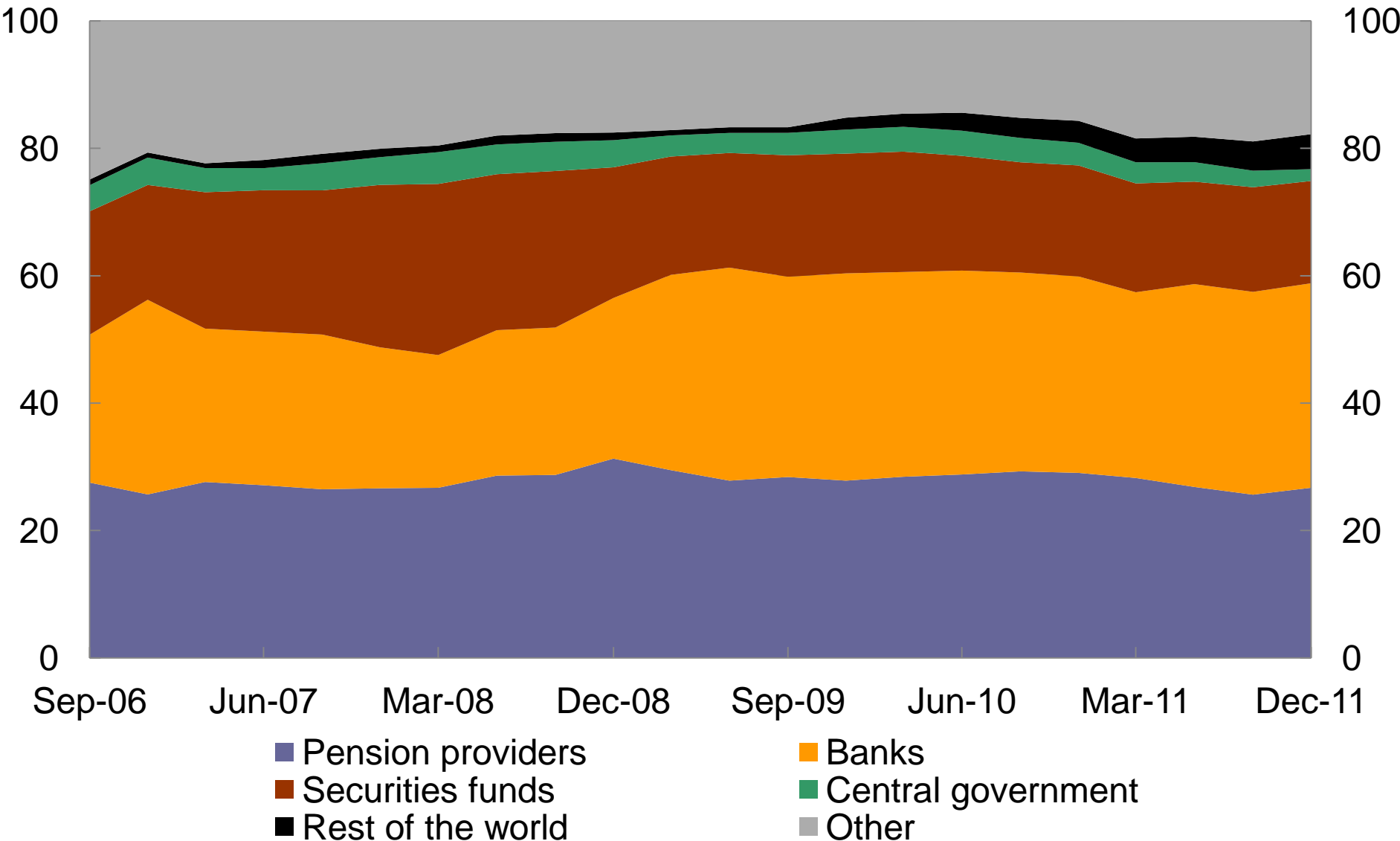
Source: Norges Bank

Chart 1.16 Banks' net short-term market funding in foreign currency as a percentage of total assets. Quarterly figures. 2002 Q1 – 2011 Q4



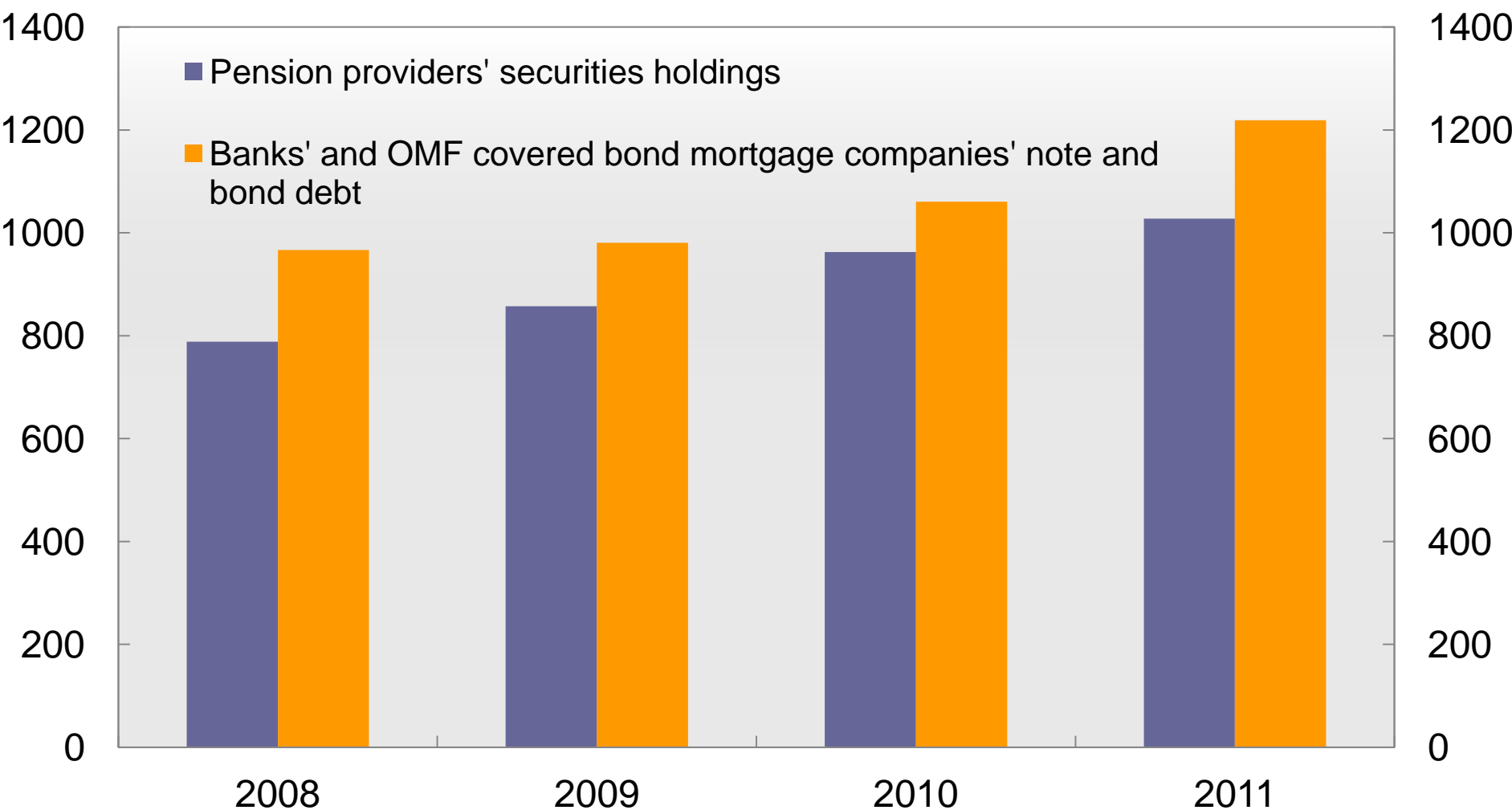
1) All banks except branches and subsidiaries of foreign banks in Norway
 2) Net of the following short-term assets: Deposits with central banks and government securities maturing in one year or less.
 Source: Norges Bank

Chart 1.17 VPS-registered notes and bonds issued by banks and mortgage companies¹⁾ by holding sector. Percent. Quarterly figures. 2006 Q3 - 2011 Q4



1) Nominal value. Except central government holdings of securities issued by mortgage companies
 Source: Statistics Norway

Chart 1.18 Banks' and OMF covered bond mortgage companies' ¹⁾ bond debt and pension providers' securities holdings ²⁾. In billions of NOK. Annual figures. 2008 – 2011

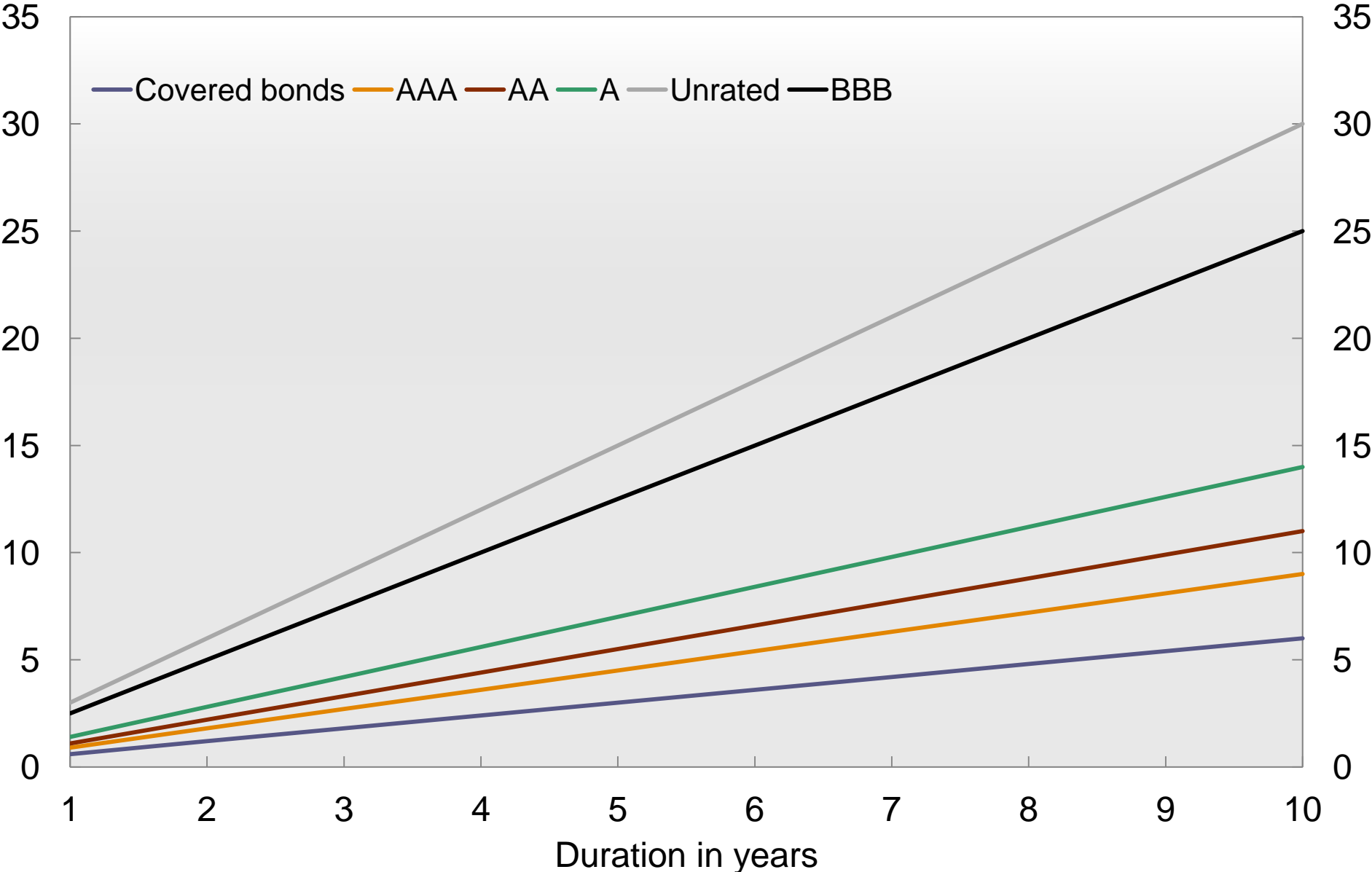


1) All banks except branches of foreign banks in Norway and Norwegian OMF covered bond mortgage companies

2) Pension funds' holdings in 2011 are estimated

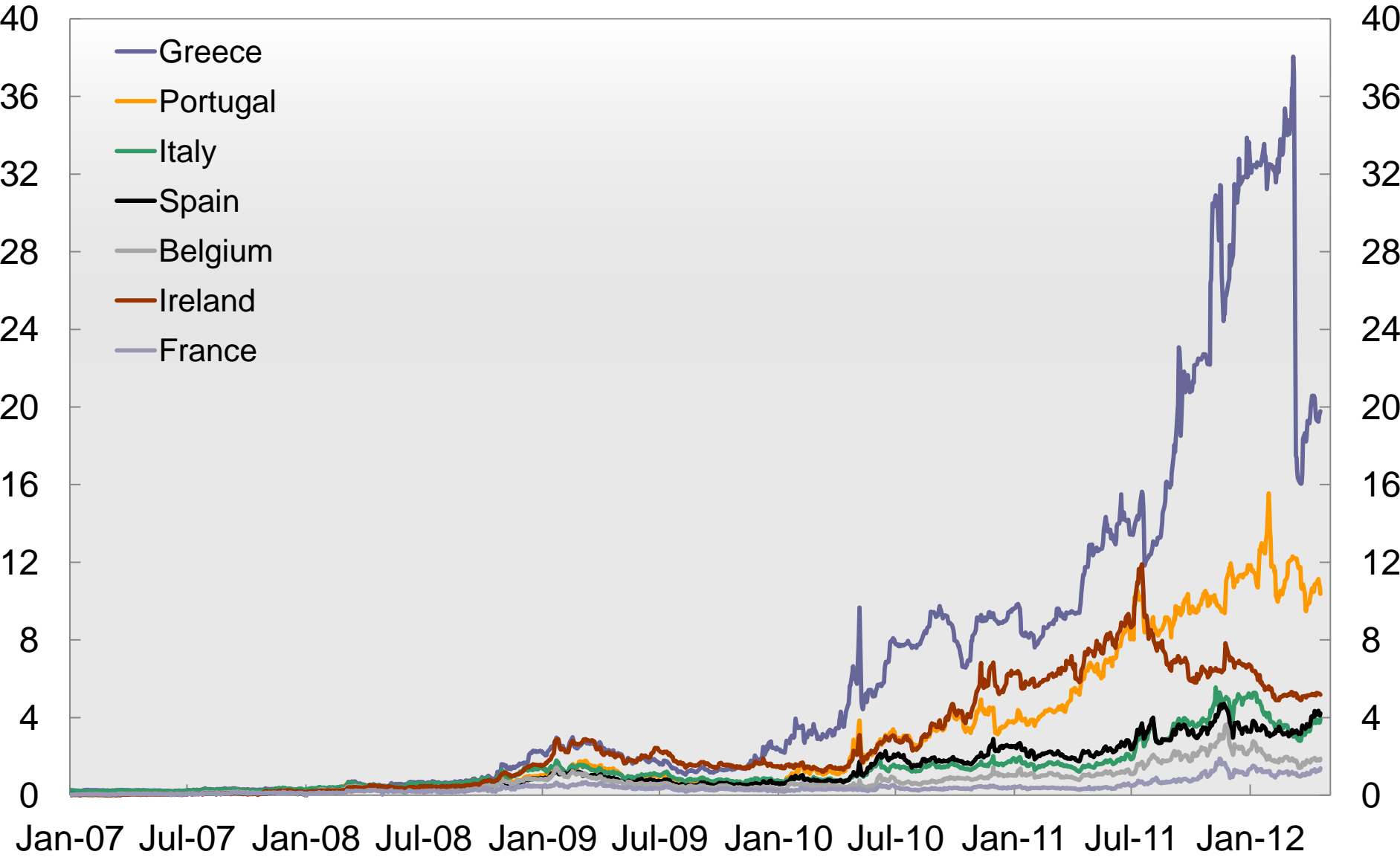
Sources: Statistics Norway and Norges Bank

Chart 1.19 Capital requirement for spread risk in Solvency II. As a percentage of market value



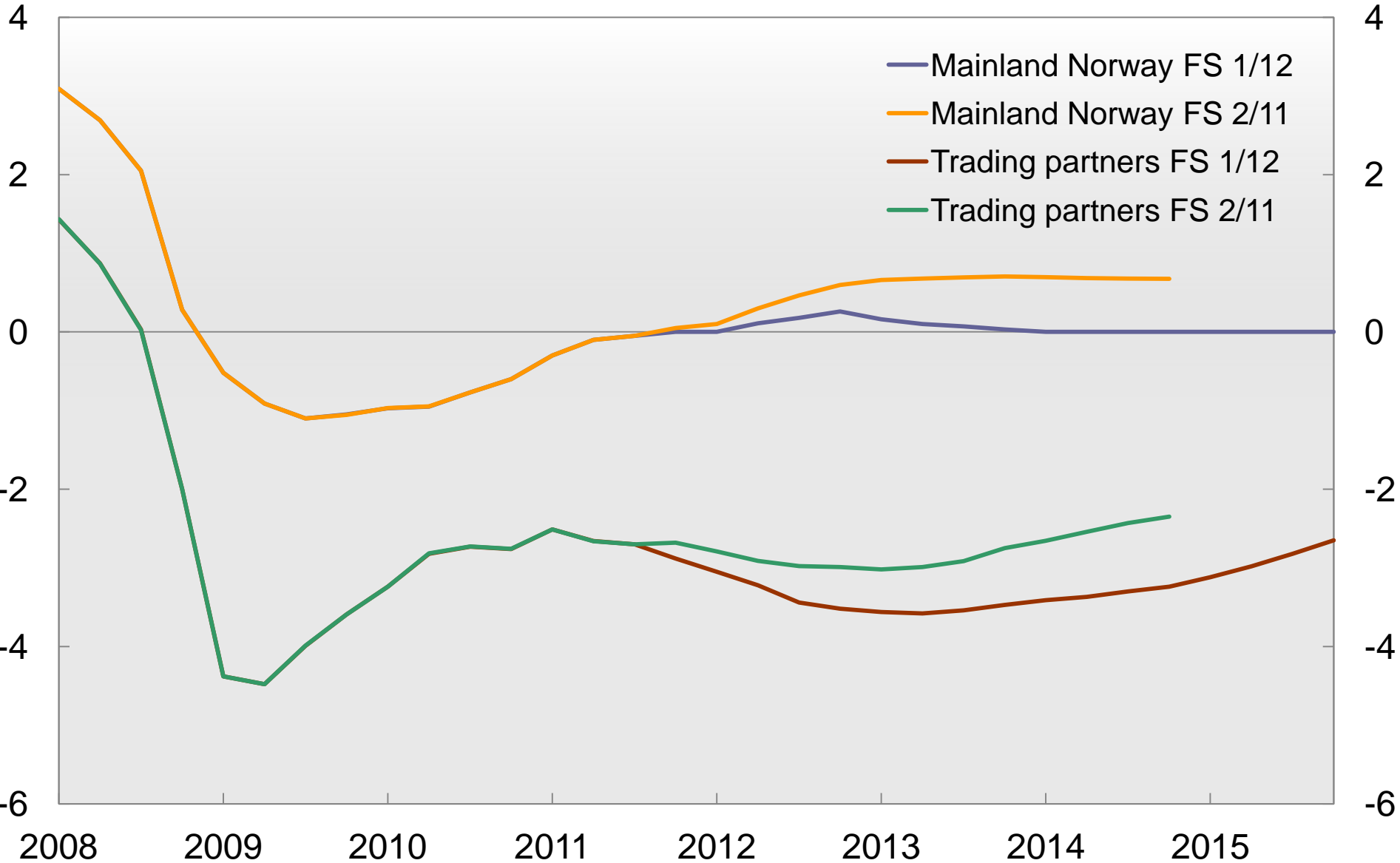
Source: EU Commission (QIS5)

Chart 1.20 Government bond spreads. Compared with German government bonds. 10-year maturity. Percentage points. Daily figures.
1 January 2007 – 4 May 2012



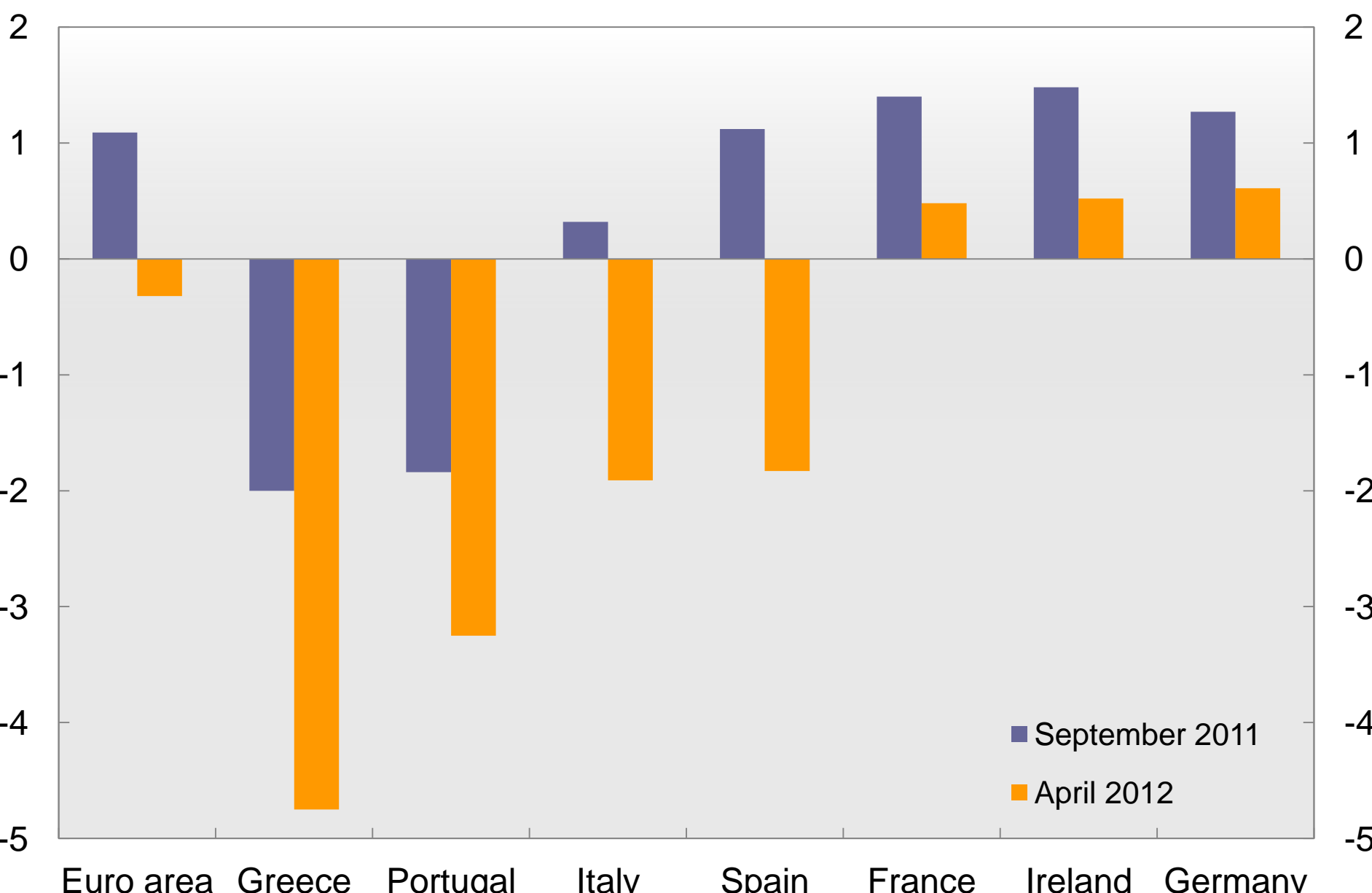
Source: Thomson Reuters

Chart 1.21 Projected output gap¹⁾ for mainland Norway and Norway's trading partners. Percent. Quarterly figures. 2008 Q1– 2015 Q4



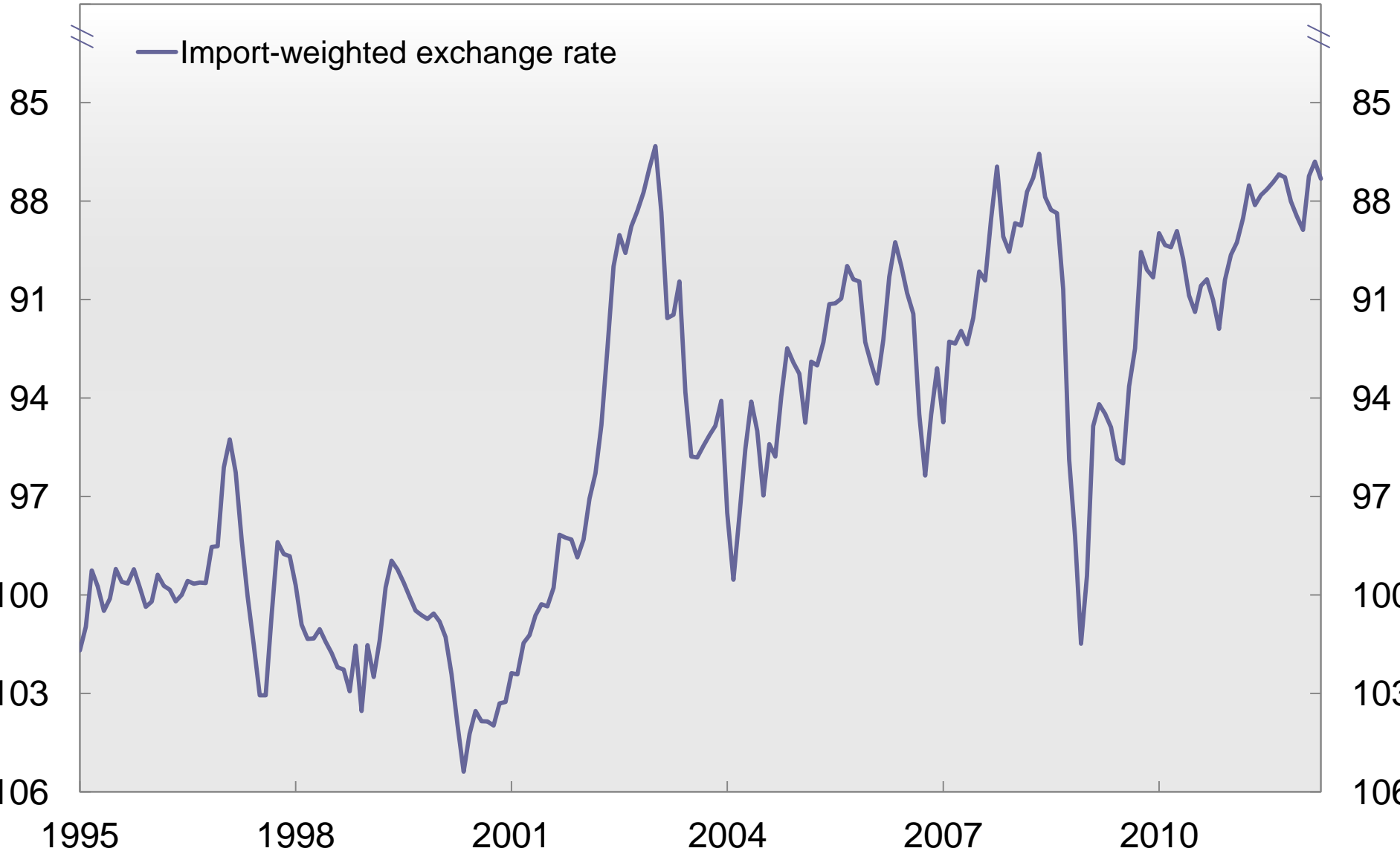
1) The output gap measures the percentage deviation between GDP and projected potential GDP
 Sources: Statistics Norway, IMF and Norges Bank

Chart 1.22 IMF's projections of 2012 GDP growth in selected euro area countries. Percent



Sources: IMF, World Economic Outlook database

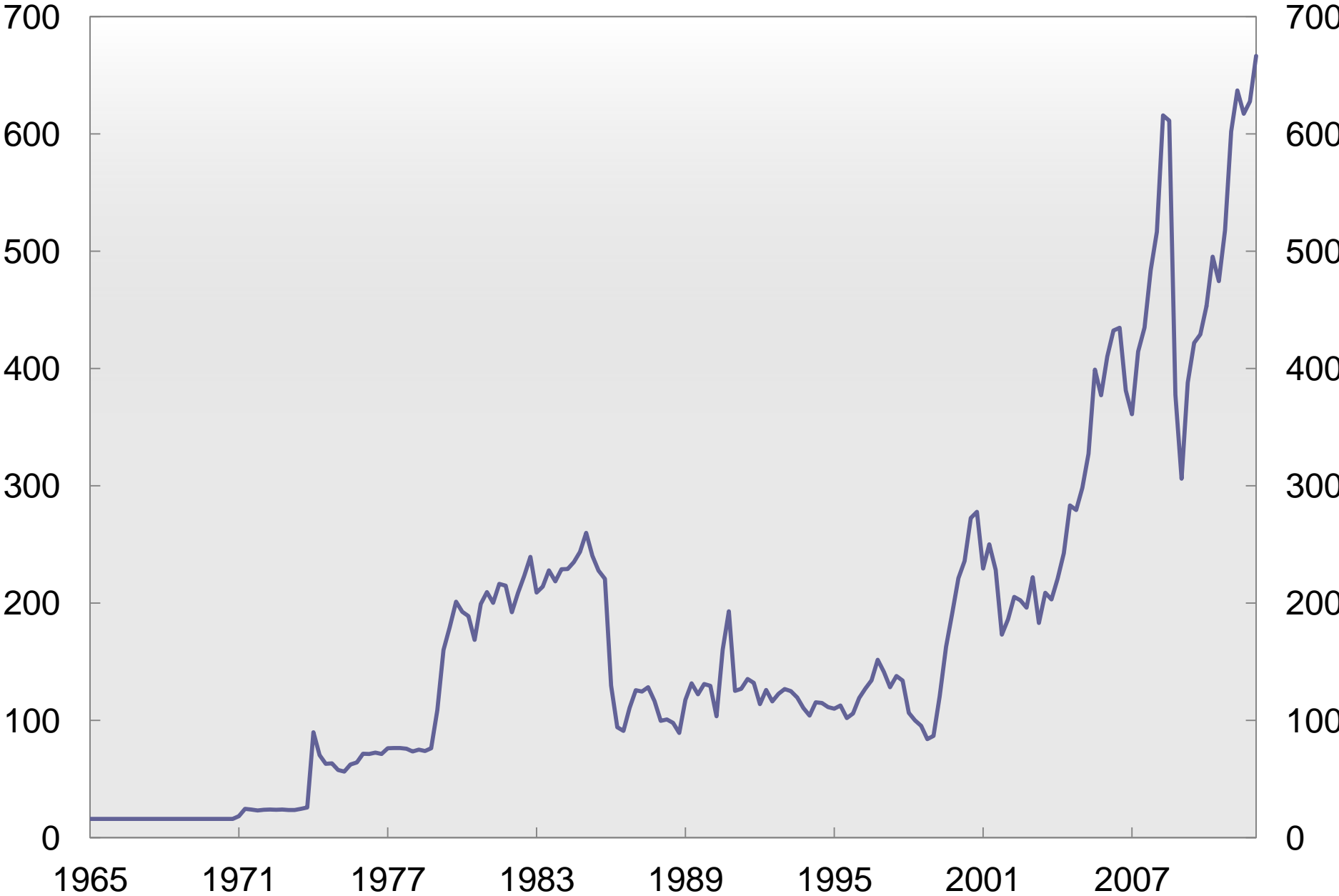
Chart 1.23 Import-weighted exchange rate index (I-44)¹⁾. Monthly figures. January 1995 – April 2012



1) A positive slope denotes a stronger krone exchange rate

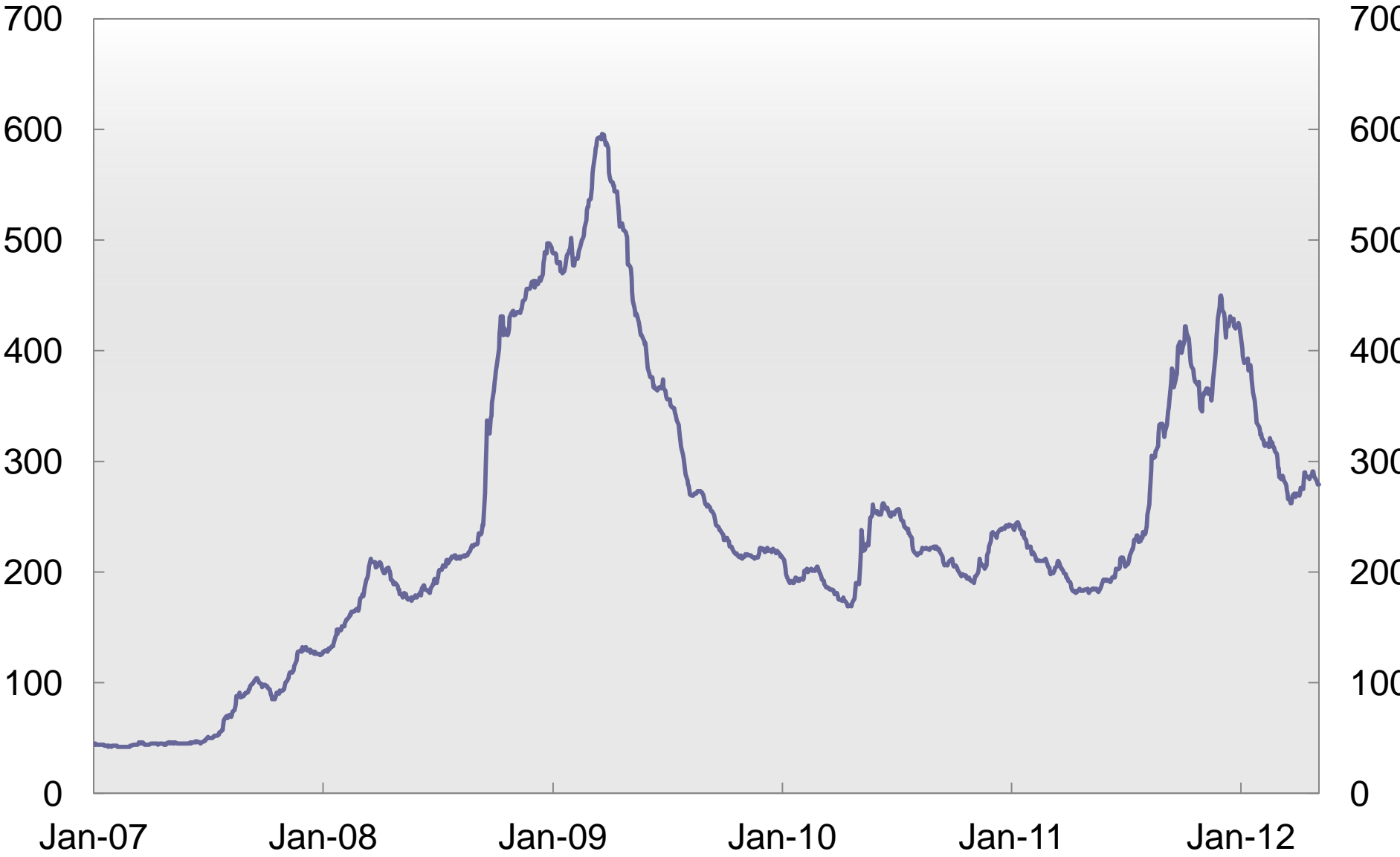
Source: Norges Bank

Chart 1.24 Oil price in NOK (Brent Blend). Quarterly figures. 1965 Q1 – 2012 Q1



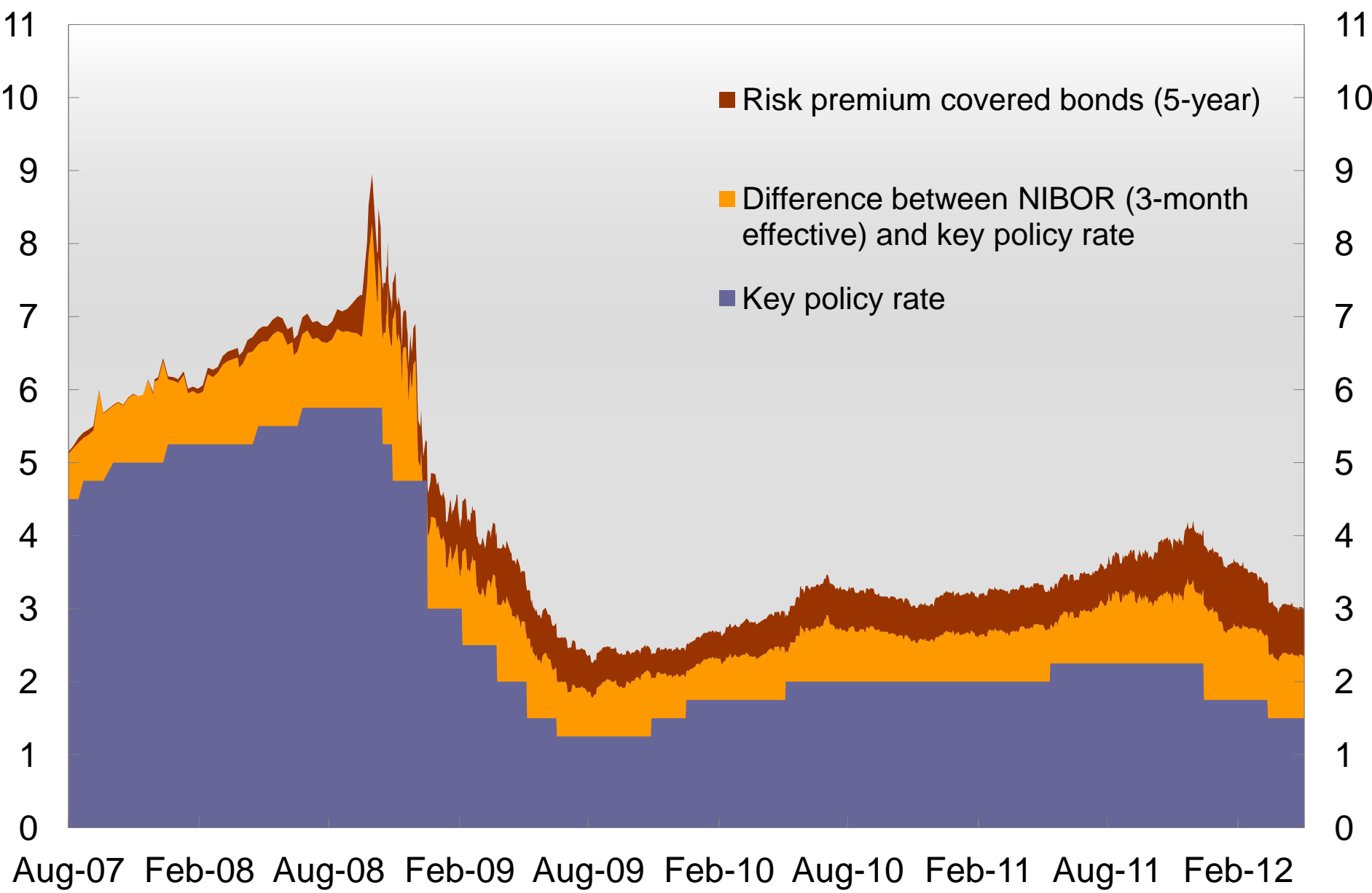
Sources: Statistics Norway, Thomson Reuters and Norges Bank

Chart 1.25 Risk premiums in European bond indices. Difference against government bonds. Financial sector, rating AAA to BBB. 5-year average maturity. Basis points. 1 January 2007 – 4 May 2012



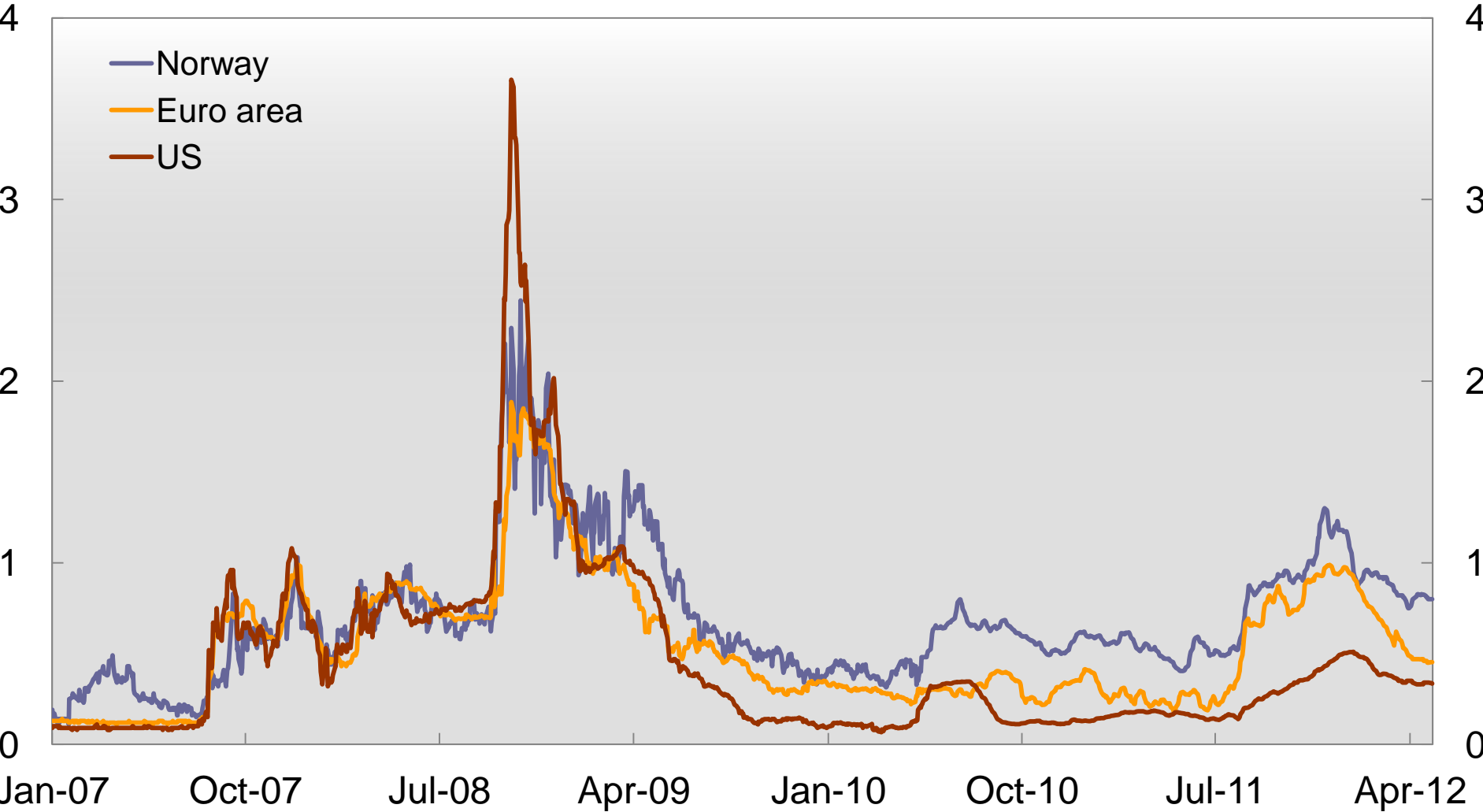
Source: Thomson Reuters

Chart 1.26 Market funding costs. Norwegian banks. Percentage points. Daily figures. 1 August 2007 – 4 May 2012



Sources: DNB Markets and Norges Bank

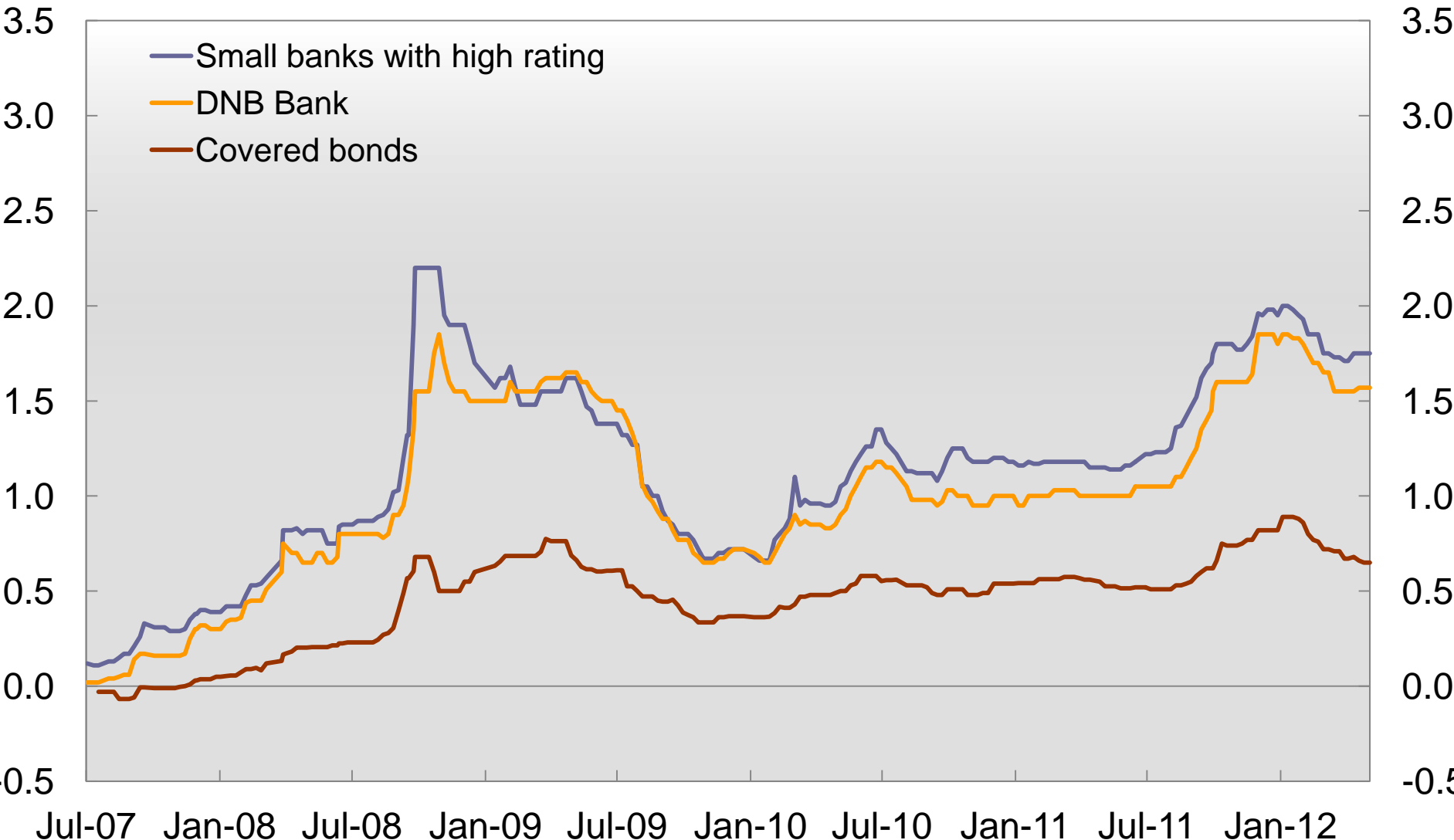
Chart 1.27 Spread between 3-month money market rate and market expectations as to the key rate.¹⁾ Percentage points. 5-day moving average. Daily figures. 1 January 2007 – 2 May 2012



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

Sources: Bloomberg, Thomson Reuters and Norges Bank

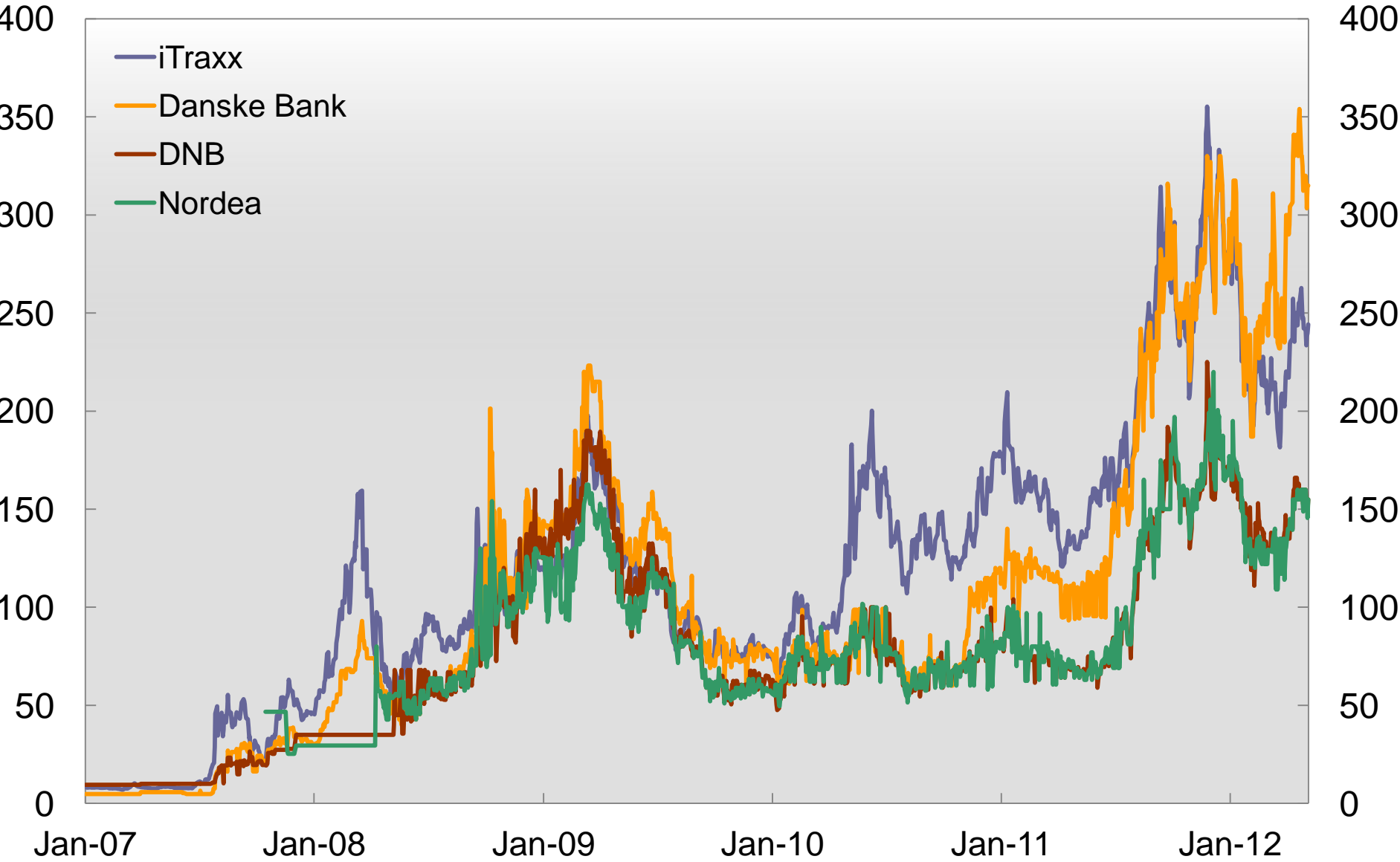
Chart 1.28 Indicative risk premiums on 5-year Norwegian bank bonds and covered bonds. Spread against swap rates. Percentage points. Weekly figures. 2 July 2007 – 4 May 2012



1) Banks with total assets between NOK 5bn and 15bn and rated A by DNB Markets

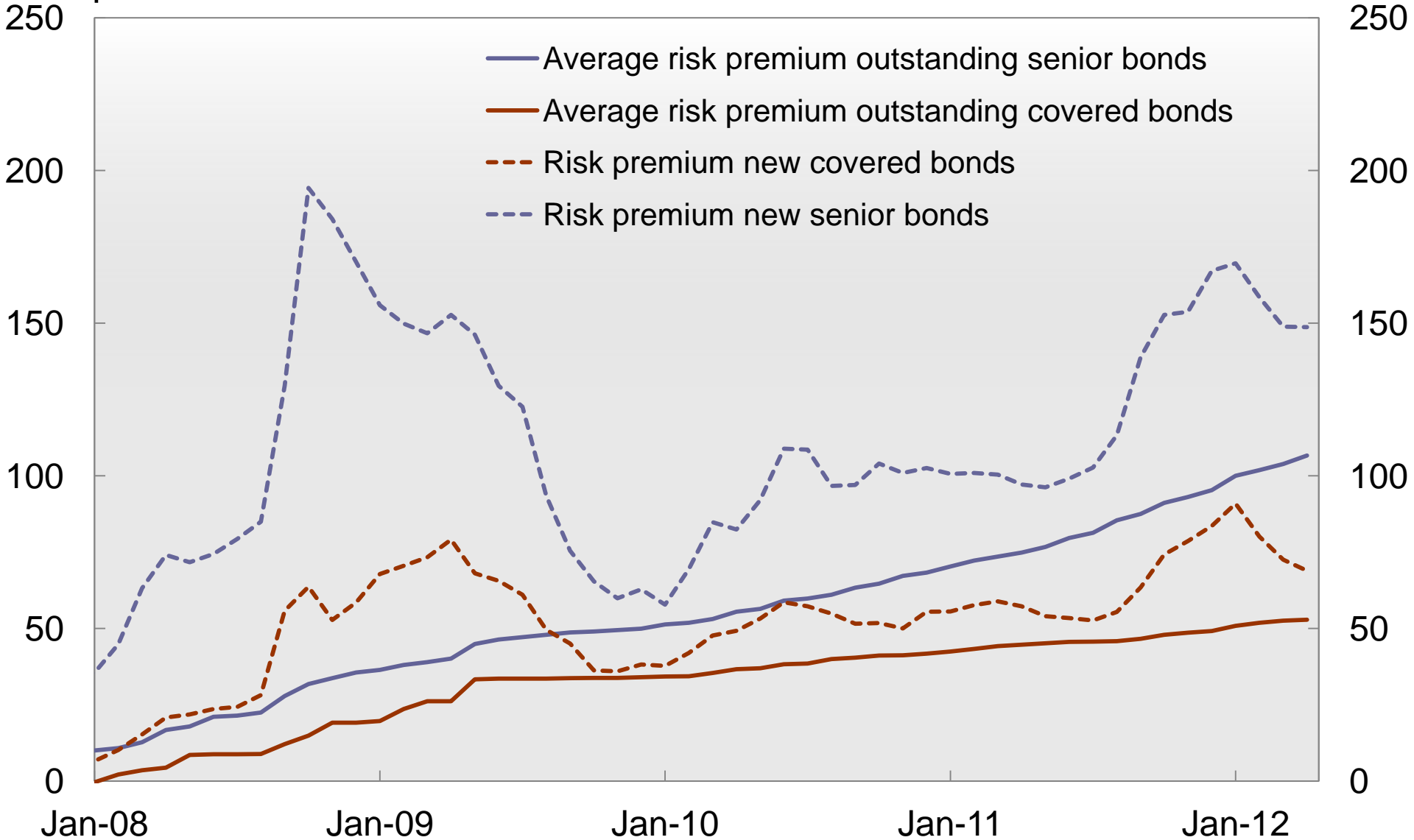
Source: DNB Markets

Chart 1.29 CDS prices. 5-year senior bond debt. iTraxx Senior Financials¹⁾ and Nordic banks. Basis points. Daily figures. 1 January 2007 – 4 May 2012



1) iTraxx Senior Financials comprises 25 large European financial institutions
Source: Bloomberg

Chart 1.30 Estimated average risk premium¹⁾ Norwegian banks and mortgage companies. Monthly average. Basis points. 1 January 2008 – 30 April 2012



1) Difference against swap rates

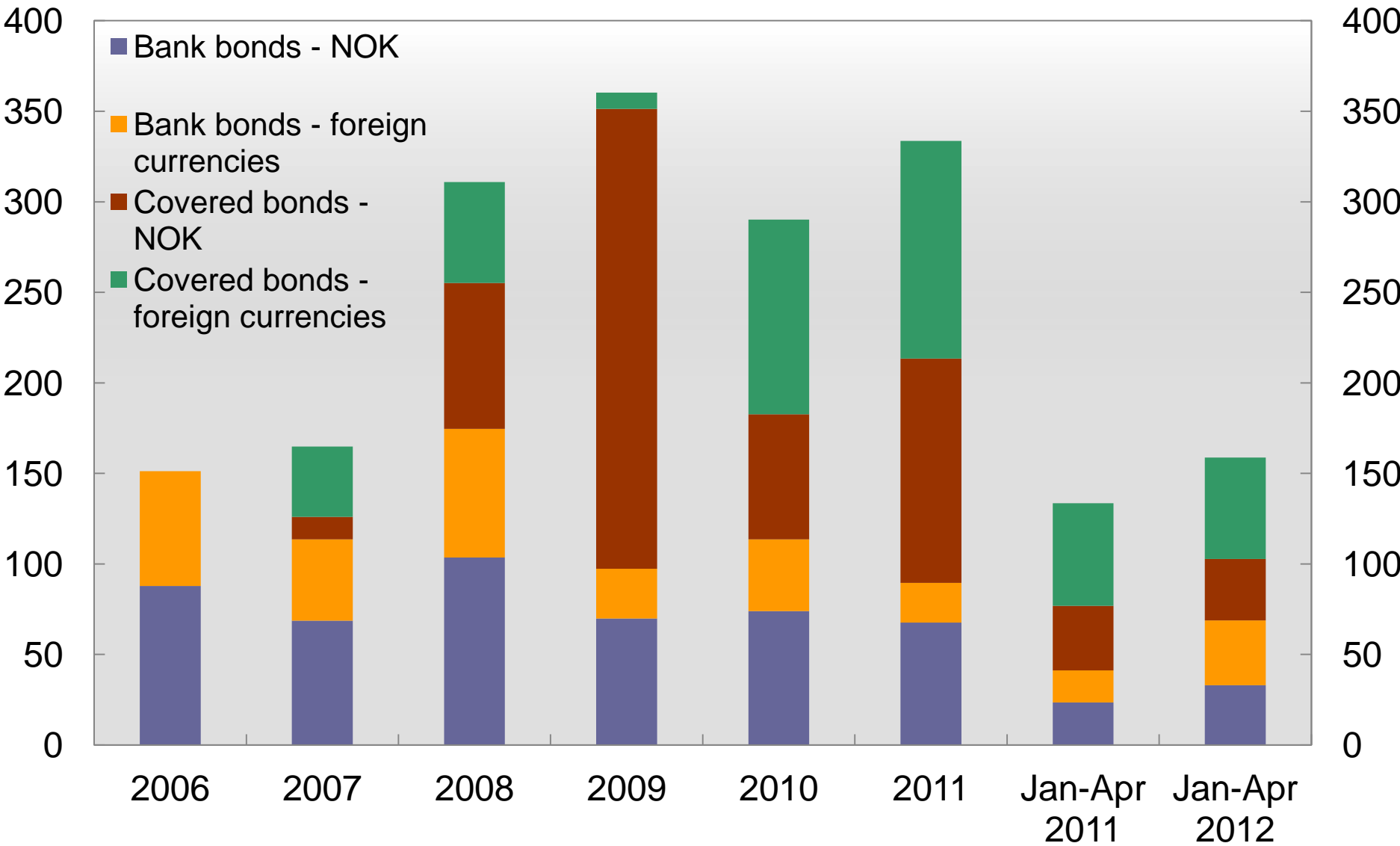
Sources: DNB Markets and Norges Bank

**Chart 1.31 Banks' and mortgage companies' qualitative assessment of access to and premiums on market funding.¹⁾ Monthly data.
March 2008 – April 2012**



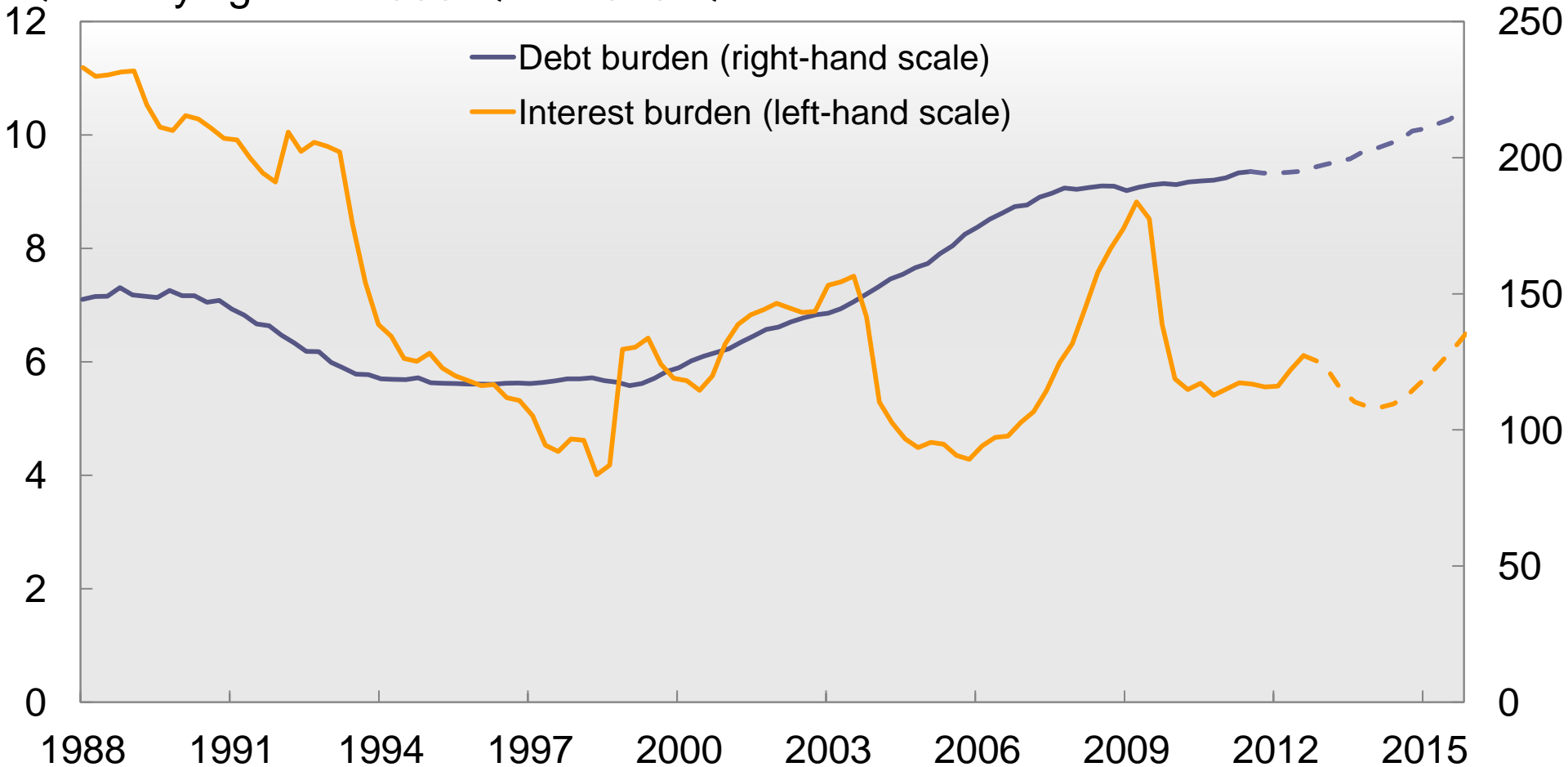
1) Average reported by banks in Norges Bank's liquidity survey
 Red indicates poorer access and higher premiums, grey indicates unchanged, green indicates improved access and lower premiums
 Source: Norges Bank

Chart 1.32 Volume of bonds and covered bonds issued by Norwegian banks and mortgage companies. In billions of NOK. Annual and monthly figures. 2006 – 2011. January – April 2011 and 2012



Sources: Stamdata and Bloomberg

Chart 1.33 Household debt burden¹⁾ and interest burden²⁾. Percent.
 Quarterly figures. 1988 Q1 – 2015 Q4³⁾



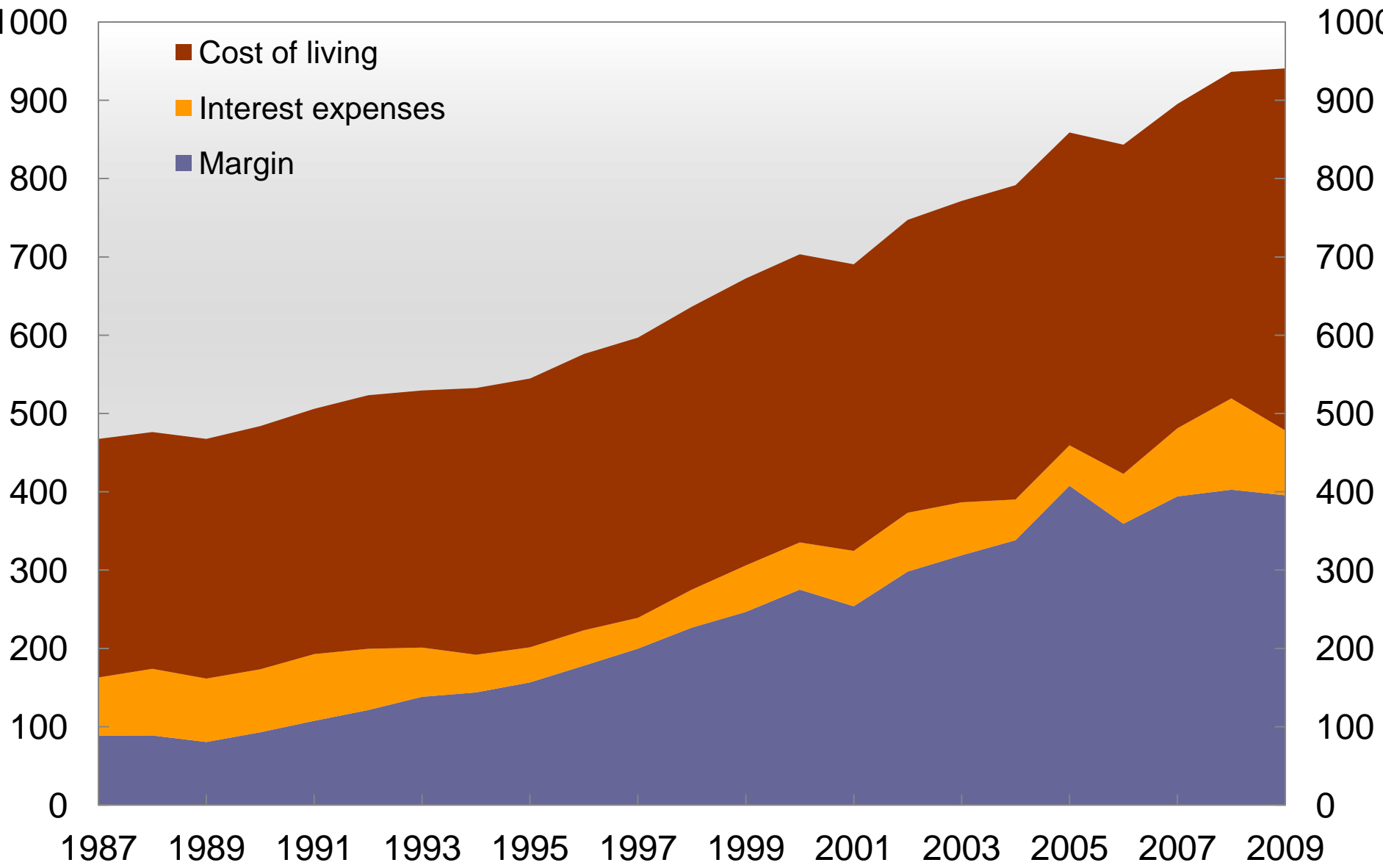
1) Debt as a percentage of disposable income adjusted for estimated reinvested share dividends for 2000 – 2005 and redemption/reduction of equity capital for 2006 – 2015

2) Interest expenses after tax as a percentage of disposable income adjusted for estimated reinvested share dividends 2000 – 2005 and redemption/reduction of equity capital for 2006 – 2015, plus interest expenses

3) Projections for 2012 Q1 – 2015 Q4 from *Monetary Policy Report 1/2012*.

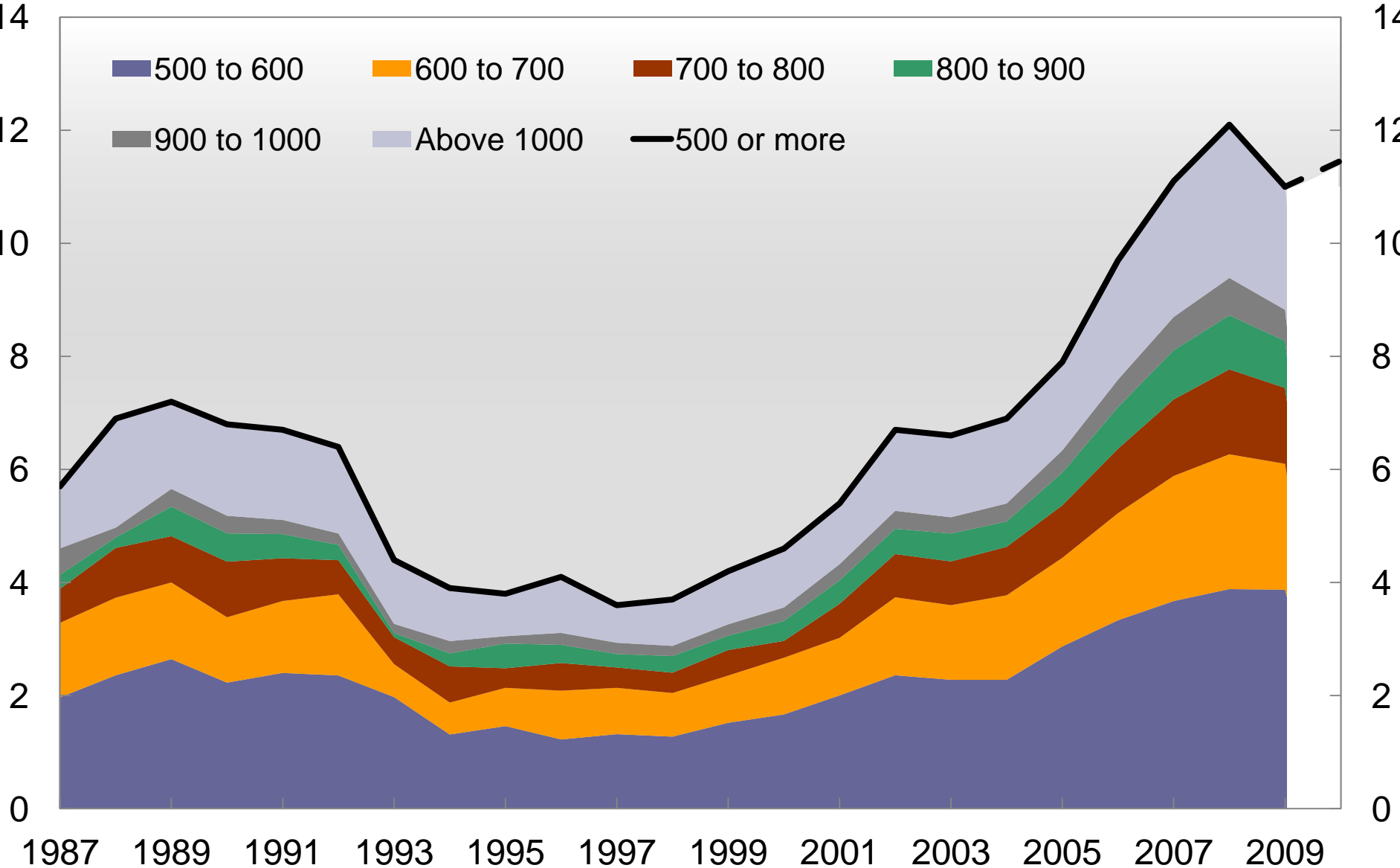
Sources: Statistics Norway and Norges Bank

Chart 1.34 Post-tax income by expense item and margin. Households excluding self-employed. In billions of 2009-NOK. 1987 – 2009



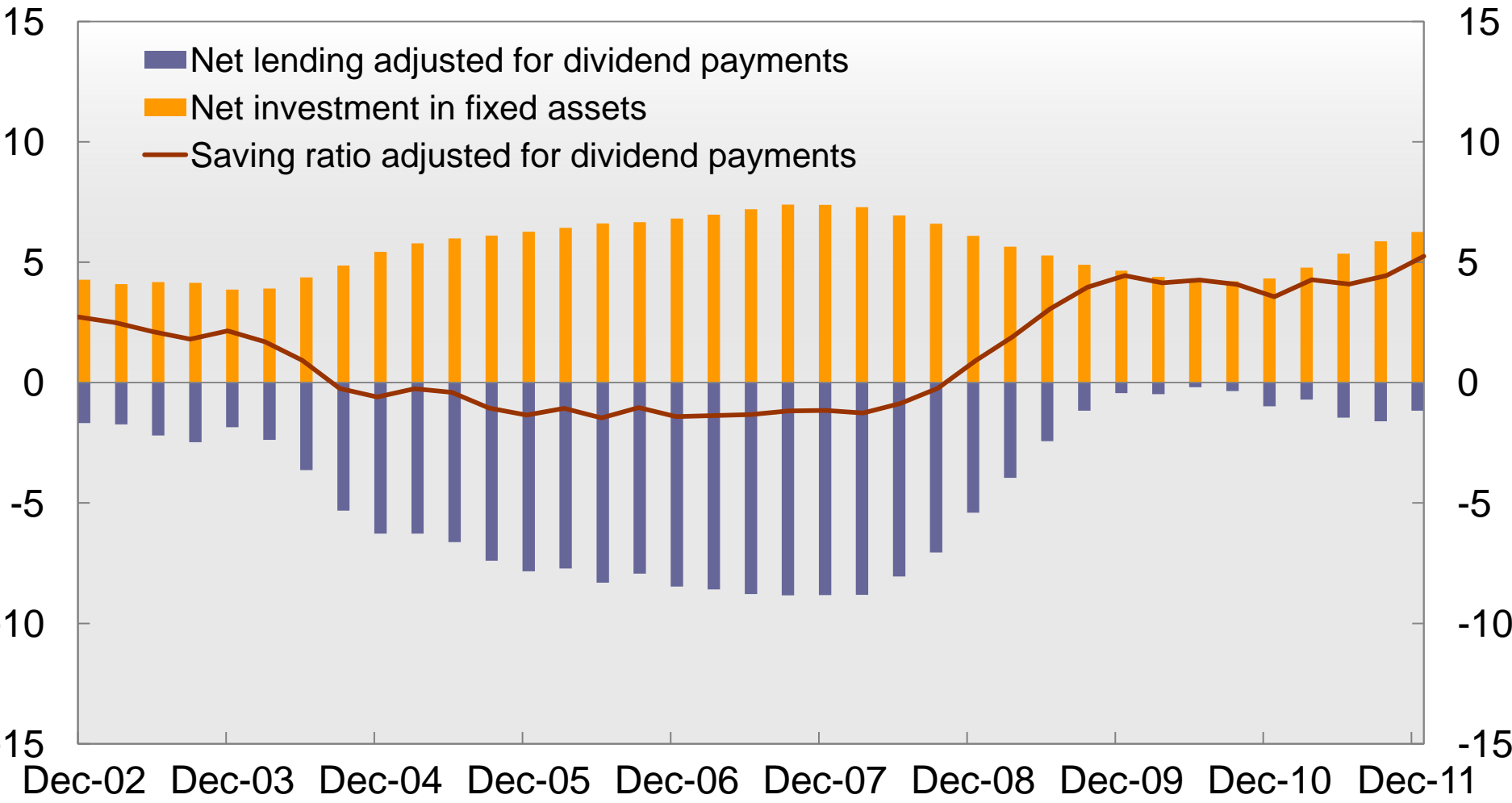
Sources: Statistics Norway, National Institute for Consumer Research and Norges Bank

Chart 1.35 Households excluding self-employed with a debt burden above 500 percent of disposable income. Percent. Annual figures. 1987 – 2010¹⁾



1) Estimates for 2010
Source: Norges Bank

Chart 1.36 Household¹⁾ saving ratio adjusted for dividend payments, decomposed into net lending and net investment in fixed assets. Percent²⁾. Sum over last four quarters. 2002 Q4 – 2011 Q4.

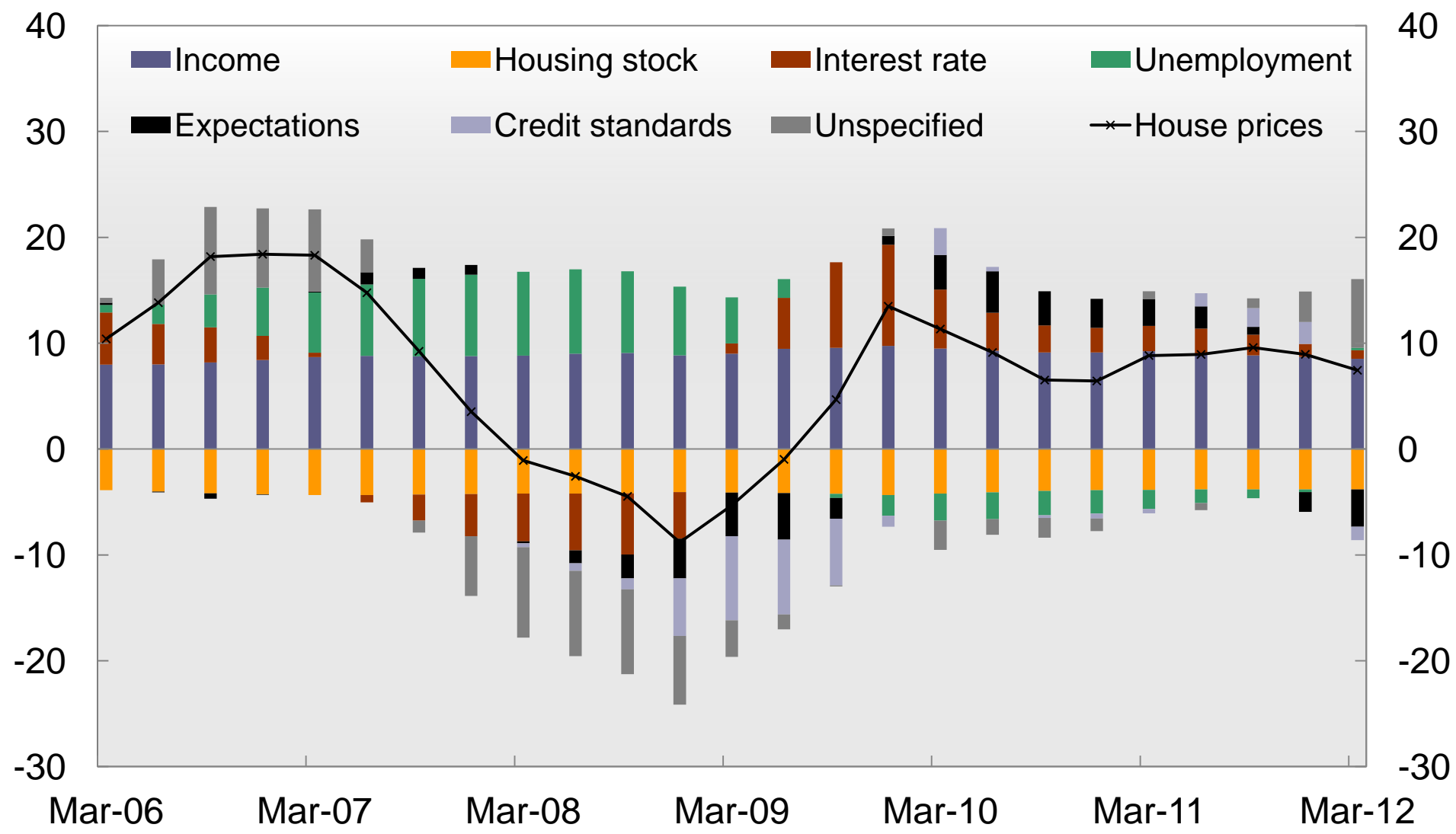


1) Includes non-profit organisations

2) Saving as a percentage of disposable income adjusted for dividend payments. Net lending and Net investment in fixed assets as relative contributions to the saving ratio

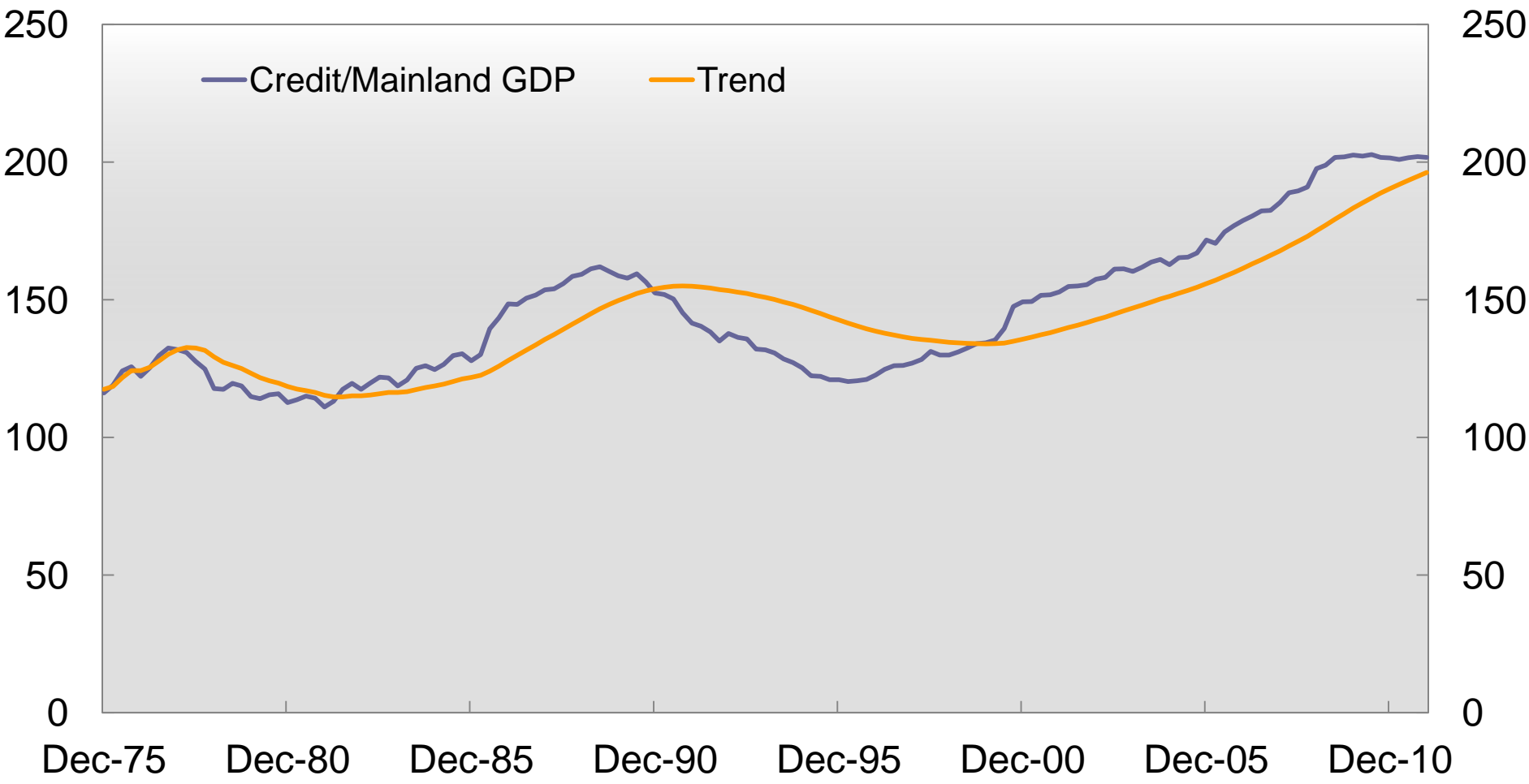
Source: Statistics Norway

Chart 1.37 House prices and estimated contributions from explanatory variables. Contributions in percentage points to four-quarter growth. 2006 Q1 – 2012 Q1



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

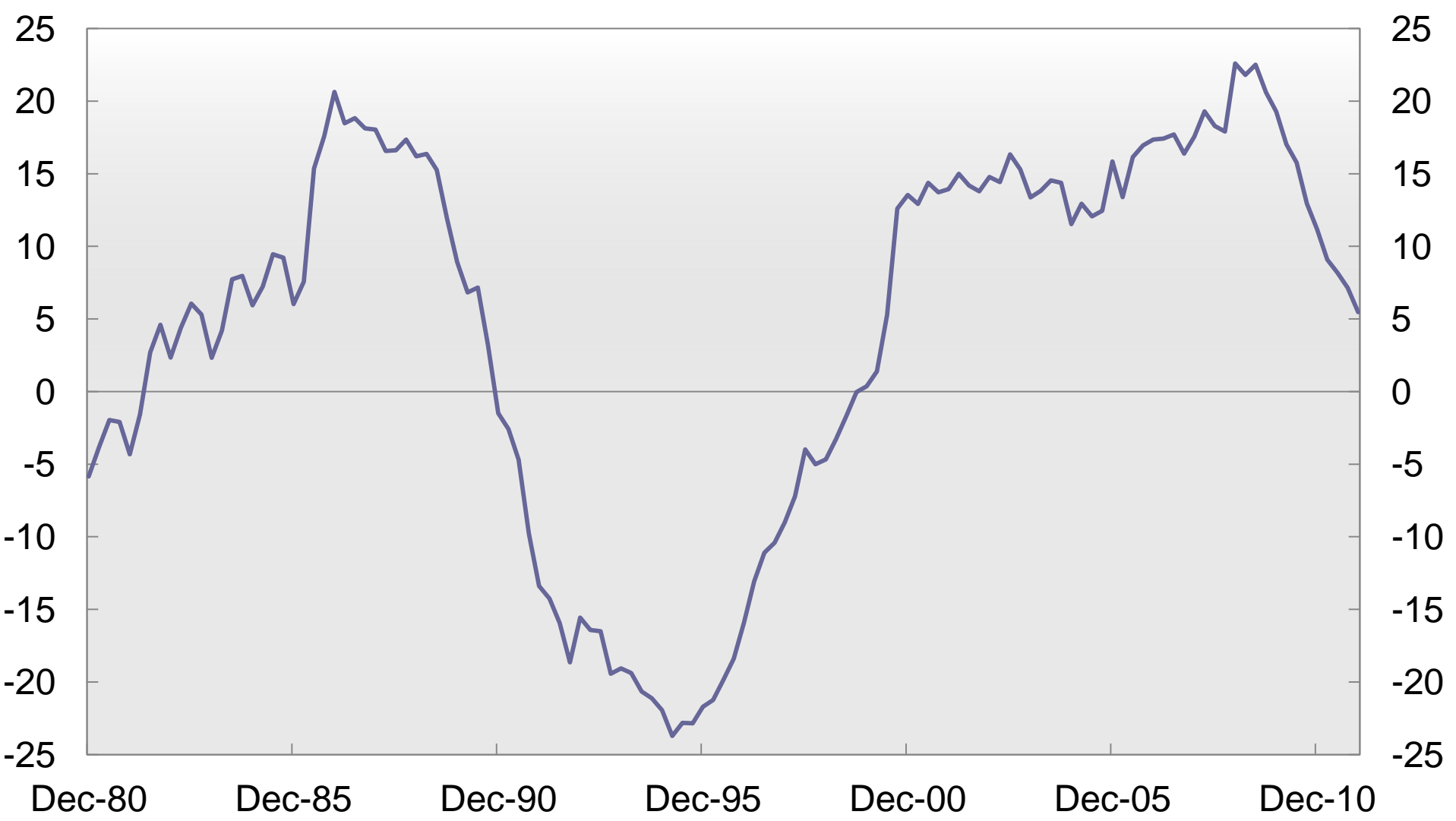
Chart 1 Credit as a percentage of GDP. Mainland Norway.¹⁾ Percent. Quarterly figures. 1975 Q4 –2011 Q4



1) From 1995, credit to the private and municipal sector in mainland Norway as a percentage of mainland GDP (summed over the latest four quarters). Before 1995 the ratio is calculated using the increase in the ratio for total credit to the private and municipal sector as a percentage of GDP (summed over the latest four quarters).

Sources: Statistics Norway, IMF and Norges Bank

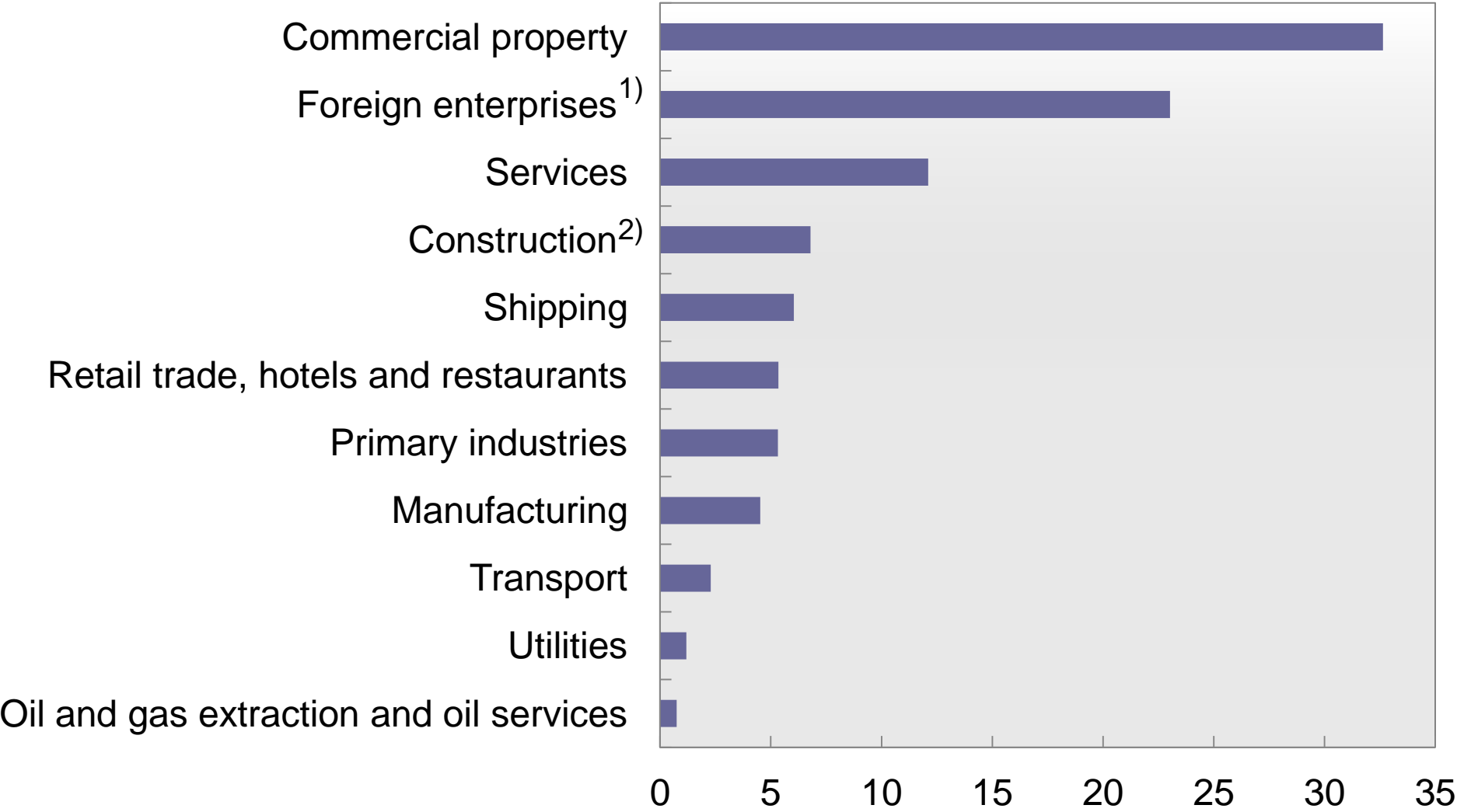
Chart 2 Credit gap¹⁾. Percentage points. Quarterly figures. 1980 Q4 – 2011 Q4



1) Deviation from trend for total credit to the private and municipal sector measured as a percentage of GDP (summed over the latest four quarters). From 1995, credit to the private and municipal sector in mainland Norway as a percentage of mainland GDP.

Sources: Statistics Norway, IMF and Norges Bank

Chart 1.38 Bank and OMF mortgage company lending by industry. Percentage of total corporate lending. As at end-2011

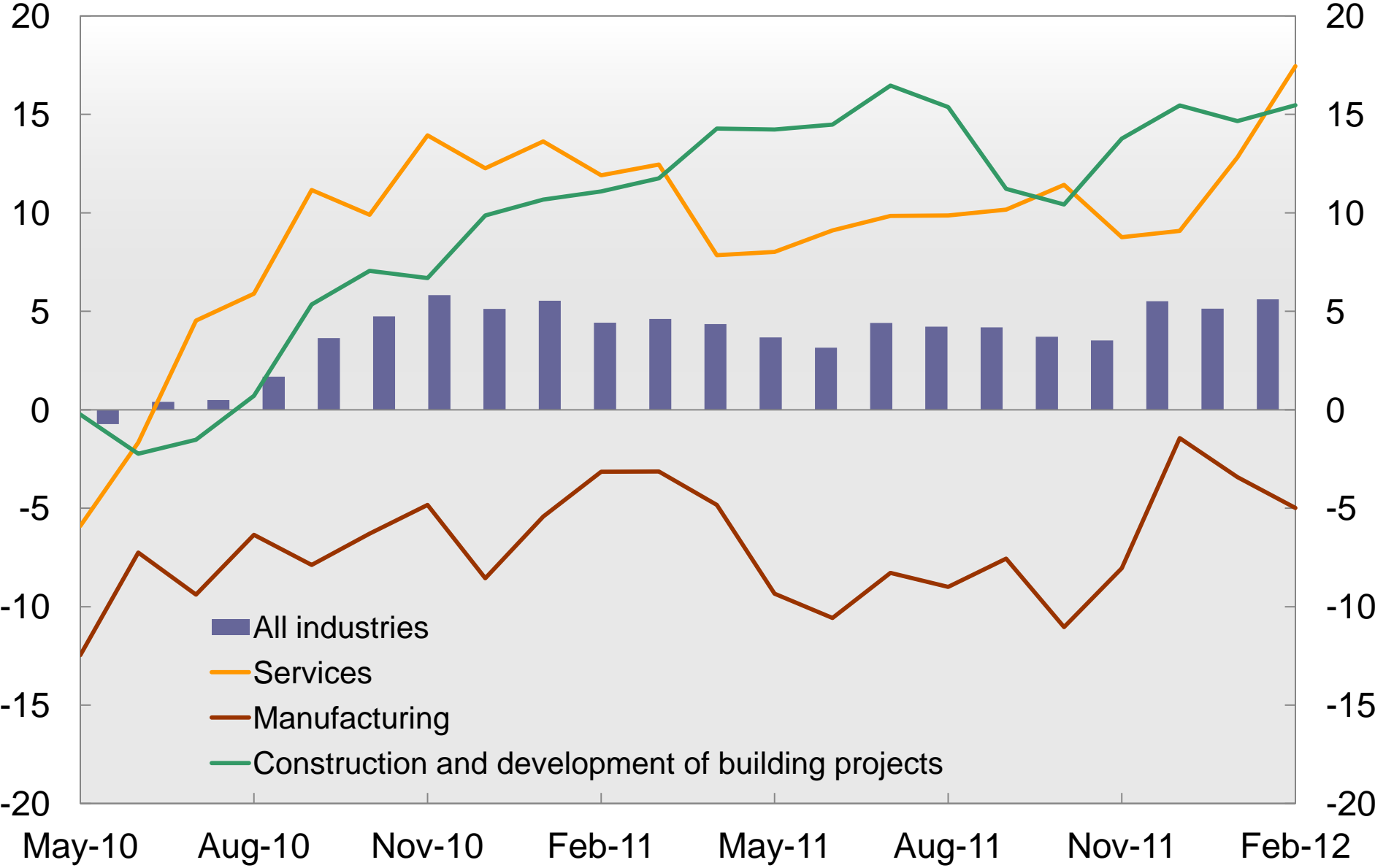


1) Shipping accounts for a large share of lending to foreign enterprises

2) Including development of building projects

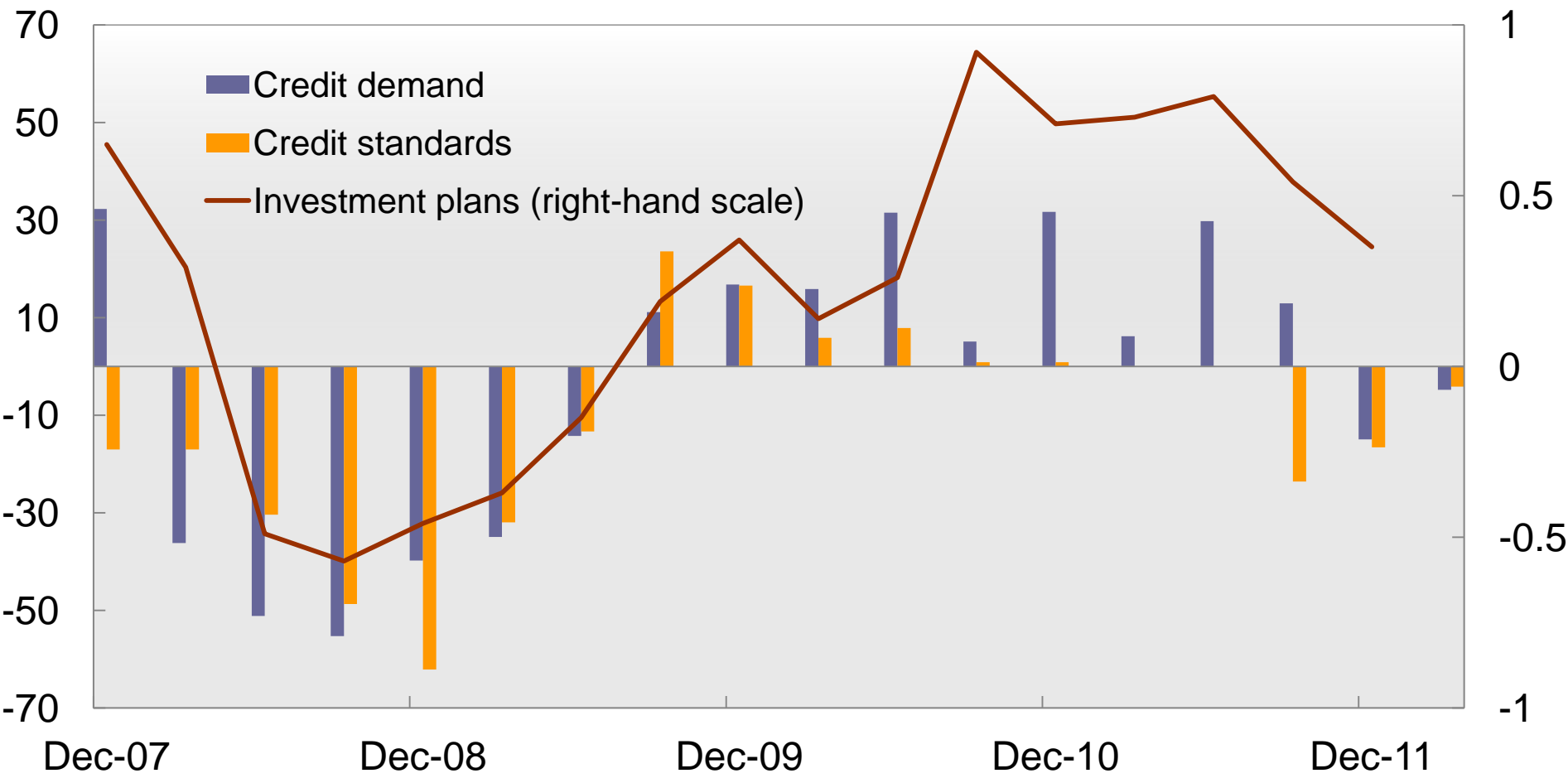
Source: Norges Bank

Chart 1.39 Bank and OMF mortgage company lending by selected industries. 12-month change. Percent. Monthly figures. May 2010 – February 2012



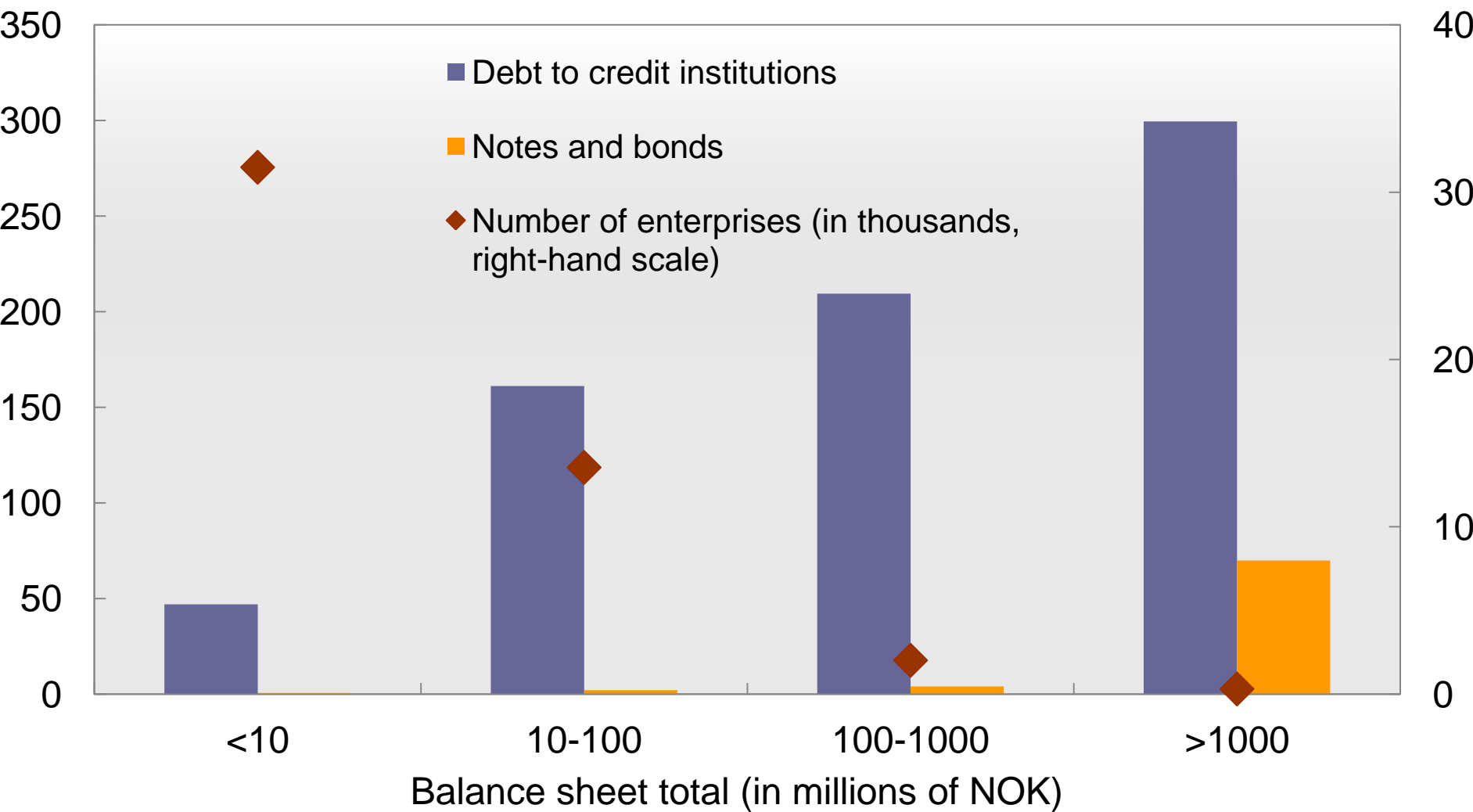
Source: Norges Bank

Chart 1.40 Investment plans¹⁾, corporate credit demand²⁾ and banks' credit standards for enterprises. Quarterly figures. 2007 Q4 – 2012 Q1



1) Enterprises in Norges Bank's regional network. Expected change in investments next 12 months. The index ranges from -5 to +5, where -5 indicates a sharp fall and +5 indicates strong growth
 2) The scale ranges from -100% to 100%, where -100% indicates considerable tightening of credit standards/reduction in credit demand, and 100% indicates considerable easing of credit standards/increase in credit demand

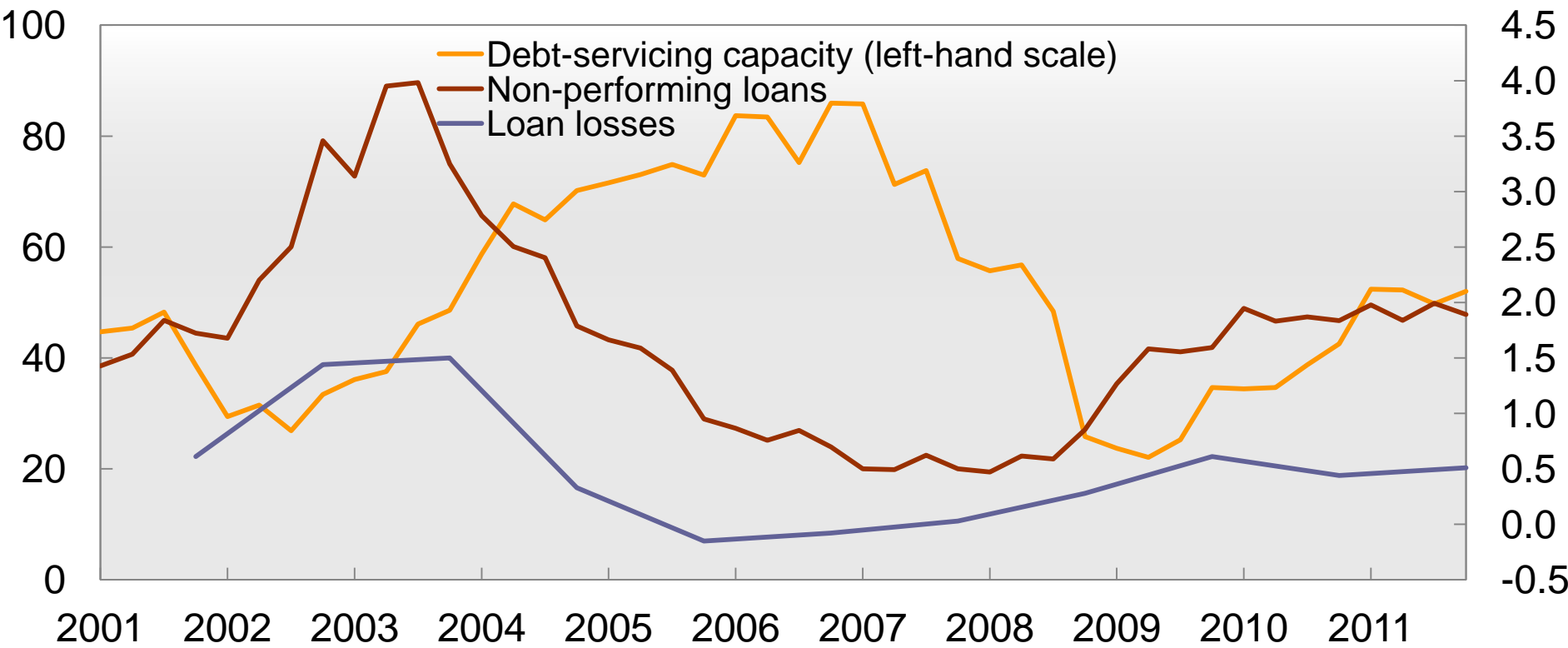
Chart 1.41 Enterprises' debt to credit institutions together with note and bond debt by enterprises' balance sheet total (value of total assets). In millions of NOK. As at end-2010



1) Enterprises with debt to credit institutions and/or note/bond debt. Figures based on Norwegian limited companies' annual financial statements

Source: Norges Bank

Chart 1.42 Debt-servicing capacity for the most widely traded companies listed on Oslo Børs¹⁾, banks and OMF covered bond companies' stock of non-performing corporate loans²⁾ and corporate loan losses³⁾. Percent. Annual and quarterly figures. 2001 Q1 – 2011 Q4



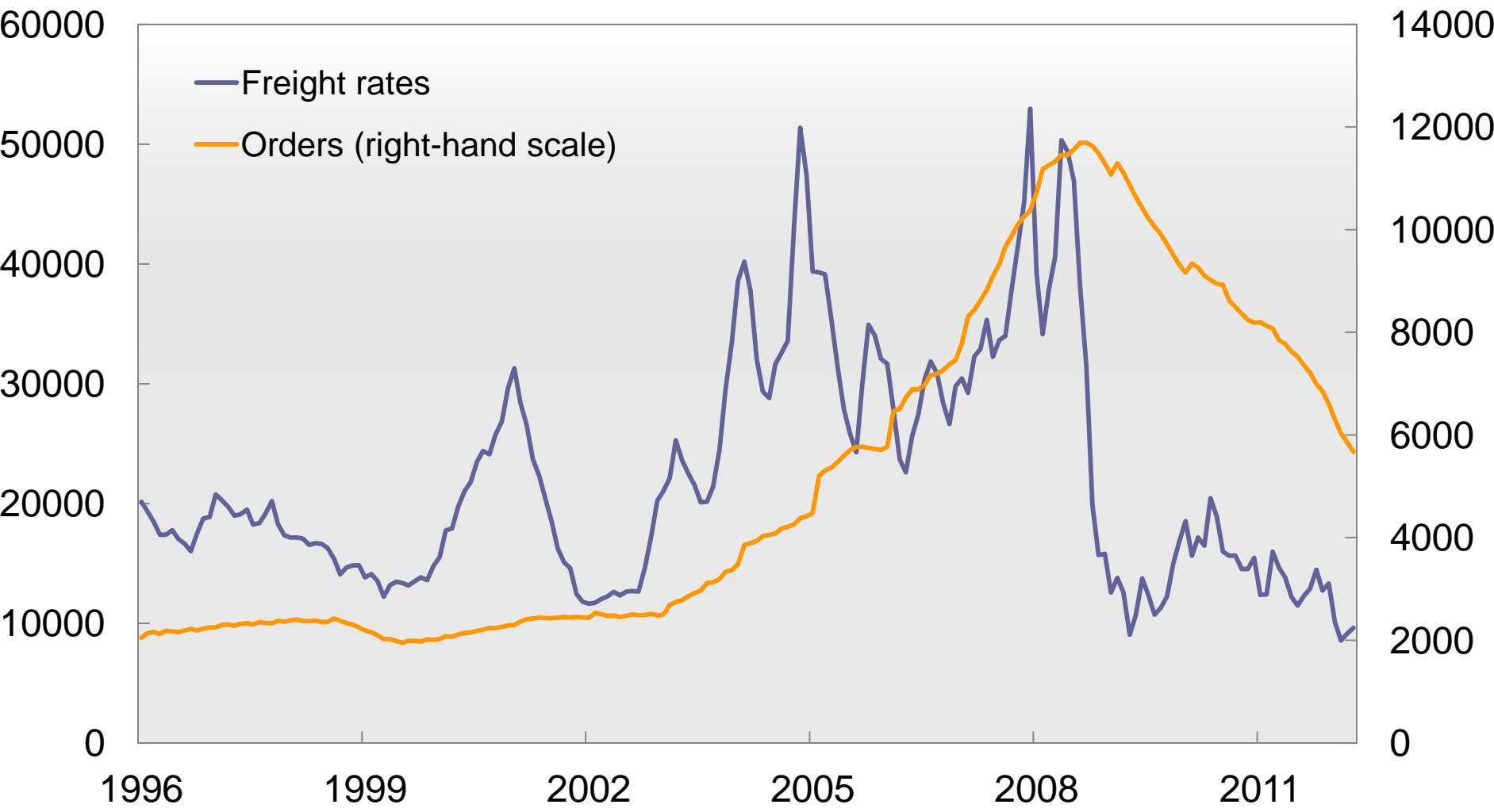
1) Profit before tax, depreciation and impairment losses over the past four quarters as a percentage of interest-bearing debt. Sample consisting of enterprises in the OBX index excl. Statoil and bank/insurance

2) Stock of non-performing loans as a percentage of total lending. The definition was slightly changed as from 2010

3) Loan losses as a percentage of total lending

Sources: Bloomberg and Norges Bank

Chart 1.43 Freight rates (Clarksea index)¹⁾ and orders (stock of ordered newbuildings). USD per day and number of ships respectively. Monthly figures. January 1996 – April 2012

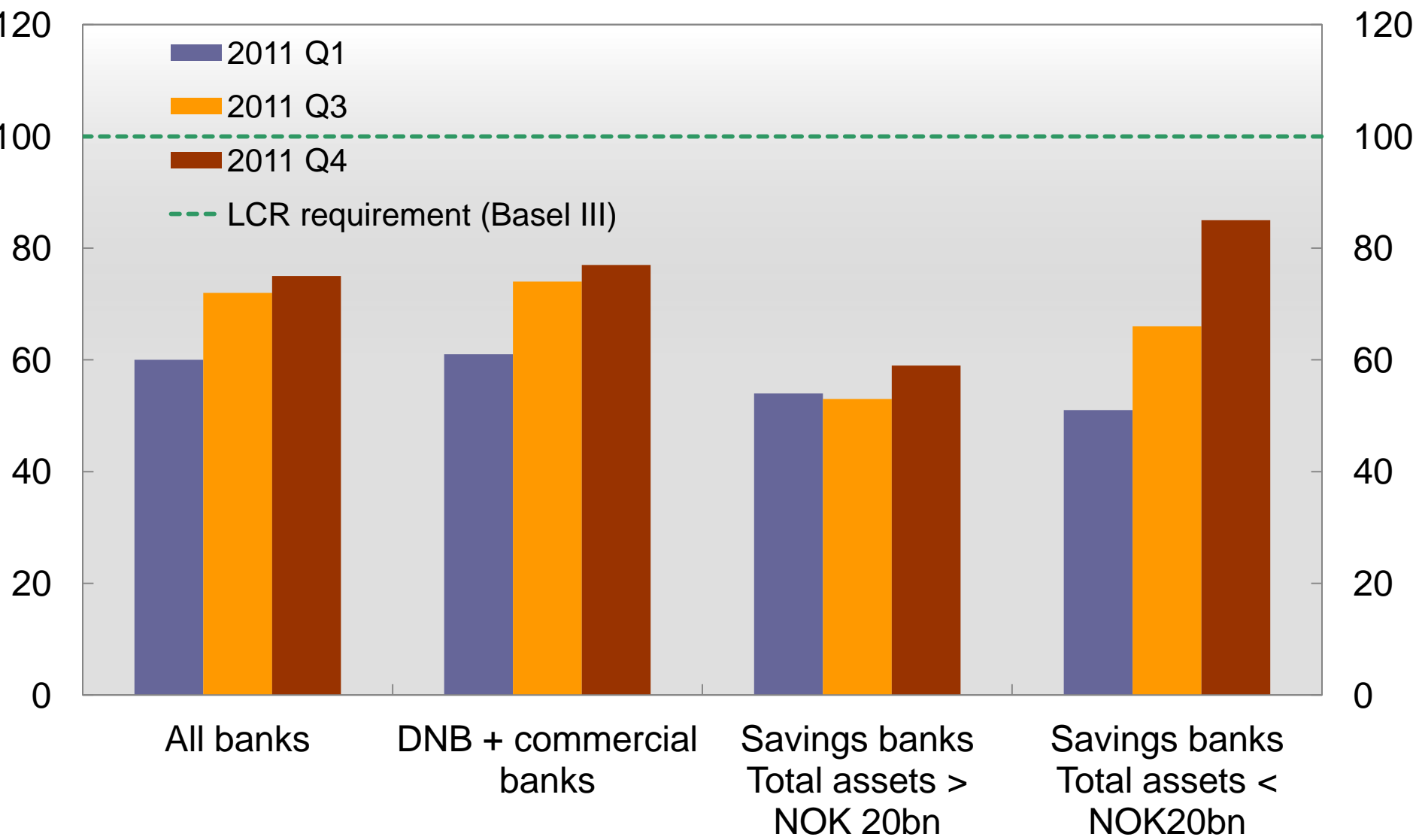


1) Weighted average for earnings in the tanker, bulk, container and gas segments.

Deflated by US CPI

Source: Clarksons Ltd

Chart 2.1 Banks' liquid assets as a percentage of liquidity requirement (LCR).²⁾ Weighted average for the group. As at end of quarter

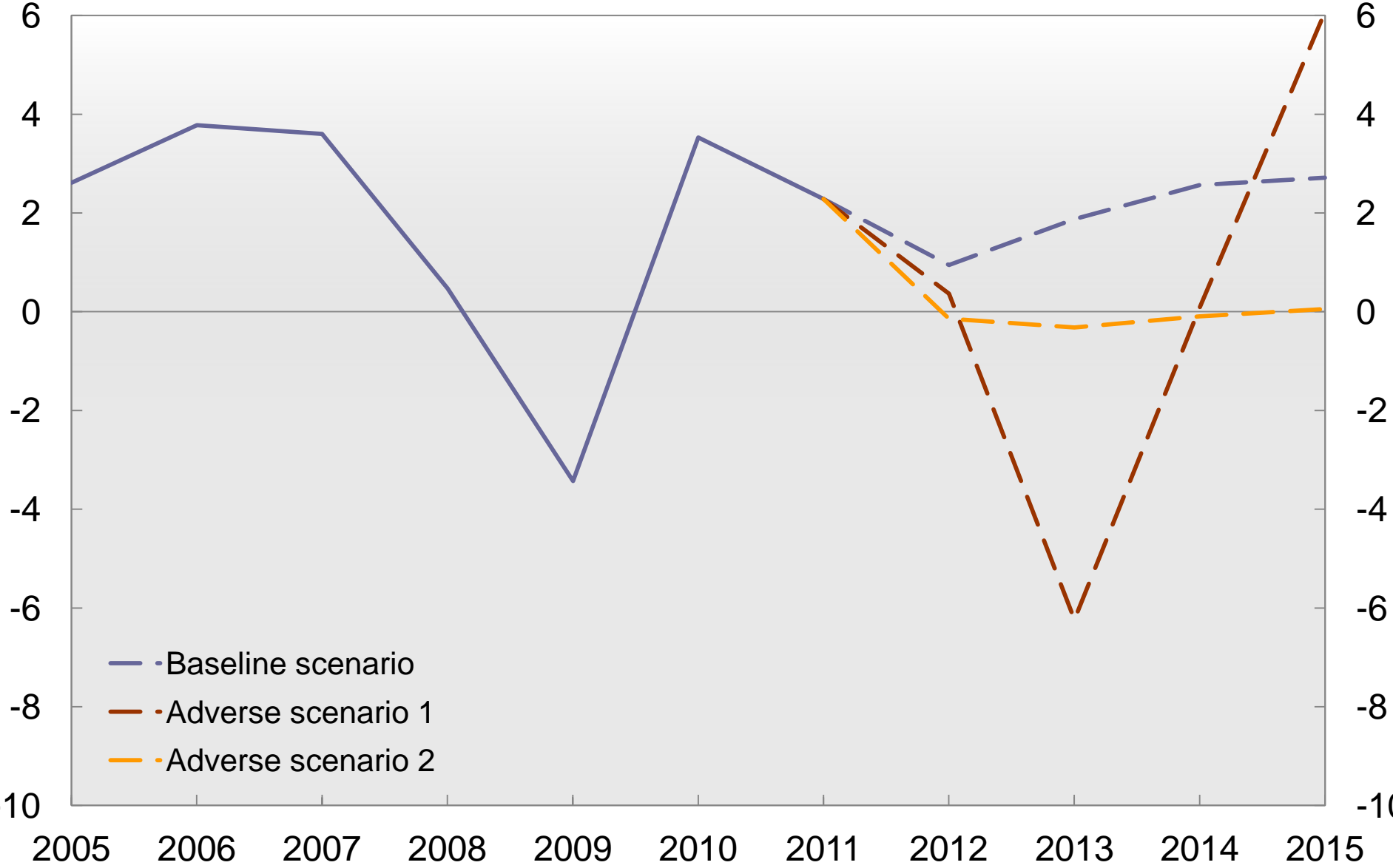


1) All banks except branches of foreign banks in Norway.

2) Estimated by Norges Bank

Source: Norges Bank

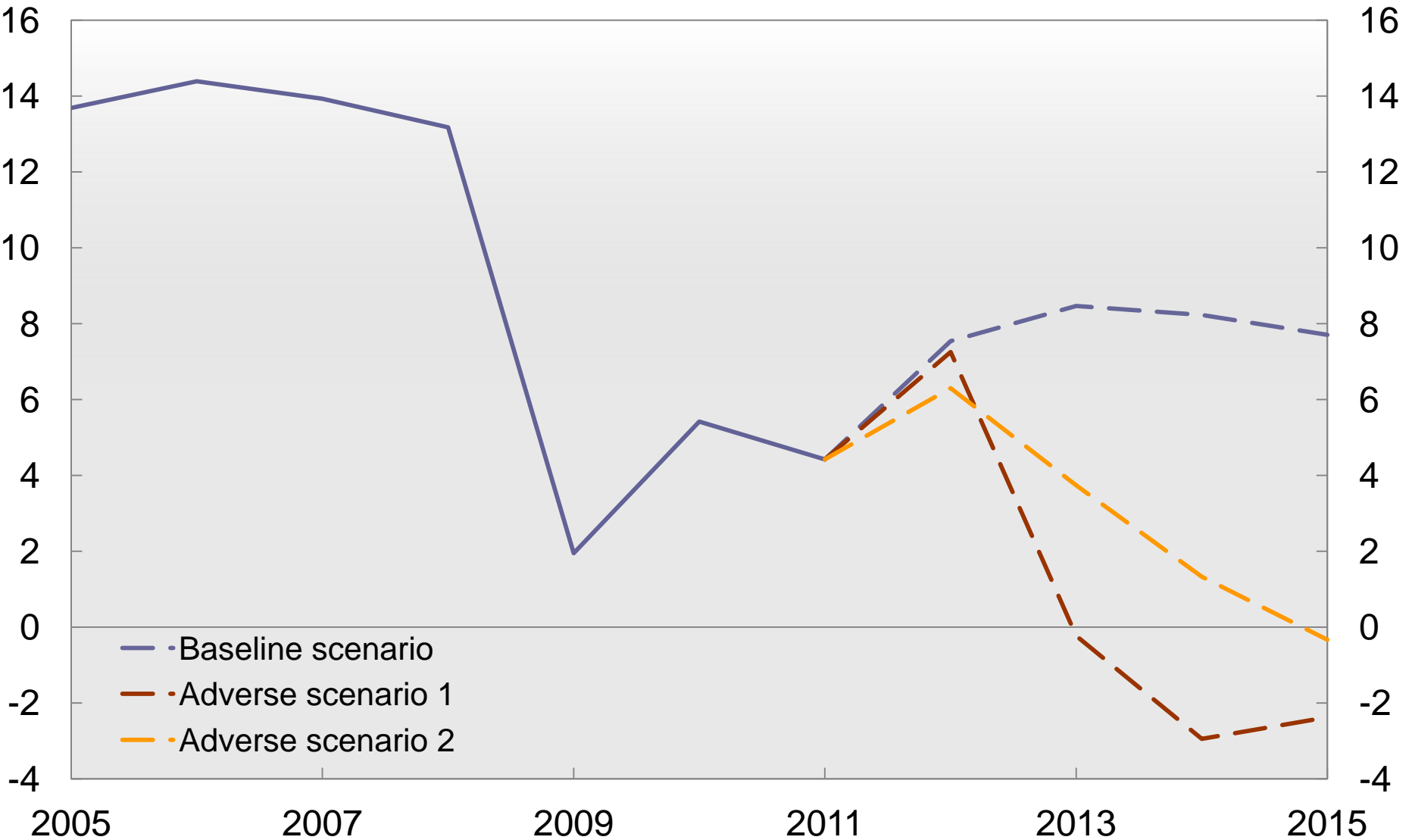
Chart 2.2 GDP trading partners. Annual volume change. Percent.
 Annual figures. 2005 – 2015¹⁾



1) Projections for 2012 – 2015

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

Chart 2.3 Weighted growth in credit to enterprises (C3) and households (C2). Year-on-year growth¹⁾. Percent. Annual figures. 2005 – 2015²⁾

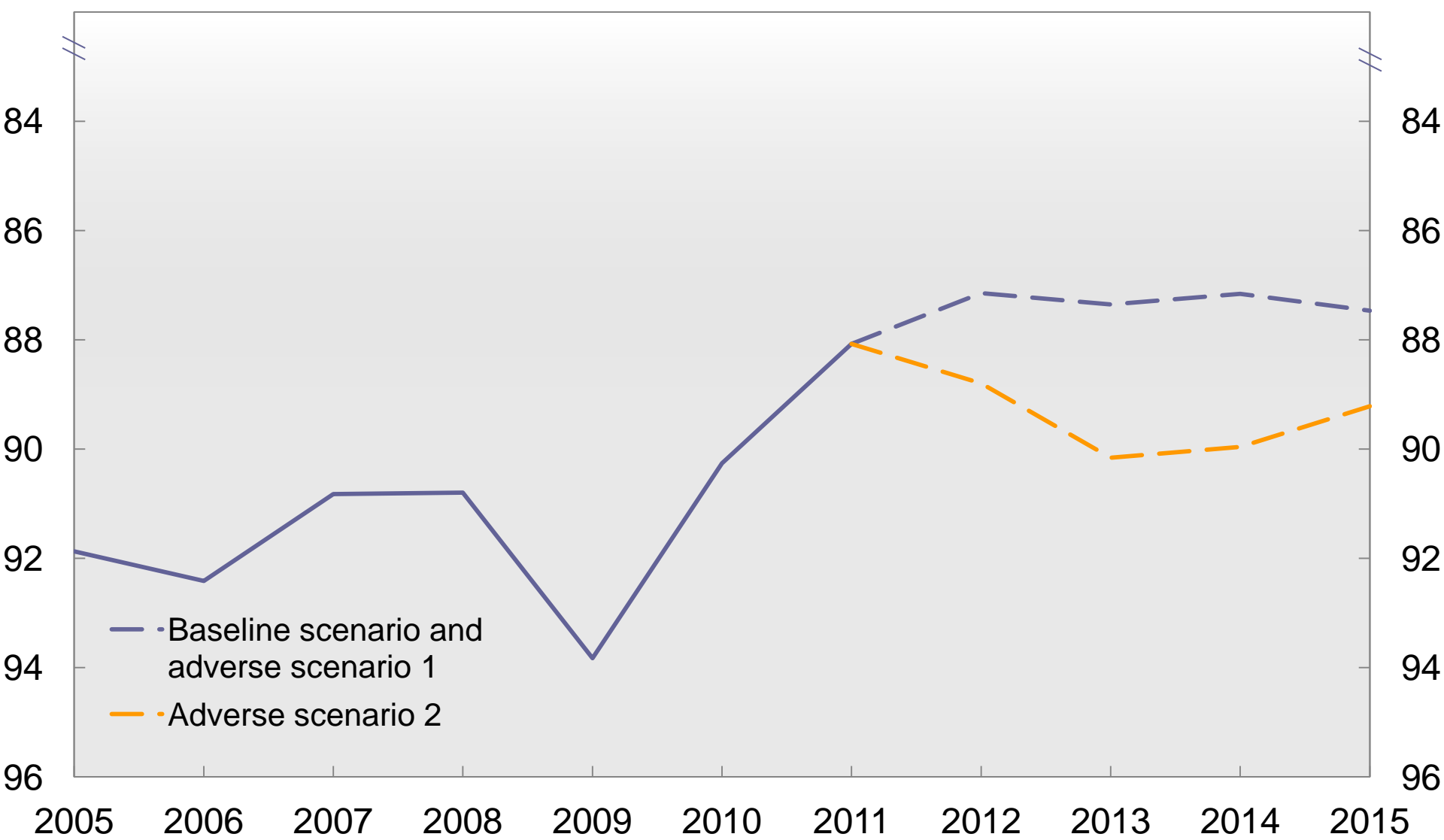


1) Change in stock of loans measured at year-end

2) Projections for 2012 – 2015

Sources: Statistics Norway and Norges Bank

Chart 2.4 Nominal exchange rate. Import-weighted exchange rate index (I-44)¹⁾. Annual Figures. 2005 - 2015²⁾

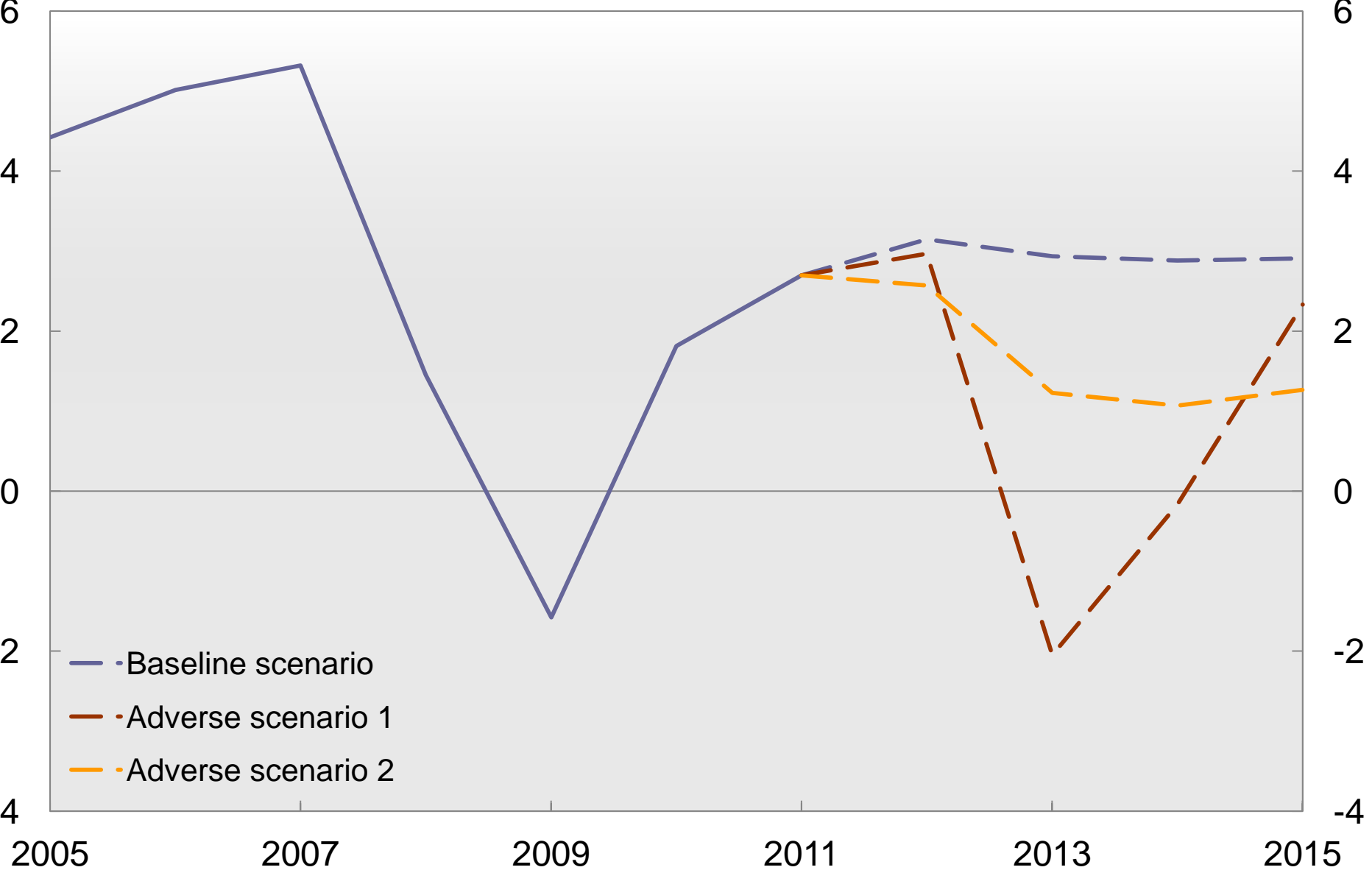


1) A positive slope denotes a stronger krone exchange rate

2) Projections for 2012 – 2015

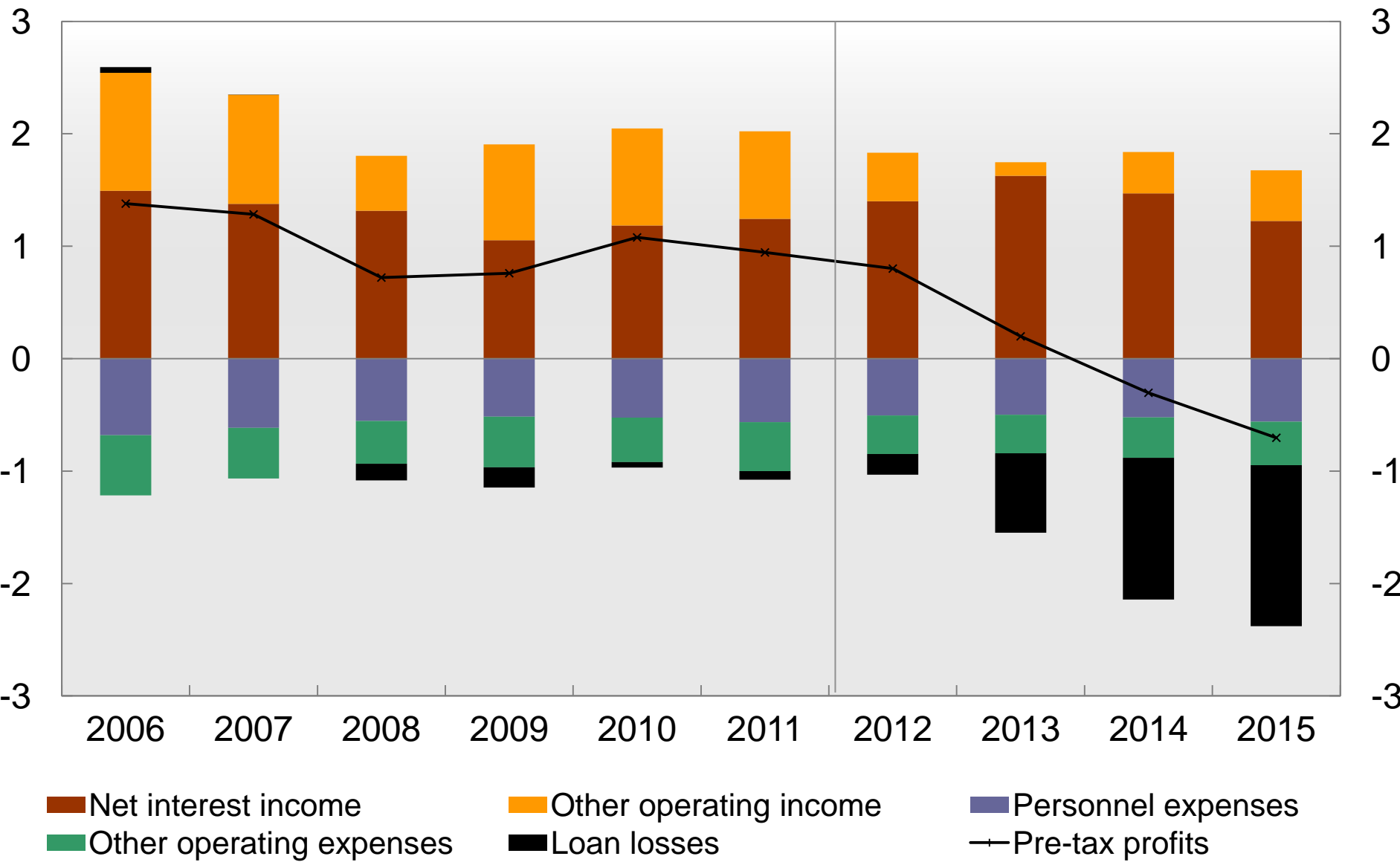
Sources: Statistics Norway and Norges Bank

Chart 2.5 Mainland GDP. Annual volume change. Percent. Annual figures. 2005 – 2015¹⁾



1) Projections for 2012 – 2015
Sources: Statistics Norway and Norges Bank

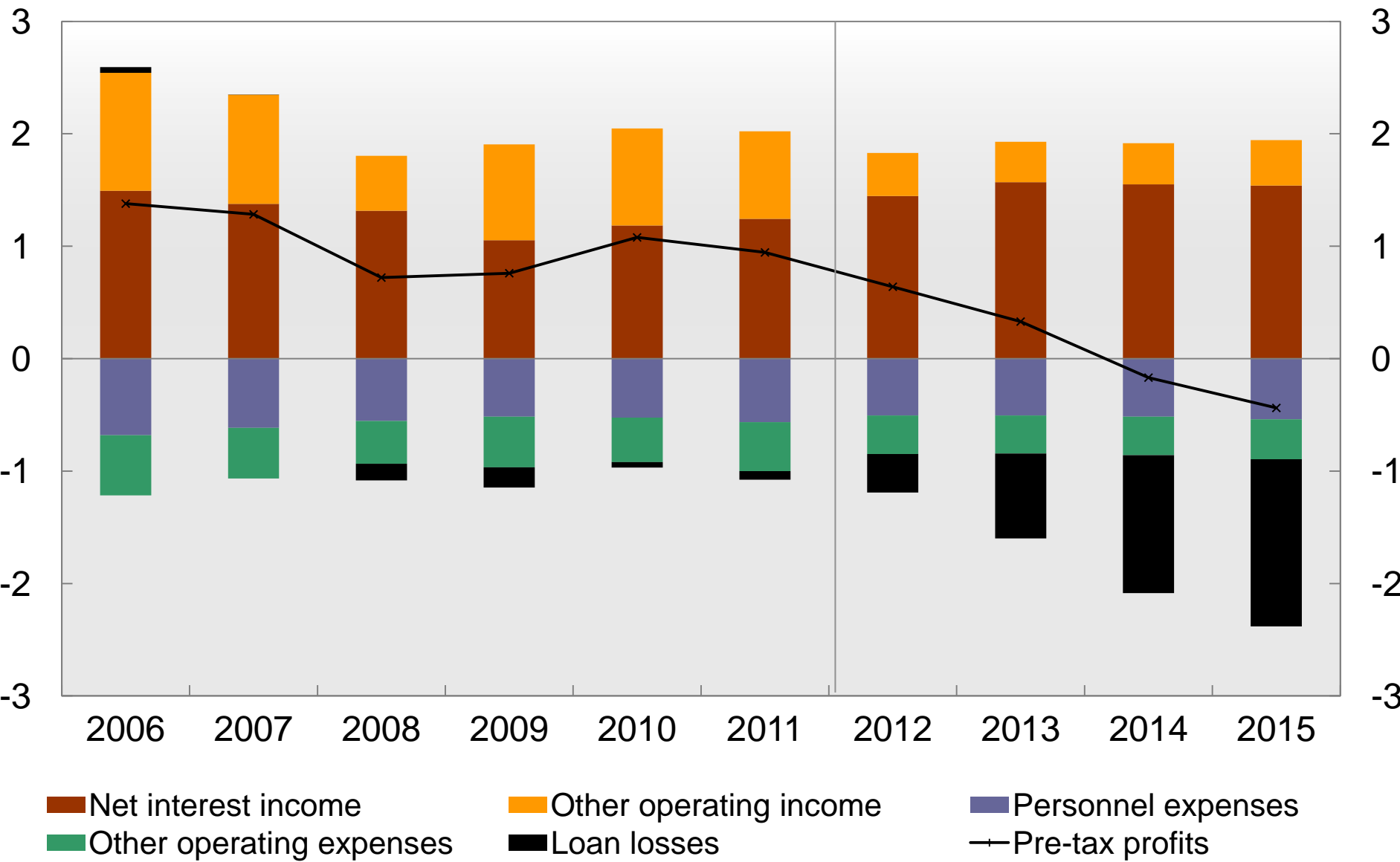
Chart 2.6 Banks' pre-tax profits as a percentage of average total assets.
 Adverse scenario 1. Annual figures. 2006 – 2015¹⁾



1) Projections for 2012 – 2015

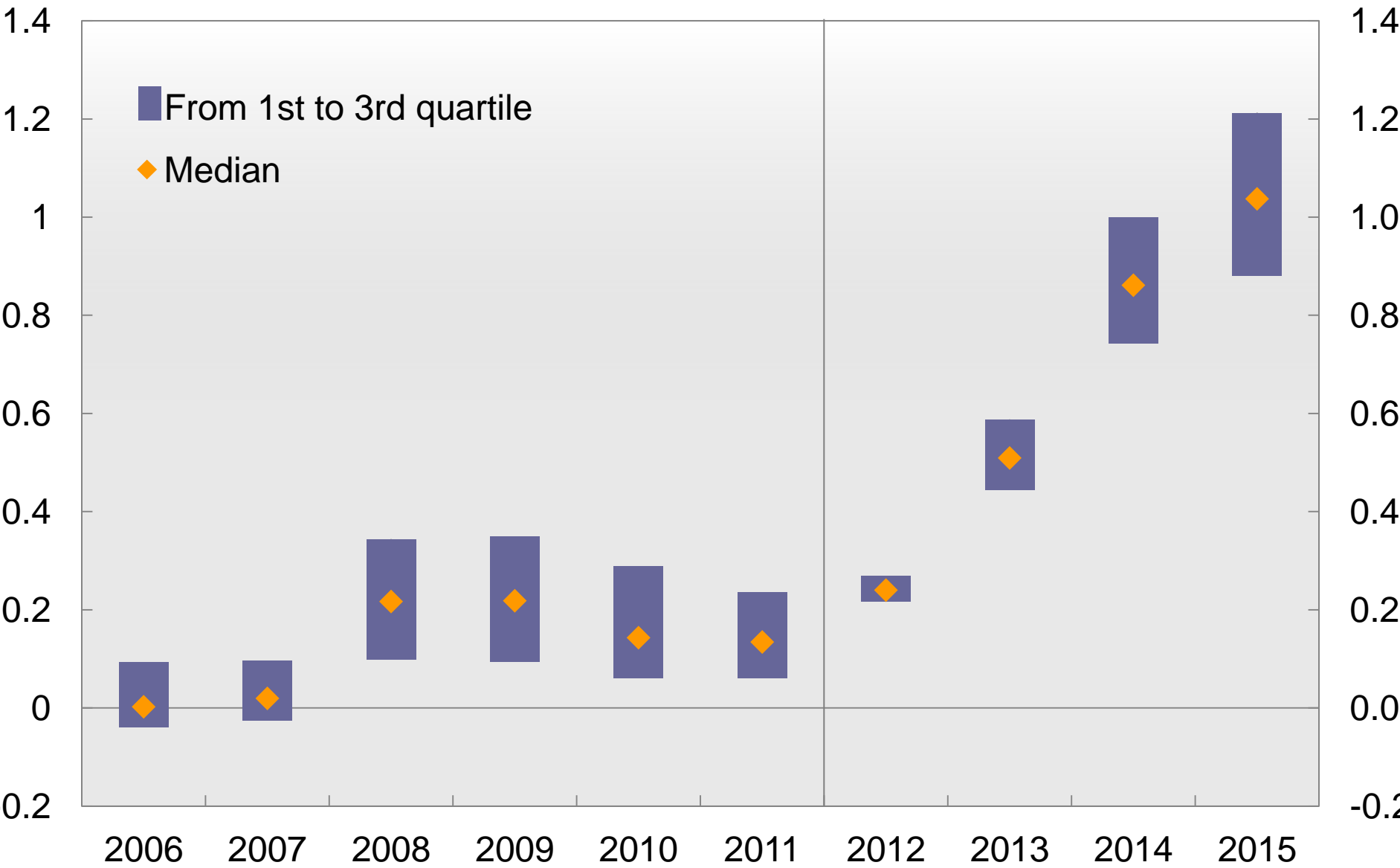
Sources: Statistics Norway and Norges Bank

Chart 2.7 Banks' pre-tax profits as a percentage of average total assets.
 Adverse scenario 2. Annual figures. 2006 – 2015¹⁾



1) Projections for 2012 – 2015
 Sources: Statistics Norway and Norges Bank

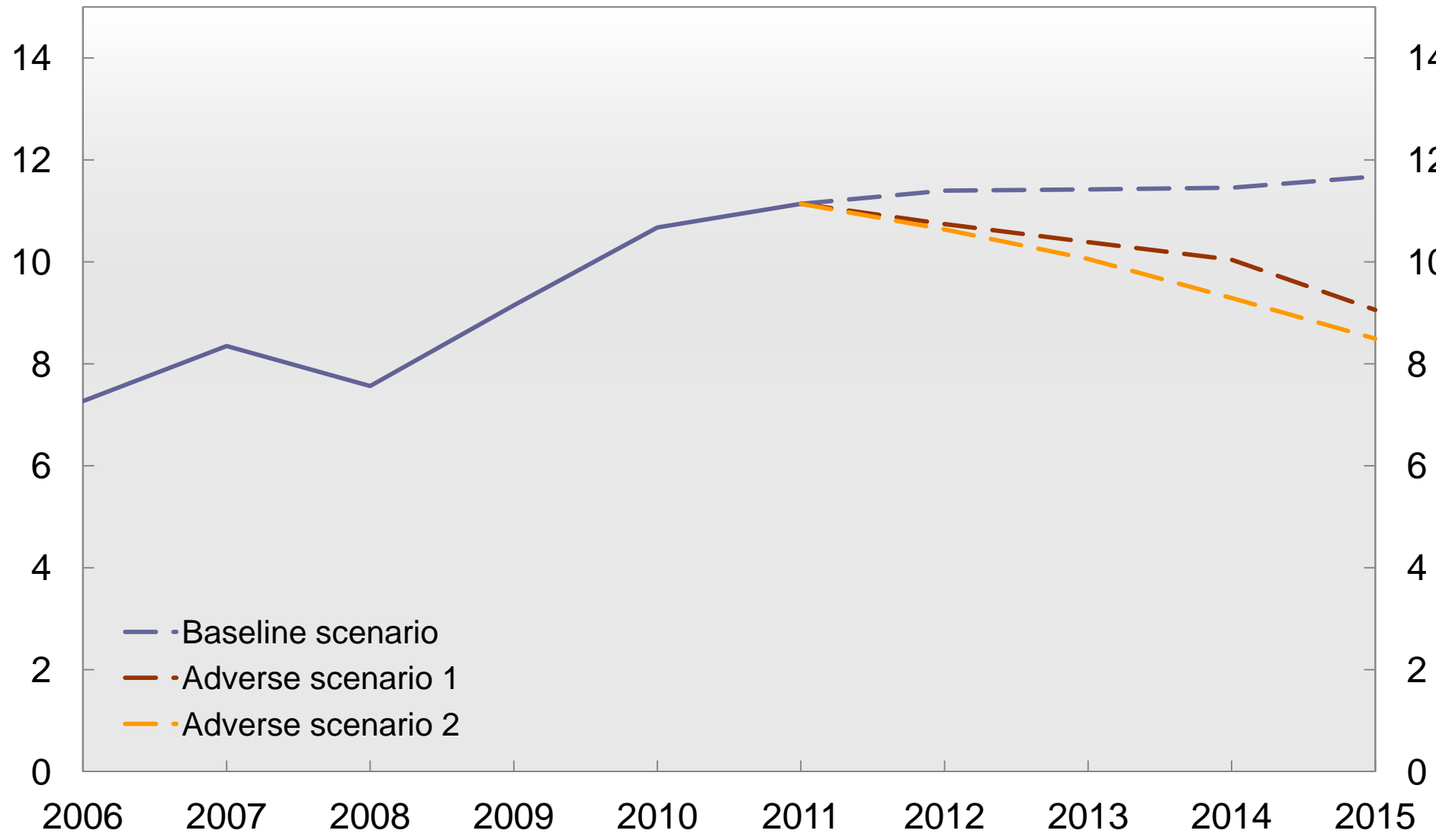
Chart 2.8 Scatter diagram for loan losses as a percentage of gross lending for all Norwegian banks. Adverse scenario 2. Annual figures. 2006 – 2015¹⁾



1) Projections for 2012 – 2015

Sources: Statistics Norway and Norges Bank

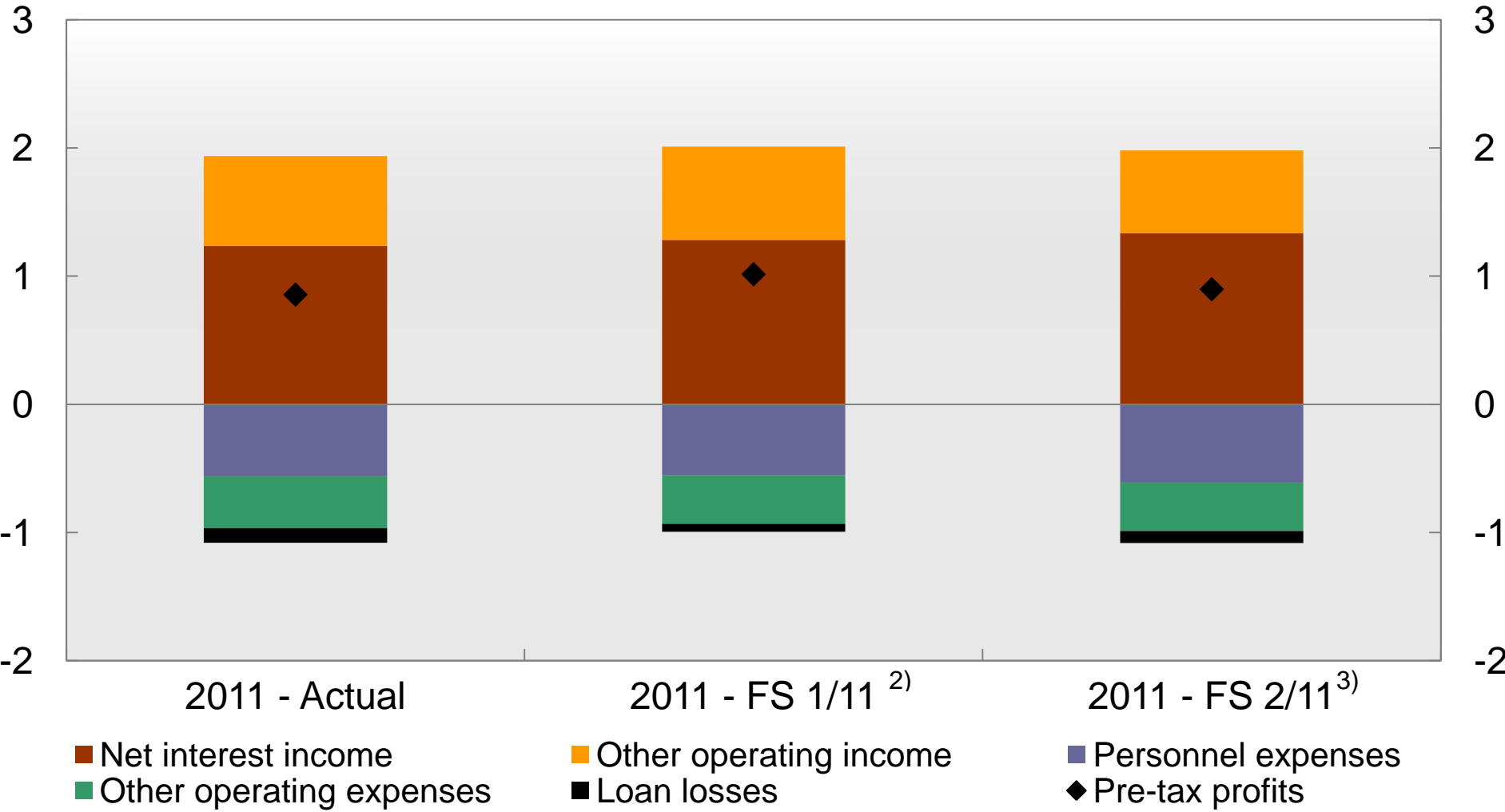
Chart 2.9 Banks' Tier 1 capital ratio. Baseline scenario and adverse scenarios. Percent. Annual figures. 2006 – 2015¹⁾



1) Projections for 2012 – 2015

Sources: Finanstilsynet (Financial Supervisory Authority of Norway) and Norges Bank

Chart 1 Banks' pre-tax profits as a percentage of average total assets. Baseline scenario. Annual figures. 2011



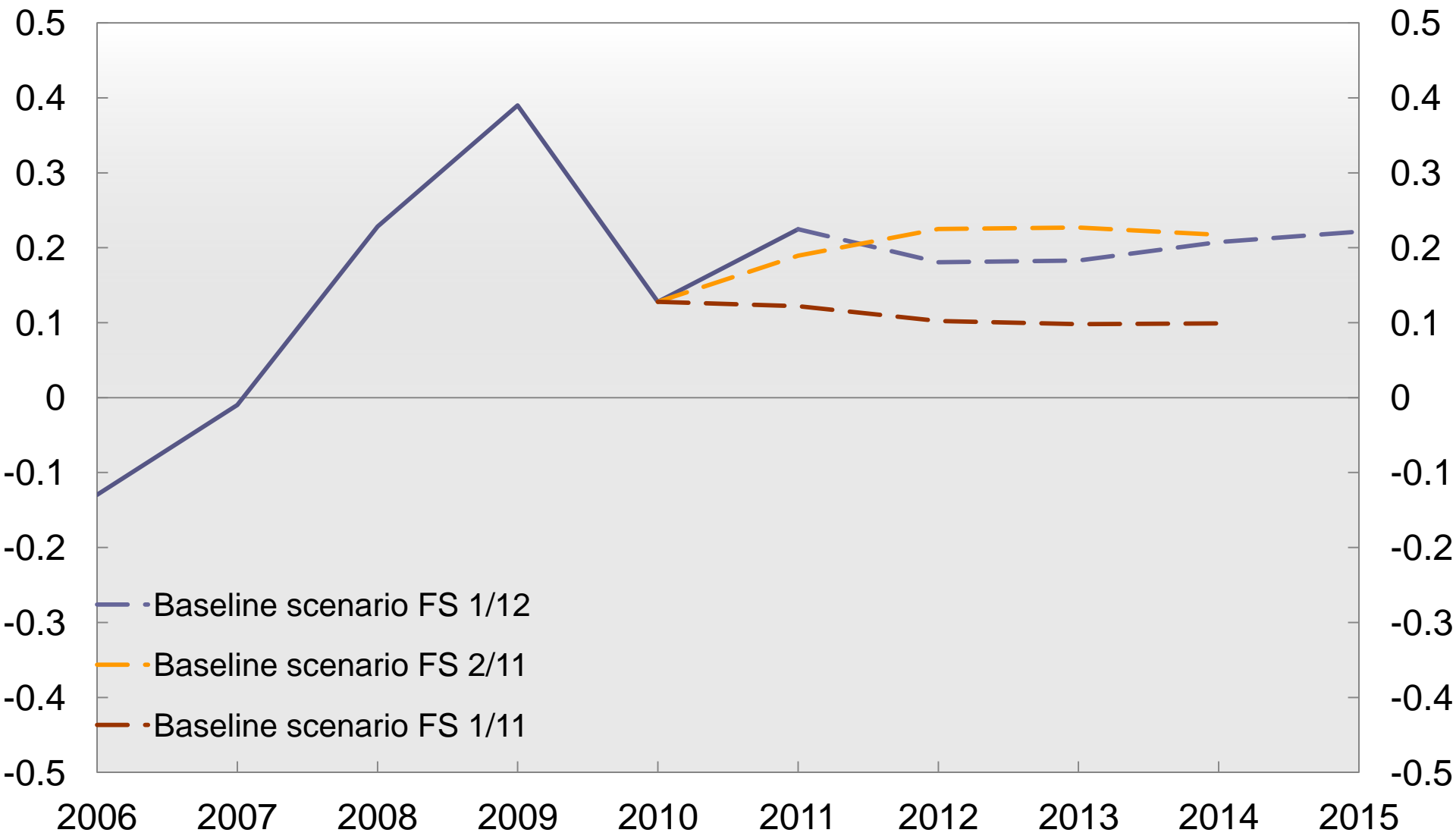
1) DNB, Sparebank 1 SMN, Sparebank 1 Nord-Norge, Sparebank 1 SR-bank, Nordea Bank Norge and Sparebanken Vest

2) Baseline scenario in *Financial Stability 1/2011*

3) Baseline scenario in *Financial Stability 2/2011*

Sources: Statistics Norway and Norges Bank

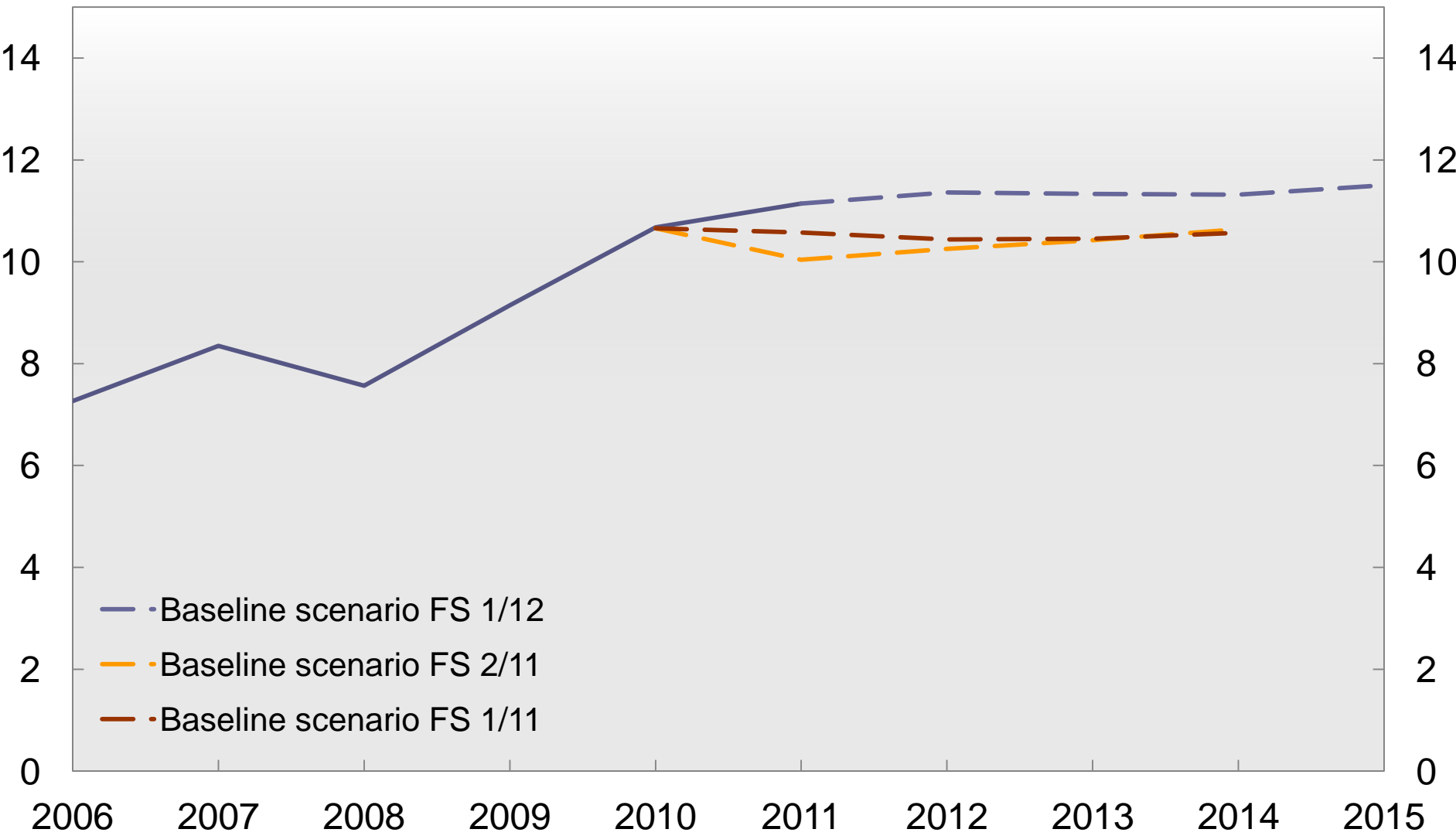
Chart 2 Banks' losses as a share of gross lending. Baseline scenario. Percent. Annual figures. 2006 – 2015



1) DNB, Sparebank 1 SMN, Sparebank 1 Nord-Norge, Sparebank 1 SR-bank, Nordea Bank Norge and Sparebanken Vest

Sources: Statistics Norway and Norges Bank

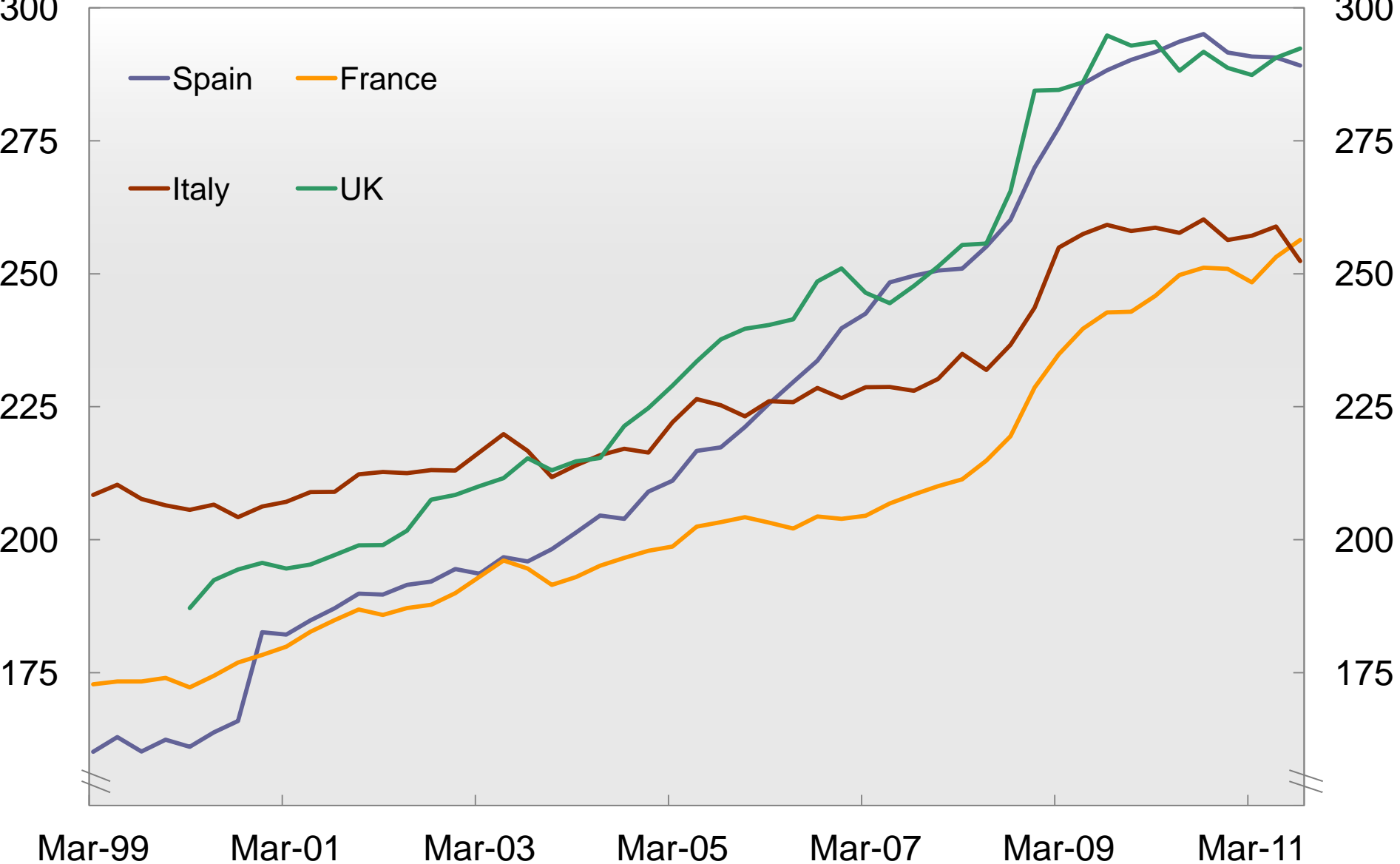
Chart 3 Banks' Tier 1 capital ratio in baseline scenarios. Percent. Annual figures. 2006 – 2015



1) DNB, Sparebank 1 SMN, Sparebank 1 Nord-Norge, Sparebank 1 SR-bank, Nordea Bank Norge and Sparebanken Vest

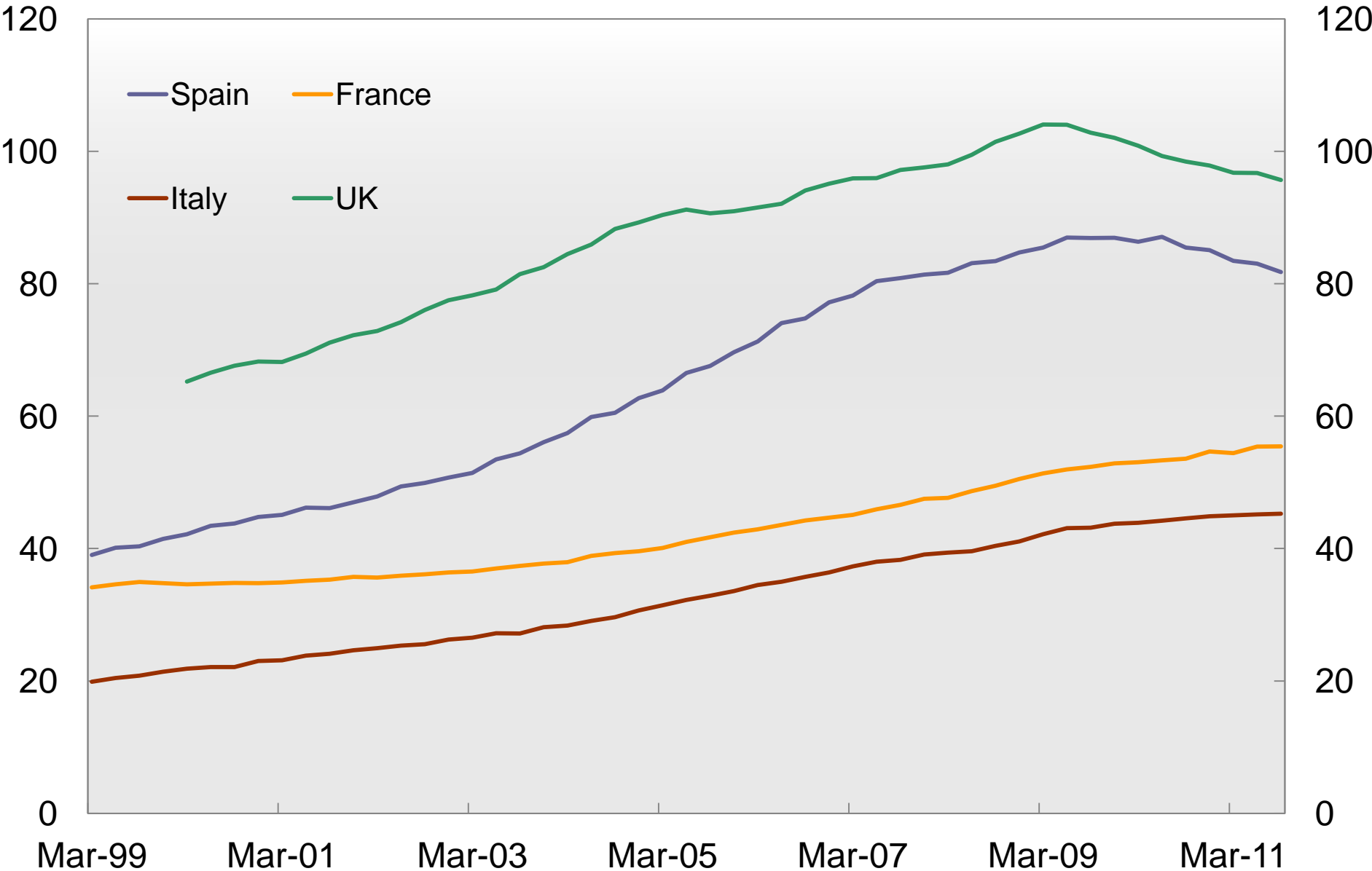
Sources: Finanstilsynet (Financial Supervisory Authority of Norway) and Norges Bank

Chart 1 Sum of debt for households, non-profit organisations, non-financial corporations and the public sector. As a percentage of GDP. Quarterly figures. 1999 Q1 – 2011 Q3



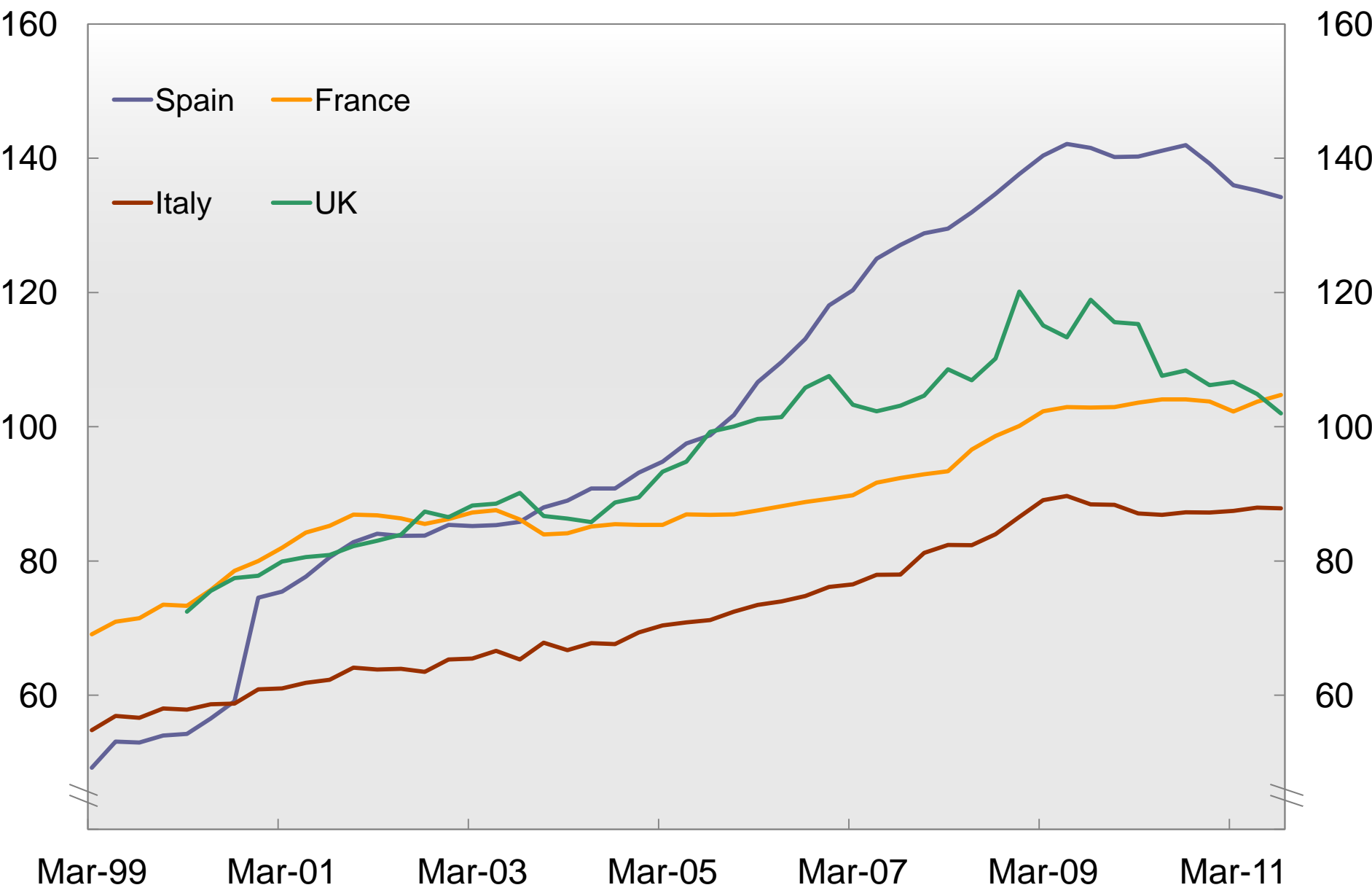
Sources: ECB and Eurostat Financial Accounts

Chart 2 Debt for households and non-profit organisations. As a percentage of GDP. Quarterly figures. 1999 Q1 – 2011 Q3



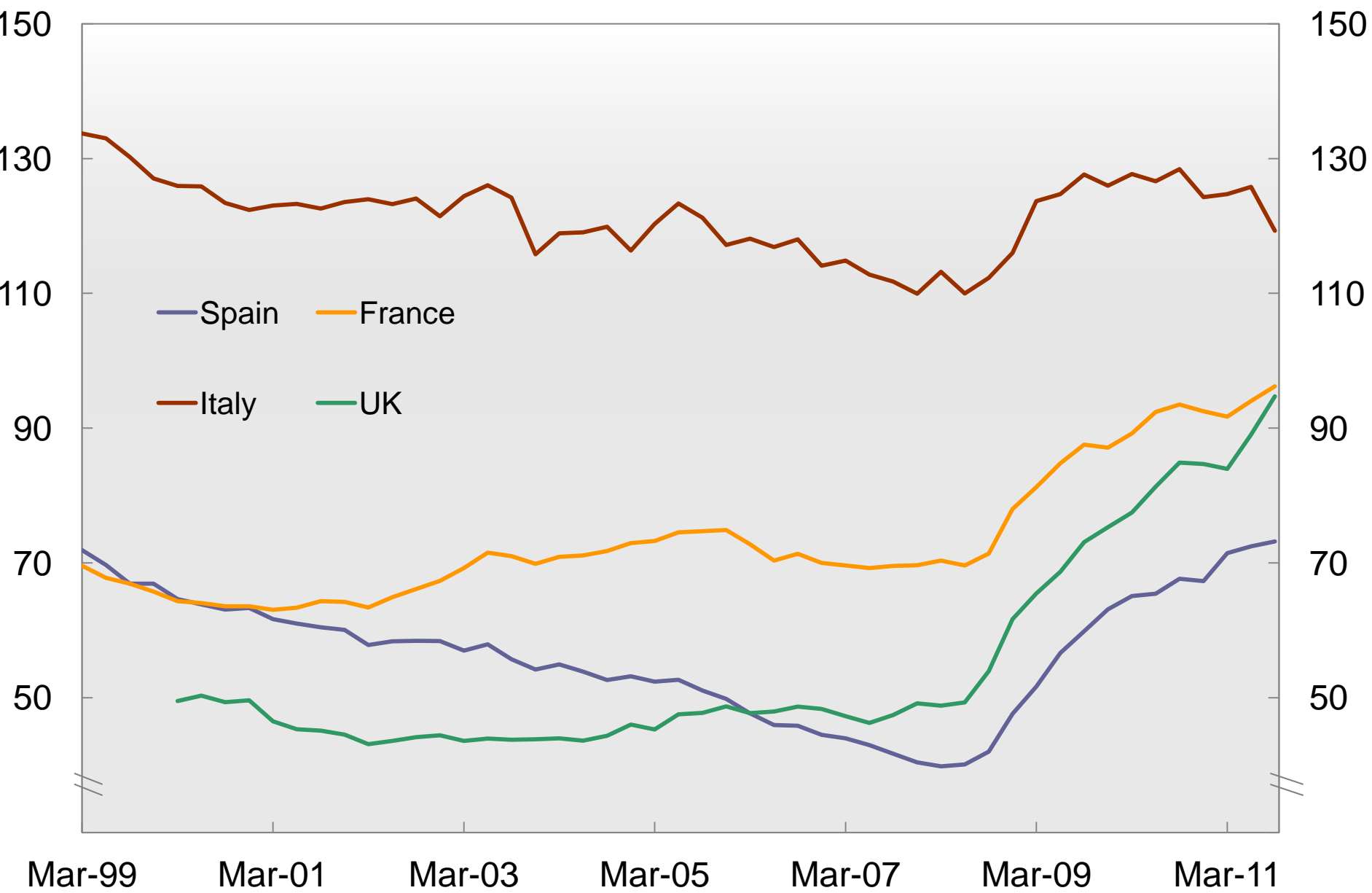
Sources: ECB and Eurostat Financial Accounts

Chart 3 Debt for non-financial corporations. As a percentage of GDP. Quarterly figures. 1999 Q1 – 2011 Q3



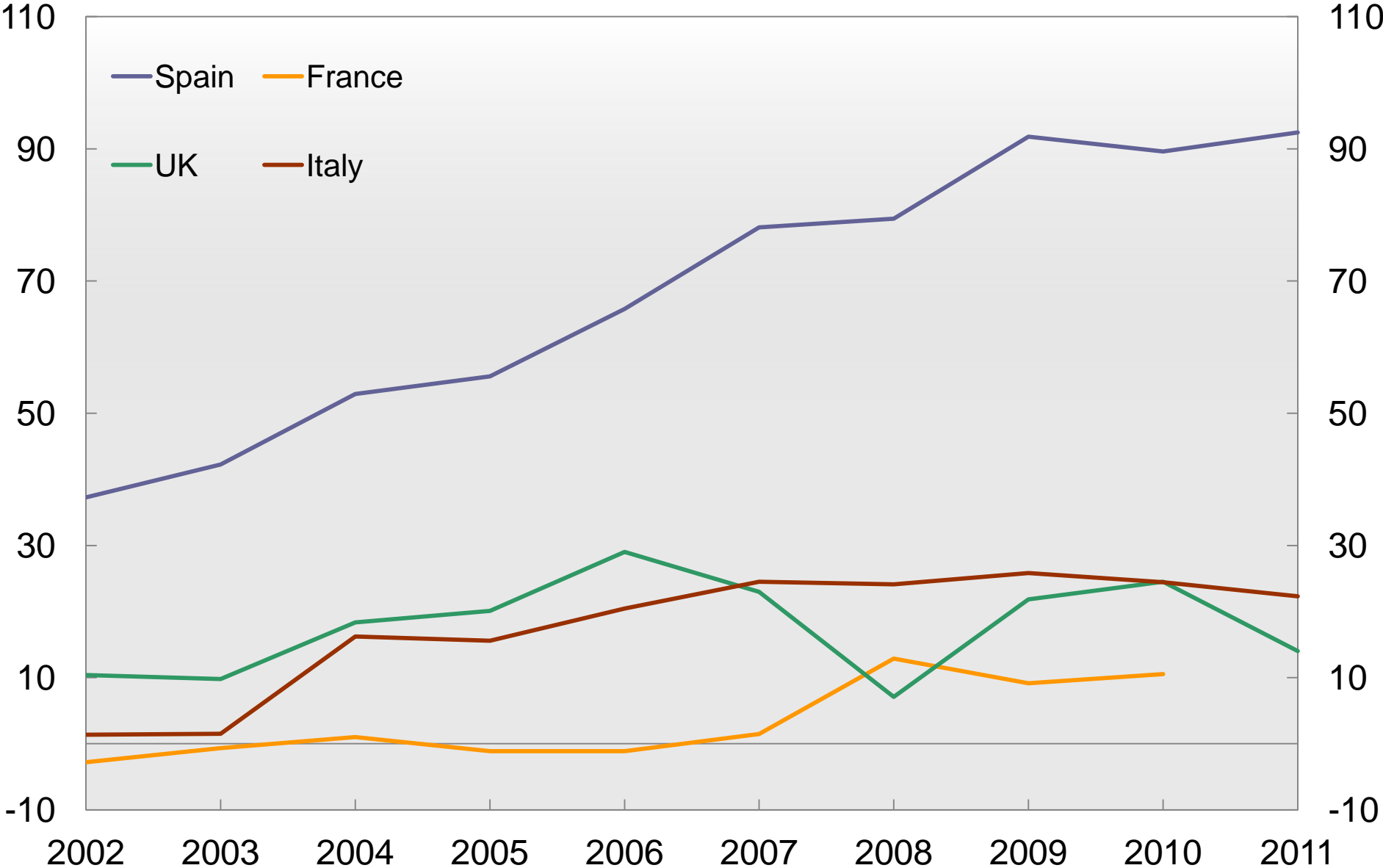
Sources: ECB and Eurostat Financial Accounts

Chart 4 Debt in the public sector. As a percentage of GDP. Quarterly figures. 1999 Q1 – 2011 Q3



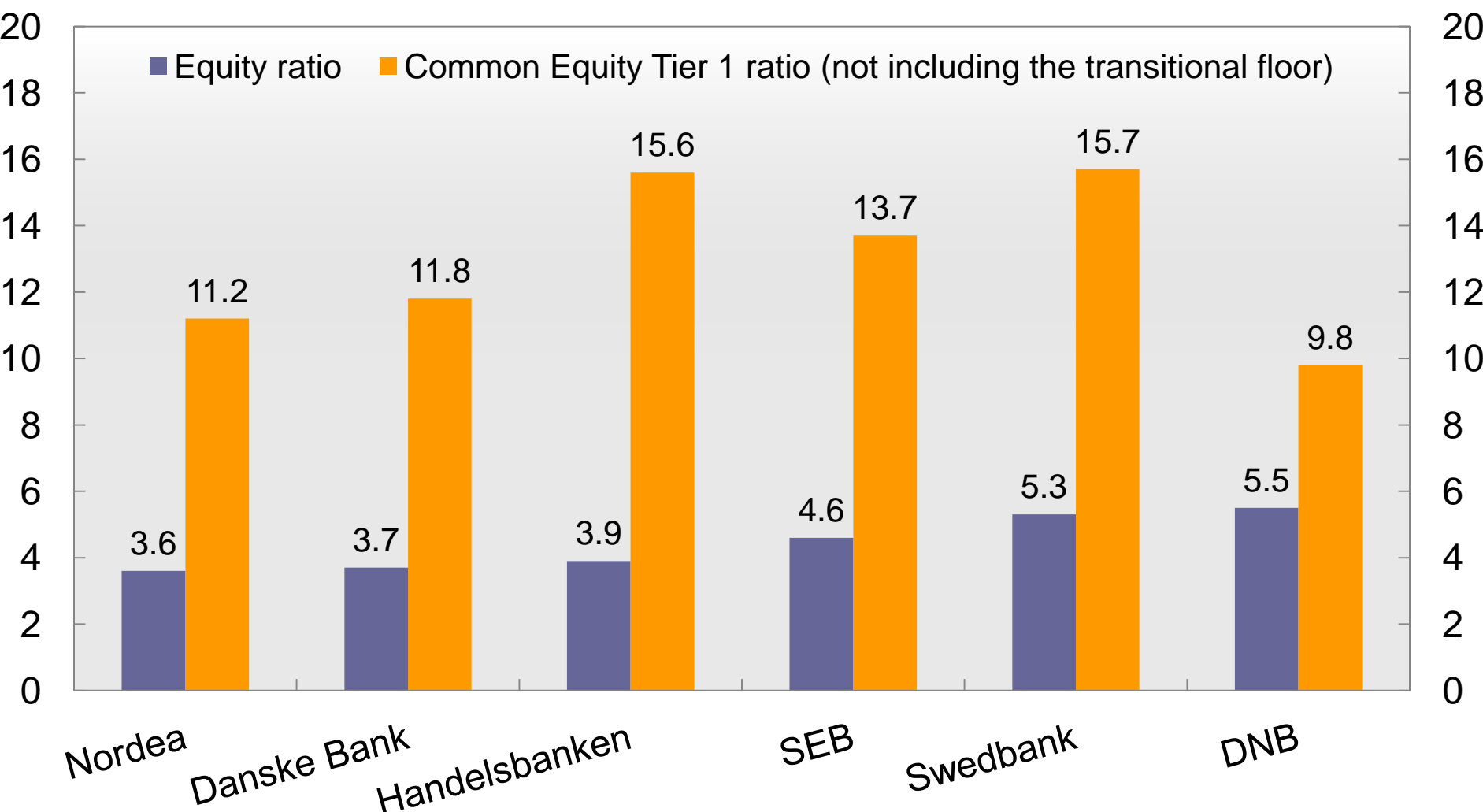
Sources: ECB and Eurostat Financial Accounts

Chart 5 Net foreign debt, computed as the (negative) "net international investment position" of each country. As a percentage of GDP. Annual figures. 2002 – 2011



Sources: ECB and Eurostat Financial Accounts

Chart 1 Equity ratio¹⁾ and Common Equity Tier 1 ratio²⁾ not including the transitional floor for the six largest financial groups in the Nordic region. Percent. As at 31 December 2011

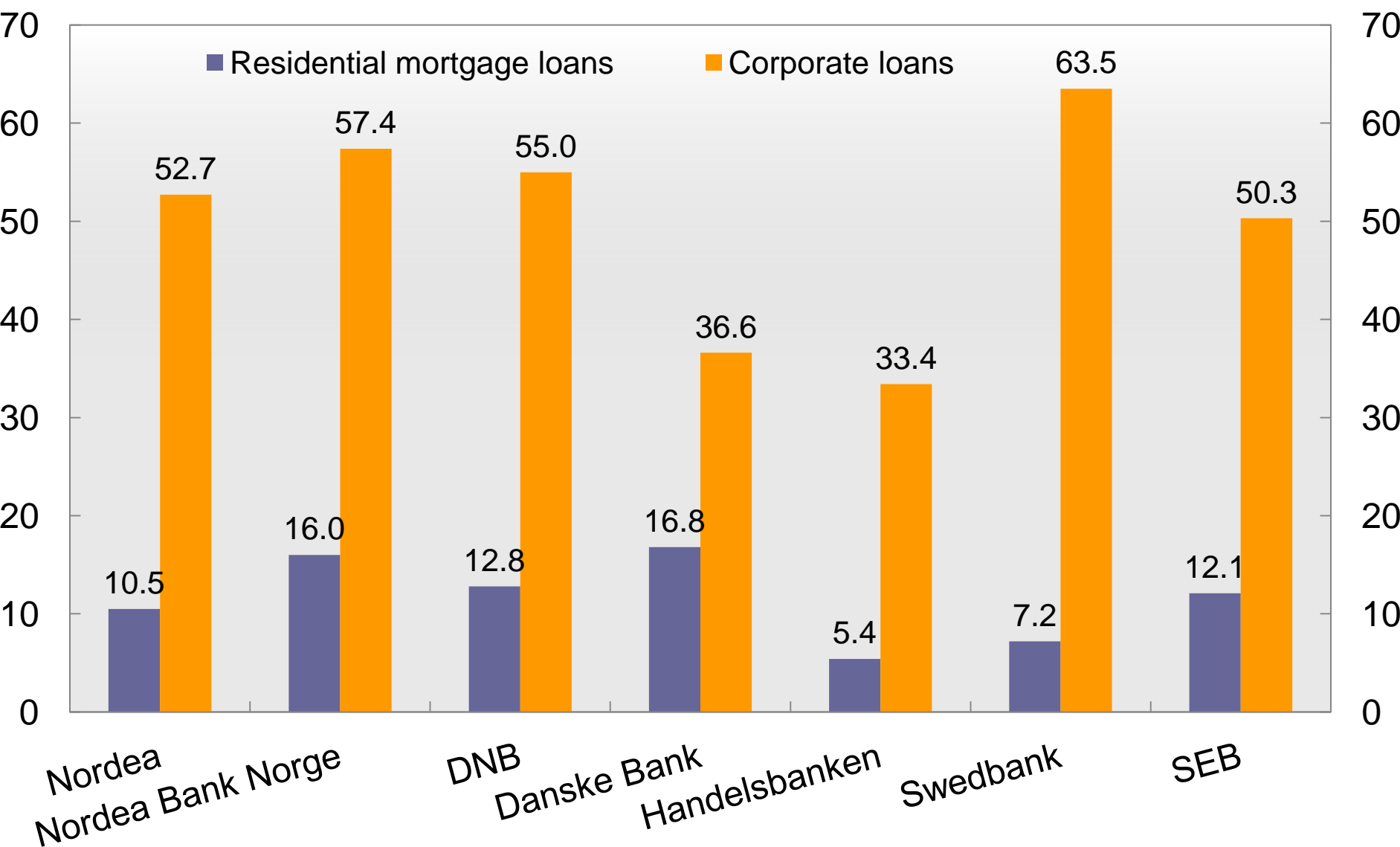


1) Equity ratio = Equity / Total assets

2) Tier 1 capital excluding hybrid instruments / Sum risk-weighted assets

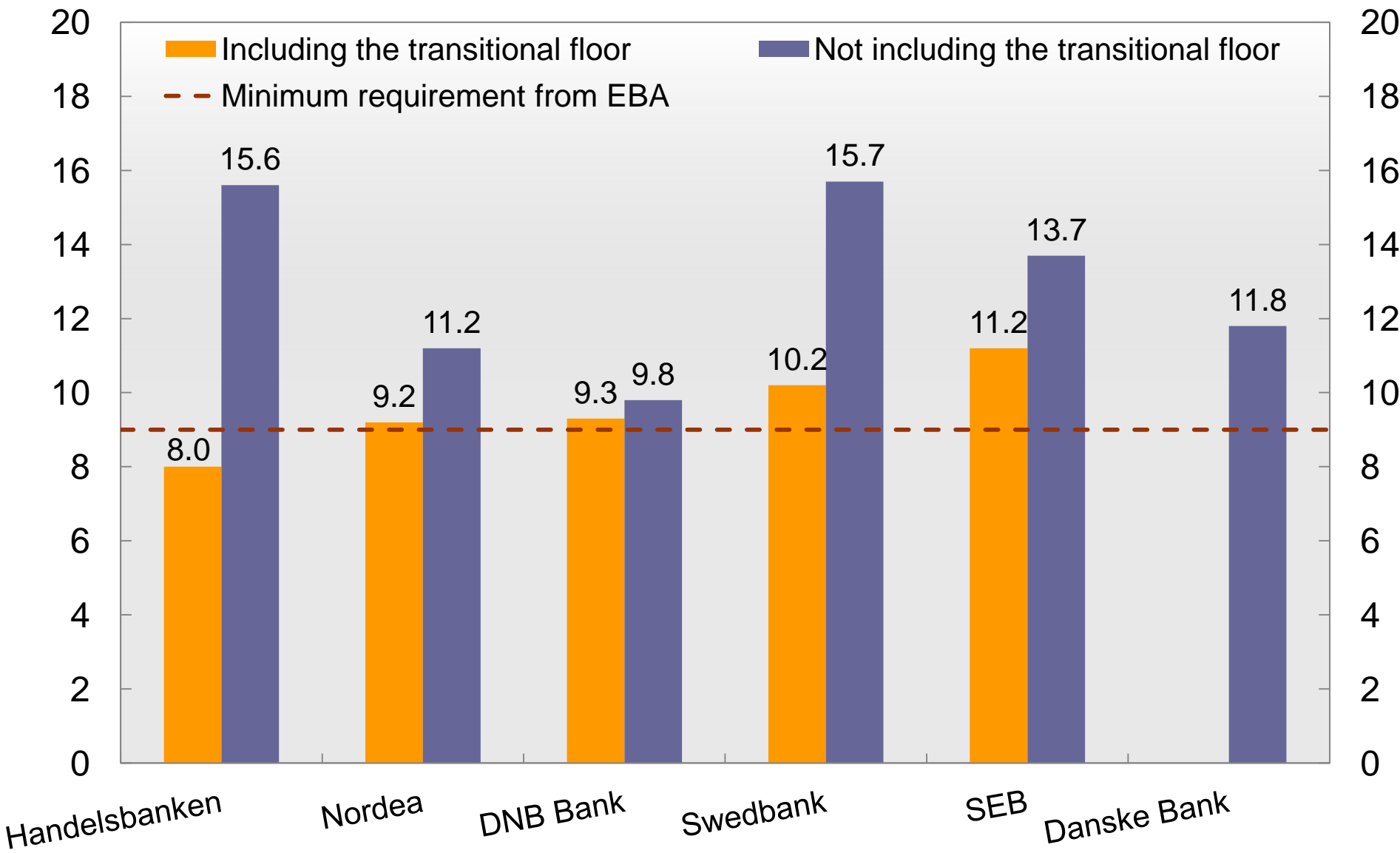
Source: Public financial information from the institutions

Chart 2 Average risk weights for residential mortgage loans and corporate loans (IRB models) for the six largest financial groups in the Nordic region and the subsidiary Nordea Bank Norge. Percent. As at 31 December 2011



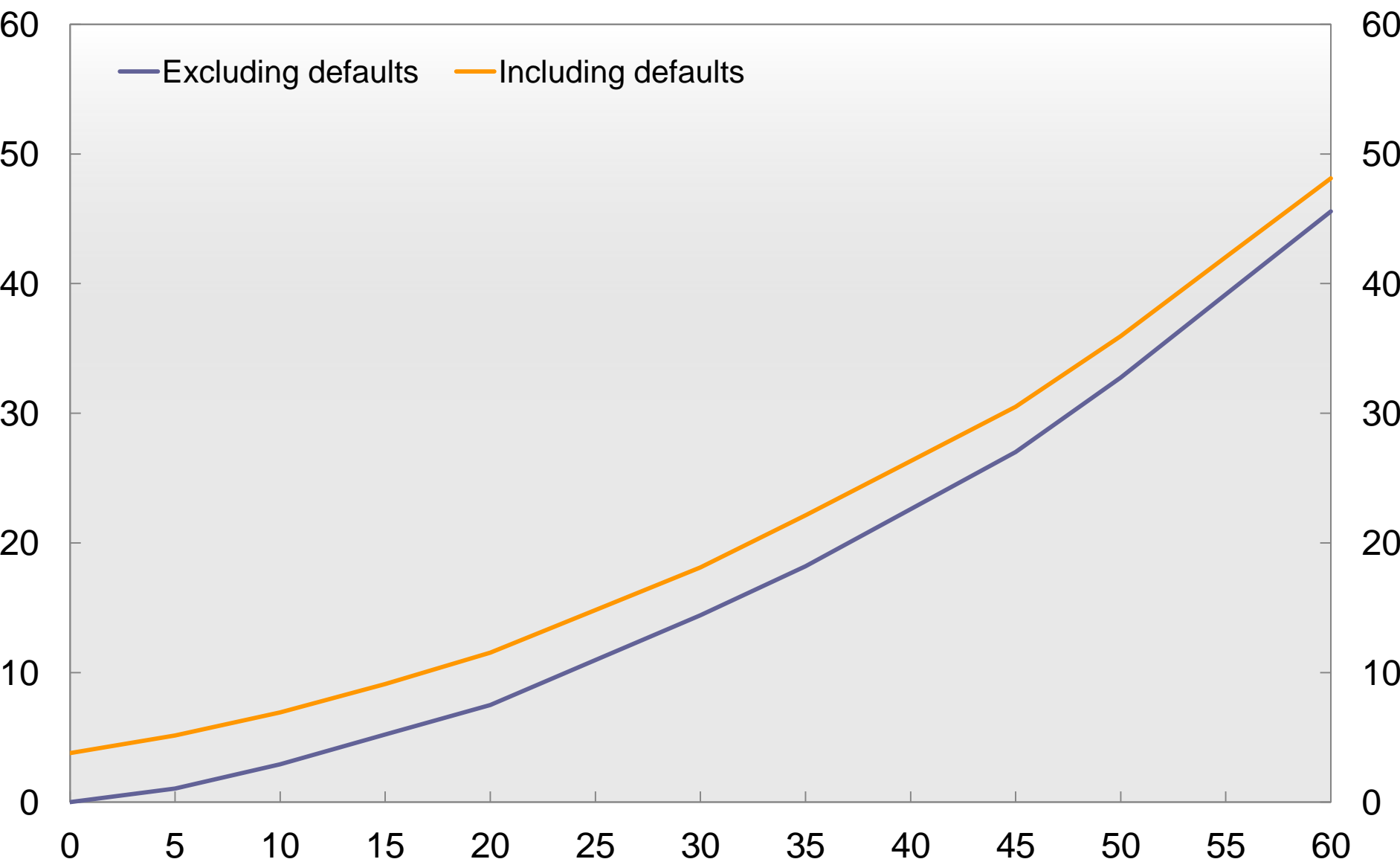
Source: Pillar 3 reports from the institutions

Chart 3 Common Equity Tier 1 ratio¹⁾ for the six largest banking groups in the Nordic region. Percent. As at 31 December 2011



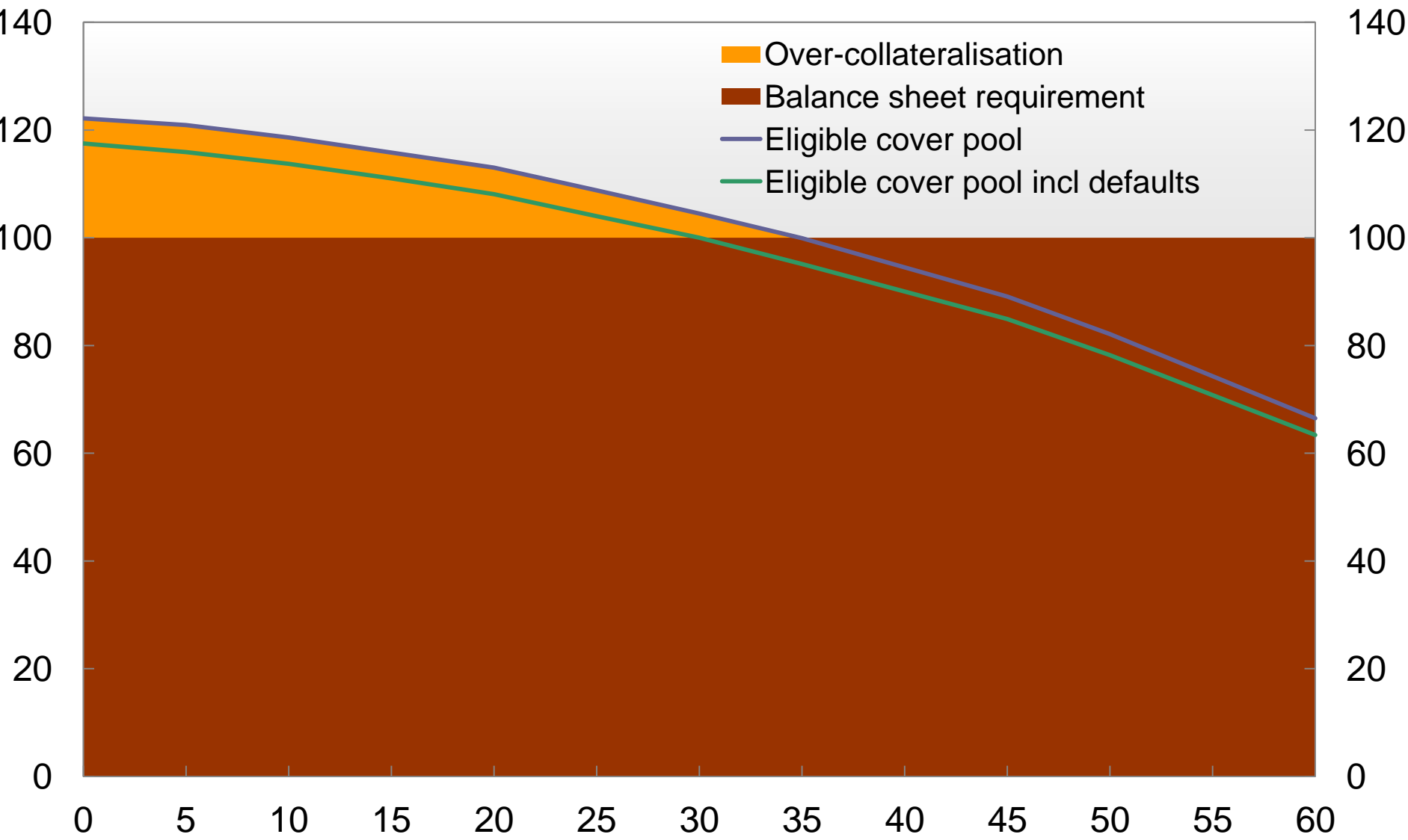
1) Tier 1 capital excluding hybrid instruments / Sum risk-weighted assets
 Source: Public financial information from the institutions

Chart 1 Reduction in eligible cover pool after a fall in house prices. Percentage points. As at end-2011.



Sources: DNB Boligkreditt, Sparebanken Vest Boligkreditt, SpareBank 1 Boligkreditt, Terra Boligkreditt, Norges Bank

Chart 2 Eligible cover pool and over-collateralisation after a fall in house prices. Percentage of outstanding volume of covered bonds and percentage points. As at end-2011.



Sources: DNB Boligkreditt, Sparebanken Vest Boligkreditt, SpareBank 1 Boligkreditt, Terra Boligkreditt, Norges Bank