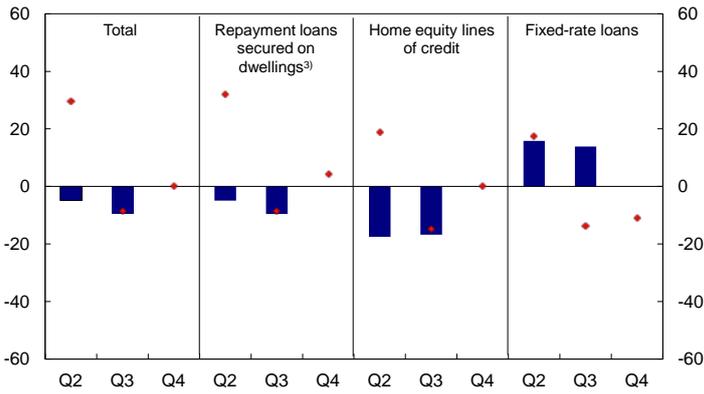


2010 Q3

Norges Bank's Survey of Bank Lending

Unchanged credit standards for households
and enterprises

Chart 1 Household credit demand. Net percentage balances.^{1), 2)}



1) Net percentage balances are calculated by weighting together the responses in the survey. The blue bars show developments over the past quarter. The red diamonds show expectations over the next quarter. The red diamonds have been moved forward one quarter

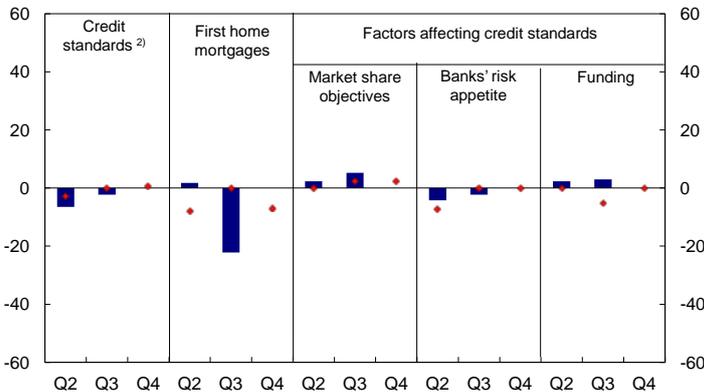
2) Negative net percentage balances denote falling demand

Source: Norges Bank

Norges Bank's Survey of Bank Lending 2010 Q3

Banks reported approximately unchanged credit standards for households and enterprises in 2010 Q3. Banks also expect unchanged credit demand for households and enterprises in 2010 Q4. There was a moderate fall in household credit demand, while enterprise credit demand increased marginally in 2010 Q3. In the period ahead banks expect unchanged household credit demand and somewhat higher corporate credit demand.

Chart 2 Change in credit standards for households. Factors affecting credit standards. Net percentage balances¹⁾



1) See footnote 1 in Chart 1

2) Negative net percentage balances denote tighter credit standards

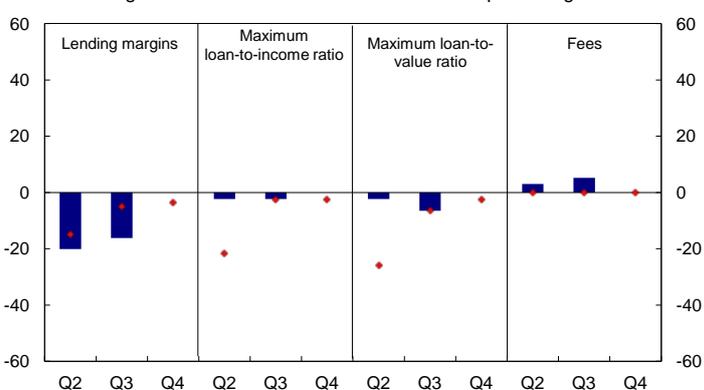
Source: Norges Bank

Norges Bank's bank lending survey for 2010 Q3 was conducted in the period 1–11 October 2010.

Participating banks were asked to assess developments in credit standards and loan demand in 2010 Q3 compared with 2010 Q2, and expected developments in 2010 Q4 compared with 2010 Q3.

The banks in the survey use a scale of five alternative responses to indicate the degree of change in credit standards, terms and conditions and demand. Banks that report that conditions have changed 'a lot' are assigned twice the score of those reporting that conditions have changed 'a little'. The responses are weighted by the banks' shares of the change in lending to households and to non-financial corporations respectively. The resulting net balances are scaled to lie between -100% and 100%. If all the banks in the sample report some tightening of credit standards, the net percentage balance will be -50%. If some of the banks have tightened their credit standards a little without the other banks changing their credit standards, the net percentage balance will lie between 0 and -50%. If all the banks in the sample have substantially tightened their credit standards, the net percentage balance will be -100%.

Chart 3 Change in loan conditions for households. Net percentage balances^{1), 2)}



1) See footnote 1 in Chart 1

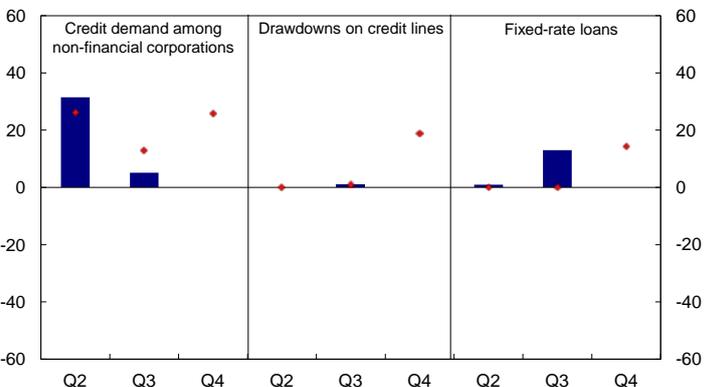
2) Positive net percentage balances for lending margins indicate higher lending margins. Positive net percentage balances for lending margins and fees denote tighter credit standards. Negative net percentage balances for maximum LTI ratio and maximum LTV ratio denote tighter credit standards

Source: Norges Bank

Lending to households

Banks reported a moderate fall in total household demand in 2010 Q3 (see Chart 1). The decrease was

Chart 4 Credit demand among non-financial corporations and drawdowns on credit lines. Net percentage balances^{1), 2)}

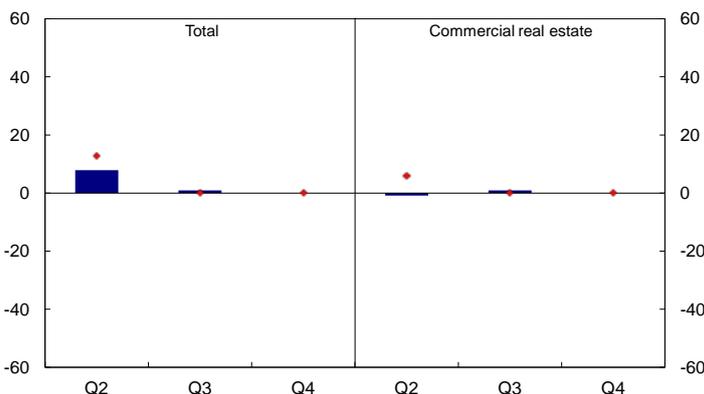


1) See footnote 1 in Chart 1
 2) Positive net percentage balances denote increased demand or increased drawdowns on credit lines
 Source: Norges Bank

broadly as expected. While demand for fixed rate loans rose in 2010 Q3, banks expect somewhat falling demand ahead. Banks expect total household credit demand to remain unchanged in 2010 Q4.

Overall credit standards for households were approximately unchanged in 2010 Q3 (see Chart 2). However, several banks reported some tightening of first home mortgages in connection with adjustment to Finanstilsynet's (the Financial Supervisory Authority of Norway) guidelines for prudent lending.¹ In the period ahead banks expect overall credit standards for households to remain unchanged.

Chart 5 Change in credit standards for non-financial corporations. Net percentage balances^{1), 2)}



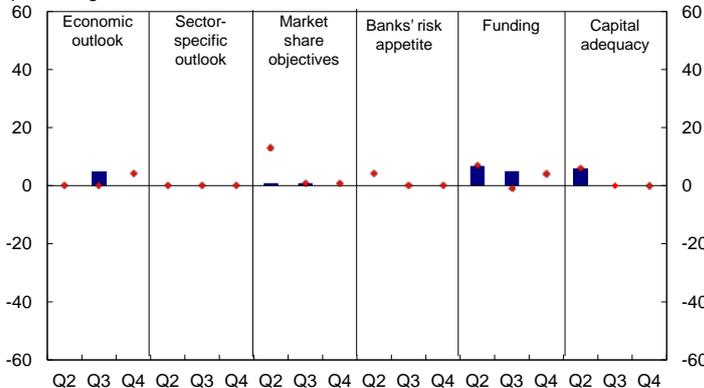
1) See footnote 1 in Chart 1
 2) Negative net percentage balances denote tighter credit standards
 Source: Norges Bank

Banks reported falling lending margins in 2010 Q3 (see Chart 3). In addition there was little change in loan conditions for households. Conditions are expected to remain broadly unchanged.

Lending to non-financial corporations

Banks reported a marginal increase in credit demand from non-financial corporations in 2010 Q3, while drawdowns on credit lines remained unchanged (see Chart 4). Demand for fixed-rate loans increased somewhat more than expected. In the period ahead, banks expect a further increase in total credit demand from non-financial corporations.

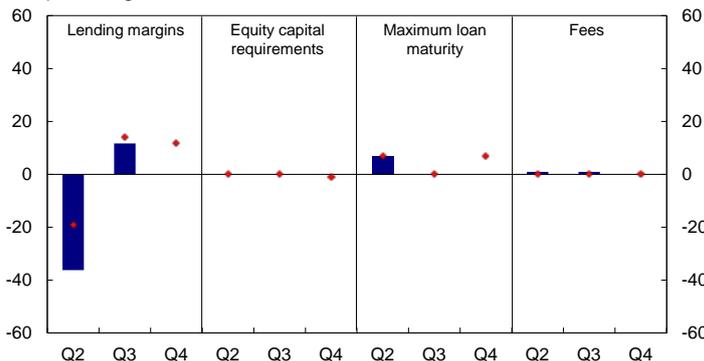
Chart 6 Factors affecting credit standards for non-financial corporations. Net percentage balances^{1), 2)}



1) See footnote 1 in Chart 1
 2) Negative net percentage balances denote that the factor has contributed to tighter credit standards
 Source: Norges Bank

Banks' credit standards for non-financial corporations remained broadly unchanged in 2010 Q3 (see Chart 5). There were only marginal fluctuations in factors affecting credit standards (see Chart 6). Banks expect no change ahead in credit standards for non-financial corporations.

Chart 7 Change in loan conditions for non-financial corporations. Net percentage balances^{1), 2)}



1) See footnote 1 in Chart 1
 2) Positive net percentage balances for lending margins denote higher lending margins. Positive net percentage balances for lending margins, equity capital requirements and fees denote tighter credit standards. Negative net percentage balances for maximum loan maturity indicate tighter credit standards
 Source: Norges Bank

Banks reported a moderate increase in lending margins in 2010 Q3 (see Chart 7). Lending margins are also expected to increase moderately in 2010 Q4.

¹ See <http://www.finanstilsynet.no> for further information