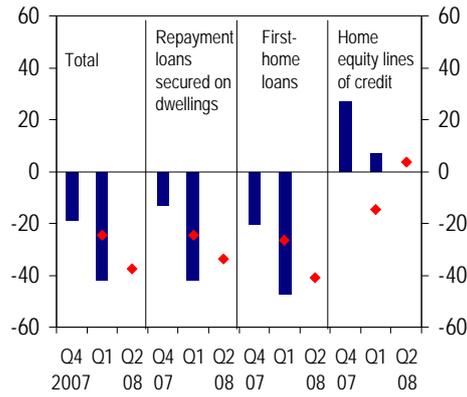


Survey of Bank Lending 2008 Q1



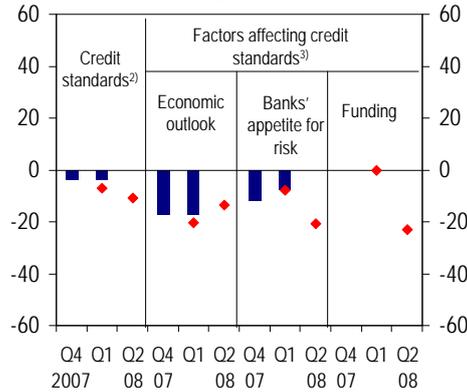
Chart 1 Household credit demand. Net percentage balances^{1), 2)}



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 indicate falling demand

Source: Norges Bank

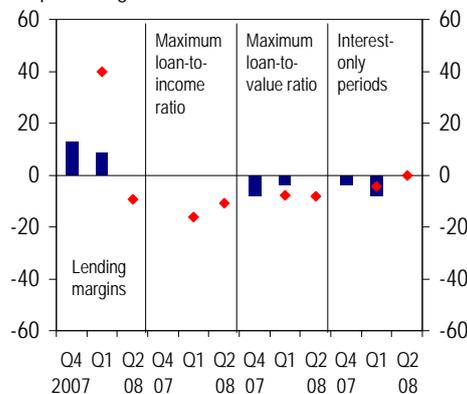
Chart 2 Change in credit standards for approving loans to households. Factors affecting credit standards. Net percentage balances¹⁾



¹⁾ See footnote 1 of Chart 1
²⁾ Negative net percentage balances indicate tighter credit standards
³⁾ Negative net percentage balances indicate that the factor contributes to tighter credit standards

Source: Norges Bank

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



¹⁾ See footnote 1 of Chart 1
²⁾ Positive net percentage balances for lending margins indicate higher lending margins and therefore tighter credit standards. Negative net percentage balances for maximum LTI ratio, maximum LTV ratio and use of interest-only periods indicate tighter credit standards

Source: Norges Bank

Norges Bank's Survey of Bank Lending 2008 Q1

Norges Bank's survey of bank lending for 2008 Q1 was conducted in the period 1 April - 10 April 2008. The respondents were asked to assess developments in credit standards and credit demand in 2008 Q1 compared with 2007 Q4 and expected developments in 2008 Q2 compared with 2008 Q1.

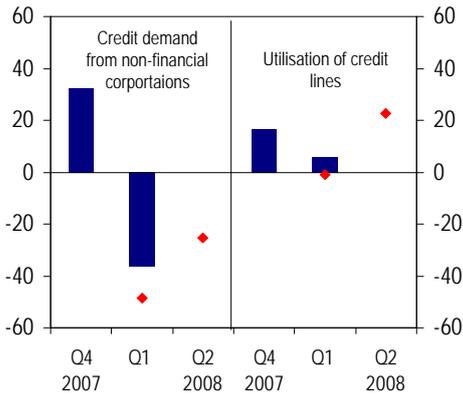
The banks in the survey use a scale of five alternative responses to indicate the degree of change in the above conditions. Banks that report that conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. Finally, the responses are weighted 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 %.

Lending to households

Banks reported that household credit demand declined somewhat in 2008 Q1 compared with 2007 Q4 (see Chart 1). The decline was sharper than banks had expected in the previous quarter. Demand for repayment loans secured on dwellings (traditional mortgages) and first-home mortgages fell further in 2008 Q1. Demand for home equity lines of credit picked up slightly, in contrast to banks' expectations. Banks expect that household demand for all types of loans will continue to decline in 2008 Q2. An exception is demand for home equity lines of credit, which will rise somewhat.

There was marginal tightening of banks' credit standards for loans to households in 2008 Q1 compared with 2007 Q4 (see Chart 2). The tightening in Q1 was somewhat less pronounced than expected. At the same time, some banks have tightened their loan conditions without changing their formal credit standards. This applies to lending for equity deposits in recently built housing cooperatives, particularly those with low equity deposits and high blanket debt. Banks also emphasise that their customers should have adequate liquidity to service their loans. In today's housing market, where turnover is slower, some banks

Chart 4 Credit demand from non-financial corporations and utilisation of credit lines. Net percentage balances^{1), 2)}



¹⁾ See footnote 1 of Chart 1

²⁾ Positive net percentage balances indicate increased demand or increased utilisation of credit lines

Source: Norges Bank

have introduced stricter rules, requiring customers to be able, if necessary, to finance both the old and the new property in a transitional period when buying a new home.

The factors that contributed to the tightening of credit standards for loans to households in 2008 Q1 were the economic outlook and banks' appetite for risk (see Chart 2). Looking ahead, banks expect a slight tightening of credit standards as a result of the above factors and an increase in defaults. A number of banks also responded that the funding situation implies tighter credit standards.

Banks changed a number of conditions for loans to households in 2008 Q1 (see Chart 3). They increased lending margins and fees, and reduced maximum loan-to-value ratios and interest-only periods. They expect to reduce maximum loan-to-income and loan-to-value ratios ahead.

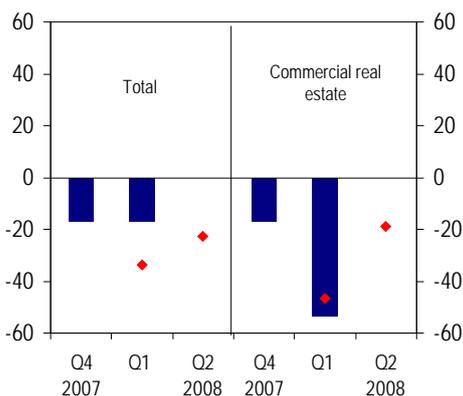
Lending to non-financial corporations

Banks reported that demand for loans from non-financial corporations fell less than expected in 2008 Q1 (see Chart 4). They expect lower demand for corporate loans in Q2 compared with Q1. At the same time, the utilisation of credit lines is expected to increase somewhat.

Banks continued to tighten credit standards on loans to non-financial corporations in Q1, although less than expected (see Chart 5). Tightening on lending to the commercial real estate sector was considerable in Q1 and slightly greater than expected. Banks expect a further tightening of credit standards for loans to non-financial corporations in 2008 Q2. Tightening on lending to the commercial real estate sector is expected to continue in Q2, but will be somewhat less pronounced than in Q1.

Almost all the factors in the questionnaire contributed to tighter credit standards on loans to non-financial corporations in 2008 Q1 (see Chart 6). The importance of these factors increased in 2008 Q1 compared with 2007 Q4. The impact of the sector-specific outlook and the economic outlook in Q1 was particularly strong. The funding situation and banks' appetite for risk also influenced credit standards, but played a less prominent role than the first two factors. Looking ahead, banks expect the economic and sector-specific outlook to have most impact on credit standards, followed by the funding situation and banks' appetite for risk.

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

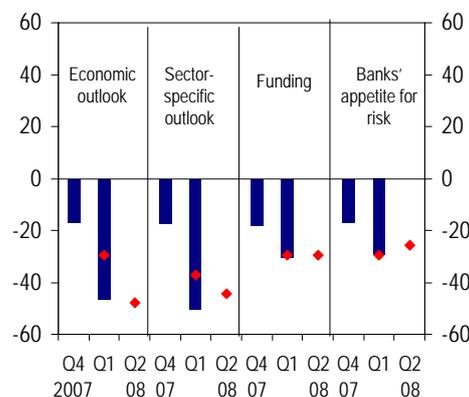


¹⁾ See footnote 1 of Chart 1

²⁾ Negative net percentage balances indicate tighter credit standards

Source: Norges Bank

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

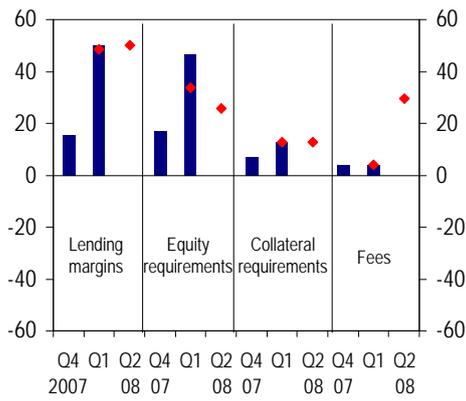


¹⁾ See footnote 1 of Chart 1

²⁾ Negative net percentage balances indicate that the factor contributes to tighter credit standards

Source: Norges Bank

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



¹⁾ See footnote 1 of Chart 1

²⁾ Positive net percentage balances for lending margins indicate higher lending margins. Positive net percentage balances for lending margins, equity requirements, collateral requirements and fees indicate tighter credit standards

Source: Norges Bank

Tighter credit standards in 2008 Q1 were primarily implemented by increasing lending margins and equity requirements (see Chart 7). In addition, banks raised their collateral requirements and reduced interest-only periods in Q1. Some banks reported more pronounced tightening in loan conditions for large businesses than for small and medium-sized businesses. Banks expect tighter loan conditions in Q2, with the emphasis on lending margins, fees and equity requirements.

Results from Norges Bank's Survey of Bank Lending. Net percentage balances

Lending to households

The banks use a scale of five alternative responses to indicate the degree of change in credit conditions. Banks that report that conditions have changed "a lot" are assigned twice the score of those who report that conditions have changed "a little". The responses are weighted by the banks' shares of the change in lending to households. 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 %.

1. Credit demand¹⁾

		2007:4	2008:1	2008:2
Total	Past three months	-18,8	-41,7	
	Next three months	-24,5	-37,6	
Loans secured on dwellings	Past three months	-9,0	-41,7	
	Next three months	-24,5	-33,8	
- Repayment loans secured on dwellings	Past three months	-13,3	-41,7	
	Next three months	-24,5	-33,8	
First-home loans	Past three months	-20,3	-47,6	
	Next three months	-26,5	-41,1	
- Home equity lines of credit	Past three months	26,8	7,2	
	Next three months	-14,7	3,8	
Other secured repayment loans (car loans, boat loans etc.)	Past three months	-9,8	-41,0	
	Next three months	-32,5	-41,8	
Unsecured repayment loans (consumer loans)	Past three months	-7,2	-37,1	
	Next three months	-14,5	-37,9	
Fixed-rate loans	Past three months	-18,3	-22,6	
	Next three months	5,5	-9,8	

2. Credit standards¹⁾

		2007:4	2008:1	2008:2
Total	Past three months	-3,9	-3,9	
	Next three months	-6,9	-11,0	
Loans secured on dwellings	Past three months	-3,9	-3,9	
	Next three months	-6,9	-7,2	
- Repayment loans secured on dwellings	Past three months	-3,9	-3,9	
	Next three months	-6,9	-4,3	
First-home loans	Past three months	-4,3	-4,3	
	Next three months	-7,5	-7,8	

- Home equity lines of credit	Past three months	-7,7	-7,7
	Next three months	-7,7	-8,0
Other secured repayment loans (car loans, boat loans etc.)	Past three months	0,0	0,0
	Next three months	-8,0	-3,8
Unsecured repayment loans (consumer loans)	Past three months	0,0	0,0
	Next three months	-3,8	-3,8

3. Factors affecting credit standards¹⁾

		2007:4	2008:1	2008:2
Economic outlook	Past three months	-17,5	-17,5	
	Next three months	-20,5	-13,5	
Bank's appetite for risk	Past three months	-11,9	-7,7	
	Next three months	-7,7	-20,8	
Market share objectives	Past three months	0,0	0,0	
	Next three months	9,8	0,0	
Funding	Past three months	0,0	0,0	
	Next three months	0,0	-23,1	
Default	Past three months	0,0	-3,8	
	Next three months	-13,2	-13,5	

4. Loan conditions

		2007:4	2008:1	2008:2
Lending margins ²⁾	Past three months	12,6	8,6	
	Next three months	39,7	-9,3	
Maximum loan-to-income ratio ³⁾	Past three months	0,0	0,0	
	Next three months	-16,1	-11,0	
Maximum loan-to-value ratio ³⁾	Past three months	-8,2	-3,9	
	Next three months	-7,7	-8,0	
Maximum loan maturity ³⁾	Past three months	0,0	0,0	
	Next three months	4,2	0,0	
Use of interest-only periods ³⁾	Past three months	-3,9	-8,2	
	Next three months	-4,4	0,0	
Commissions/fees ²⁾	Past three months	0,0	9,8	
	Next three months	9,8	0,0	

¹⁾ Negative net percentage balances indicate lower demand / tighter credit standards / that the factor contributes to tighter credit standards relative to previous quarter

²⁾ Positive net percentage balances indicate tighter credit standards relative to previous quarter

³⁾ Negative net percentage balances indicate tighter credit standards relative to previous quarter

Results from Norges Bank's Survey of Bank Lending. Net percentage balances

Lending to non-financial corporations

The banks use a scale of five alternative responses to indicate the degree of change in credit conditions. Banks that report that conditions have changed "a lot" are assigned twice the score of those who report that conditions have changed "a little". The responses are weighted by the banks' shares of the change in lending to non-financial corporations. 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 %.

1. Credit demand¹⁾

		2007:4	2008:1	2008:2
Non-financial corporate demand for lending	Past three months	32,3	-36,2	
	Next three months	-48,7	-25,5	
Utilisation of credit lines	Past three months	16,6	5,9	
	Next three months	-1,1	22,5	
Fixed-rate loans	Past three months	22,5	-10,7	
	Next three months	-17,7	5,9	

2. Credit standards¹⁾

		2007:4	2008:1	2008:2
Total	Past three months	-17,0	-17,0	
	Next three months	-33,6	-22,5	
Commercial real estate	Past three months	-17,0	-53,6	
	Next three months	-46,6	-18,9	

3. Factors affecting credit standards¹⁾

		2007:4	2008:1	2008:2
Economic outlook	Past three months	-17,0	-46,6	
	Next three months	-29,5	-47,8	
Sector-specific outlook	Past three months	-17,3	-50,4	
	Next three months	-37,1	-44,5	
Bank's appetite for risk	Past three months	-17,0	-29,5	
	Next three months	-29,5	-25,9	
Market share objectives	Past three months	0,0	0,0	
	Next three months	-16,6	0,0	
Funding	Past three months	-18,2	-30,4	
	Next three months	-29,5	-29,5	
Default	Past three months	-5,9	-5,9	
	Next three months	-22,5	-5,9	

4. Loan conditions

		2007:4	2008:1	2008:2
Lending margins ²⁾	Past three months	15,6	50,0	
	Next three months	48,7	50,0	
Collateral requirements ²⁾	Past three months	7,0	12,9	
	Next three months	12,9	12,9	
Equity requirements ²⁾	Past three months	17,0	46,6	
	Next three months	33,6	25,9	
Maximum loan maturity ³⁾	Past three months	-4,1	0,0	
	Next three months	-16,6	0,0	
Use of interest-only periods ³⁾	Past three months	-7,0	-7,9	
	Next three months	-29,5	-7,0	
Commissions/fees ²⁾	Past three months	4,1	4,1	
	Next three months	4,1	29,6	

¹⁾ Negative net percentage balances indicate lower demand / tighter credit standards / that the factor contributes to tighter credit standards relative to previous quarter

²⁾ Positive net percentage balances indicate tighter credit standards relative to previous quarter

³⁾ Negative net percentage balances indicate tighter credit standards relative to previous quarter

Norges Bank's Survey of Bank Lending
Lending to households

CREDIT DEMAND

1. How has household demand for the following types of lending changed over the past 3 months relative to the previous 3 months?

What do you expect over the next 3 months relative to the past 3 months?

There might be seasonal fluctuations in credit demand. The purpose of the survey is to plot credit demand beyond normal seasonal fluctuations.

	Past 3 months						Next 3 months					
	Up a lot	Up a little	Same	Down a little	Down a lot	Irrelevant	Up a lot	Up a little	Same	Down a little	Down a lot	Irrelevant
Total												
Loans secured on dwellings												
- Repayment loans secured on dwellings												
Of which first-home loans												
- Home equity lines of credit												
Other secured repayment loans (car loans, boat loans etc.)												
Unsecured repayment loans (consumer loans)												
Fixed-rate loans												

Other issues related to credit demand, please specify

CREDIT STANDARDS

2. How have your bank's/financial institution's credit standards for approving loans to households changed over the past 3 months relative to the previous 3 months?

What do you expect over the next 3 months relative to the past 3 months?

	Past 3 months						Next 3 months					
	Tightened a lot	Tightened a little	Same	Eased a little	Eased a lot	Irrelevant	Tightened a lot	Tightened a little	Same	Eased a little	Eased a lot	Irrelevant
Total												
Loans secured on dwellings												
- Repayment loans secured on dwellings												
Of which first-home loans												
- Home equity lines of credit												
Other secured repayment loans (car loans, boat loans etc.)												
Unsecured repayment loans (consumer loans)												

Other issues related to credit standards, please specify

FACTORS AFFECTING CREDIT STANDARDS

3. Have the following factors contributed to tighter or easier credit standards for loans to households in your bank/financial institution over the past 3 months relative to the previous 3 months? What do you expect over the next 3 months relative to the past 3 months?

	Past 3 months					Next 3 months						
	Much tighter	A little bit tighter	Same	A little bit easier	Much easier	Irrelevant	Much tighter	A little bit tighter	Same	A little bit easier	Much easier	Irrelevant
Economic outlook												
Bank's appetite for risk												
Market share objectives												
Funding												
Default												

Other factors affecting credit standards, please specify

LOAN CONDITIONS

4. How have the following conditions on approved loans to households changed over the past 3 months relative to the previous 3 months? What do you expect over the next 3 months relative to the past 3 months?

	Past 3 months					Next 3 months						
	Up a lot	Up a little	Same	Down a little	Down a lot	Irrelevant	Up a lot	Up a little	Same	Down a little	Down a lot	Irrelevant
Lending margins												
Maximum loan-to-income ratio												
Maximum loan-to-value ratio												
Maximum loan maturity												
Use of interest-only periods												
Commissions/fees												

Other loan conditions, please specify

MISCELLANEOUS

5. Have any issues other than those included in the questionnaire affected your lending to households over the past 3 months and your expectations for the next 3 months? Please specify.

Norges Bank's Survey of Bank Lending
Lending to non-financial corporations

CREDIT DEMAND

1. How has credit demand from non-financial corporations changed over the past 3 months relative to the previous 3 months?

What do you expect over the next 3 months relative to the past 3 months?

There might be seasonal fluctuations in credit demand. The purpose of the survey is to obtain information on credit demand beyond normal seasonal fluctuations.

	Past 3 months						Next 3 months					
	Up a lot	Up a little	Same	Down a little	Down a lot	Irrelevant	Up a lot	Up a little	Same	Down a little	Down a lot	Irrelevant
Non-financial corporate credit demand												
Utilisation of credit lines												
Fixed-rate loans												

Other issues related to credit demand, please specify

CREDIT STANDARDS

2. How have your bank's/financial institution's credit standards for approving loans to non-financial corporations changed over the past 3 months relative to the previous 3 months?

What do you expect over the next 3 months relative to the past 3 months?

	Past 3 months						Next 3 months					
	Tightened a lot	Tightened a little	Same	Eased a little	Eased a lot	Irrelevant	Tightened a lot	Tightened a little	Same	Eased a little	Eased a lot	Irrelevant
Total												
Commercial real estate												

Other issues related to credit standards, please specify

FACTORS AFFECTING CREDIT STANDARDS

3. Have the following factors contributed to tighter or easier credit standards for loans your bank/financial institution has provided to non-financial corporations over the past 3 months relative to the previous 3 months?

What do you expect over the next 3 months relative to the past 3 months?

	Past 3 months					Next 3 months						
	Much tighter	A little bit tighter	Same	A little bit easier	Much easier	Irrelevant	Much tighter	A little bit tighter	Same	A little bit easier	Much easier	Irrelevant
Economic outlook												
Sector-specific outlook (please specify)												
Bank's appetite for risk												
Market share objectives												
Funding												
Default												

Other factors affecting credit standards, please specify

LOAN CONDITIONS

4. How have the following conditions on approved loans to non-financial corporations changed over the past 3 months relative to the previous 3 months?

What do you expect over the next 3 months relative to the past 3 months?

	Past 3 months					Next 3 months						
	Up a lot	Up a little	Same	Down a little	Down a lot	Irrelevant	Up a lot	Up a little	Same	Down a little	Down a lot	Irrelevant
Lending margins												
Collateral requirements												
Equity requirements												
Maximum loan maturity												
Use of interest-only periods												
Commissions/fees												

Other loan conditions, please specify

MISCELLANEOUS

5. Have any issues other than those included in the questionnaire affected the credit you have provided to non-financial corporations over the past 3 months and your expectations for the next 3 months? Please specify.