

2013 Q3

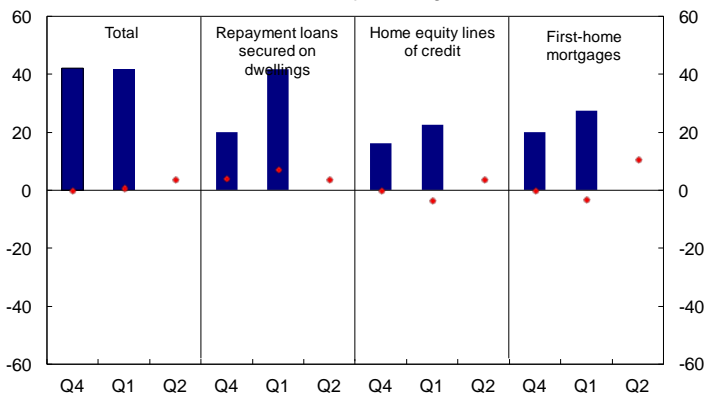
Norges Bank's Survey of Bank Lending

Higher household credit'f go cpf

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Norges Bank's Survey of Bank Lending 2011 Q1

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



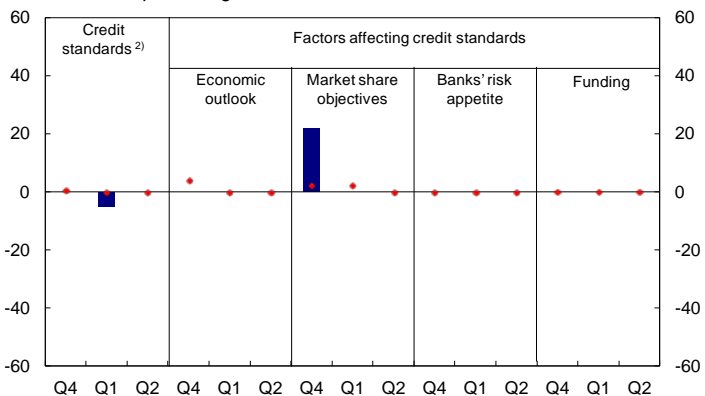
1) Net percentage balances are calculated by weighting together the responses in the survey. The blue bars show developments over the past quarter. The red diamonds show expectations over the next quarter. The red diamonds have been moved forward one quarter

2) Negative net percentage balances denote falling demand

Source: Norges Bank

Banks reported approximately unchanged credit standards for households and enterprises in 2011 Q1. Banks also expect unchanged credit standards for households and enterprises in 2011 Q2. Household credit demand increased somewhat in 2011 Q1 and there was a marginal increase in corporate credit demand. Banks expect approximately unchanged household credit demand and somewhat higher corporate credit demand in the period ahead.

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

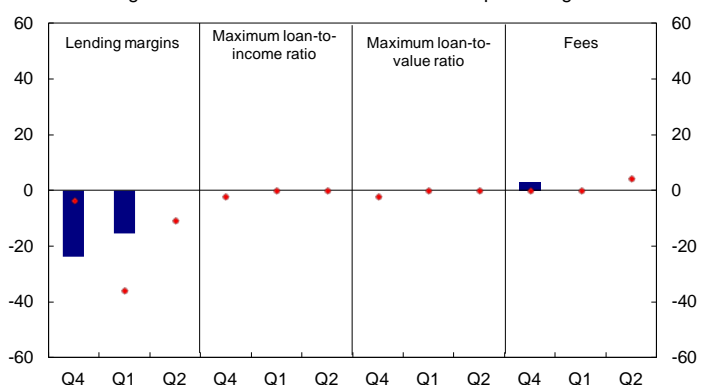
Source: Norges Bank

Norges Bank's bank lending survey for 2011 Q1 was conducted in the period 30 March – 11 April 2011.

Participating banks were asked to assess developments in credit standards and credit demand in 2011 Q1 compared with 2010 Q4 and expected developments in 2011 Q2 compared with 2011 Q1.

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

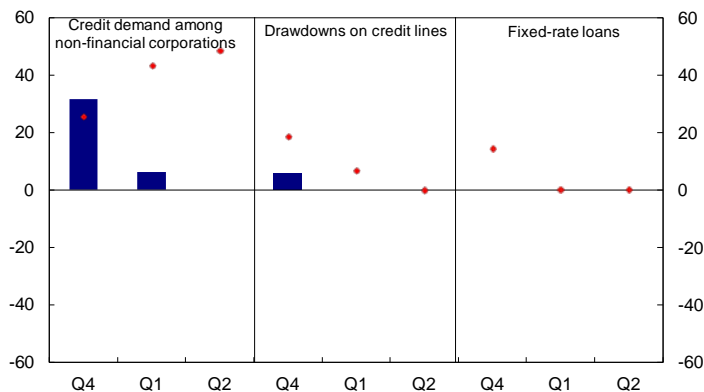
2) Positive net percentage balances for lending margins indicate higher lending margins. Positive net percentage balances for lending margins and fees denote tighter credit standards. Negative net percentage balances for maximum LTI ratio and maximum LTV ratio denote tighter credit standards

Source: Norges Bank

Lending to households

Banks reported somewhat higher total household credit demand in both 2010 Q4 and 2011 Q1 (see Chart 1). However, in the same quarters they had expected that

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



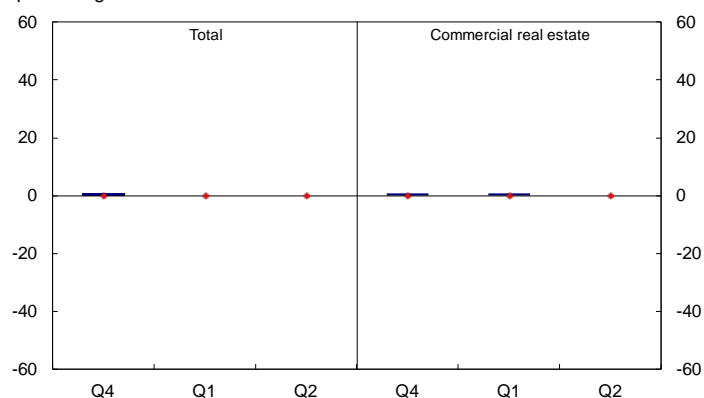
1) See footnote 1 in Chart 1

2) Positive net percentage balances denote increased demand or increased drawdowns on credit lines

Source: Norges Bank

demand would be approximately unchanged. The higher demand comprised various types of loans secured on dwellings (repayment loans, home equity lines of credit and first-home mortgages). Banks expect approximately unchanged total household credit demand in 2011 Q2.

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

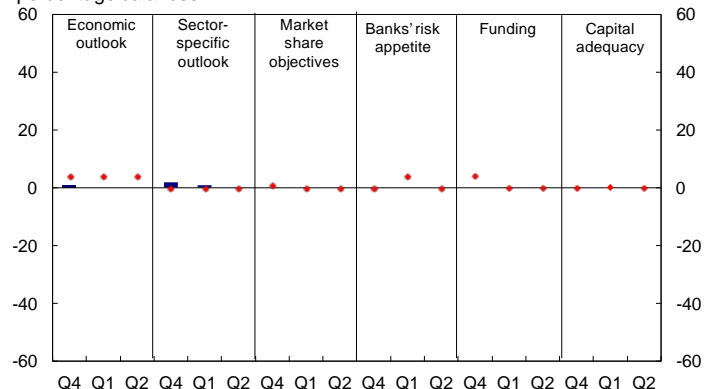
Overall credit standards for households were virtually unchanged in 2011 Q1 (see Chart 2). Some banks, however, reported continued tightening in connection with adjustment to Finanstilsynet's (the Financial Supervisory Authority of Norway) guidelines for prudent lending¹. Banks expect unchanged credit standards for households in the period ahead.

Banks reported falling lending margins in 2011 Q1, although to a lesser extent than expected (see Chart 3). Lending margins are expected to decline further in the period ahead.

Lending to enterprises²

Banks reported a slight increase in corporate credit demand in 2011 Q1 (see Chart 4). The increase was smaller than expected. Banks expect a further increase in overall corporate credit demand ahead.

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



1) See footnote 1 in Chart 1

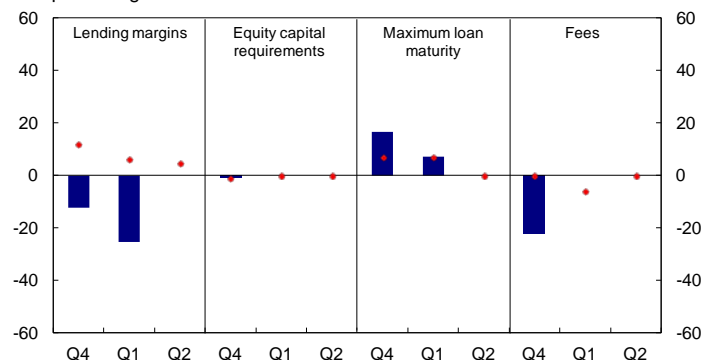
2) Negative net percentage balances denote that the factor has contributed to tighter credit standards

Source: Norges Bank

Banks' credit standards for enterprises were unchanged in 2011 Q1 (see Chart 5 and 6). Banks expect unchanged credit standards for enterprises ahead.

Banks reported a further reduction in lending margins in 2011 Q1 (see Chart 7). Maximum loan maturities increased slightly, as expected. Approximately unchanged loan terms and conditions for enterprises are expected in the period ahead.

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

¹ See www.finanstilsynet.no for further information

² Non-financial corporations