

# NORGES BANK'S SURVEY OF BANK LENDING

**Unchanged household and  
corporate credit demand**

2017 Q4  
PUBLISHED:  
18 JANUARY 2018

THE SURVEY WAS CONDUCTED IN  
THE PERIOD 20 DECEMBER – 9 JANUARY 2018



NORGES BANK

Norges Bank's quarterly bank lending survey is a qualitative survey of banks' credit standards and their assessments of credit demand. The ten largest banks in the Norwegian credit market participate in the survey: DNB, Nordea, Danske Bank, Handelsbanken, Sparebank 1 SR-bank, Sparebank 1 Østlandet, Sparebank 1 SMN, Sparebanken 1 Nord-Norge, Sparebanken Vest and Sparebanken Sør. The survey was conducted for the first time in 2007 Q4.

The questions distinguish between lending to households and lending to non-financial enterprises. Banks are asked to specify changes in credit demand, credit standards and conditions in the quarter preceding the quarter that has just come to an end. They are also asked to compare the quarter that has just come to an end with their expectations with regard to the next quarter. The questions are answered by ticking one of five responses: up a lot, up a little, same, down a little, down a lot. The responses are converted into a numerical scale ranging from +2 to -2 in the charts in this report. If all the banks in the survey have answered that credit demand is up a little, the resulting figure for credit demand will be 1. If all the banks report that credit demand is up a lot, the resulting figure will be 2. The responses are aggregated and weighted to reflect the size of each bank's average loan volume for the past couple of years.

Some changes have been made to the questions in the survey and the way the results are reported, effective from 2016 Q4. Changes are minor and have not led to a break in the data series. Norges Bank's Staff Memo 17/2016 "[Banks' reports of demand and credit standards since 2008: results from Norges Bank's Survey of Bank Lending](#)" provides an account of the insights gained from the lending survey.

# Norges Bank's Survey of Bank Lending 2017 Q4

Credit demand from households and non-financial enterprises was approximately unchanged in 2017 Q4. Credit standards for households and enterprises were also unchanged, but banks have increased equity capital requirements for enterprises somewhat. Banks expect small or no changes in demand, credit standards, loan conditions, lending rates or lending margins in 2018 Q1.

## Lending to households

Overall household demand for residential mortgage loans was approximately unchanged in Q4 (Chart 1). Demand was higher than expected. In Q3, banks expected demand to decline in Q4, both as a whole and for first-home mortgages (Chart 3). Looking ahead, banks expect demand to show a further slight decline.

Banks reported unchanged credit standards for households in Q4 (Charts 2 and 4). There were no changes in the individual factors affecting credit standards, and loan conditions were also unchanged (Charts 5-8). No changes are expected ahead.

Banks reported unchanged lending margins on loans to households in Q4. There were no substantial changes in the factors affecting lending margins, including lending rates (Charts 9 and 10). No substantial changes are expected ahead.

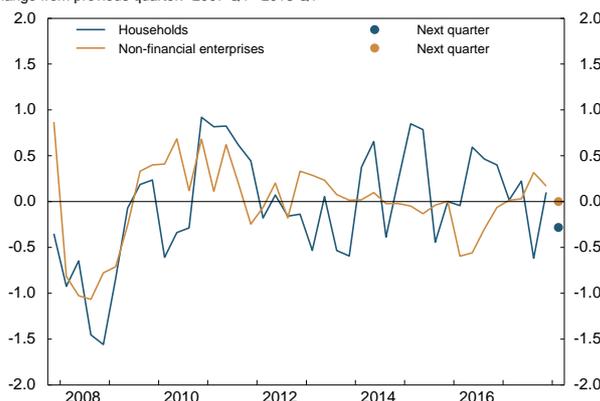
## Lending to non-financial enterprises

Overall credit demand from non-financial enterprises was approximately unchanged in 2017 Q4 (Chart 1), including demand for fixed-rate and commercial real estate loans (Chart 11). Banks do not expect any changes in demand ahead.

Banks reported unchanged credit standards for enterprises in Q4 (Charts 2 and 12). There were few changes in the factors affecting credit standards. Loan conditions were largely unchanged, except for some increase in borrowers' equity capital requirements (Charts 13-16). A number of banks reported increased uncertainty in the commercial real estate and residential construction segments. No changes are expected ahead.

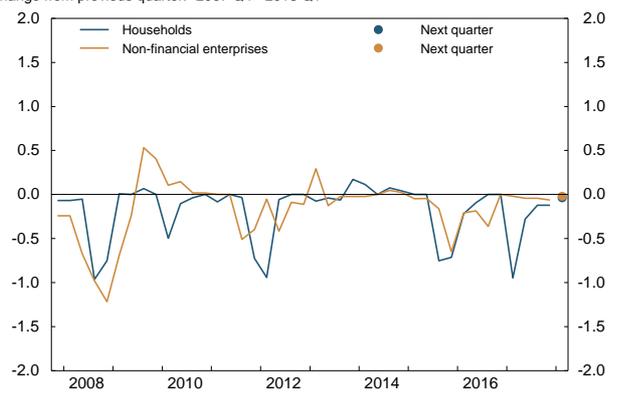
Banks reported a slight decline in funding costs and a similar fall in lending rates in Q4 (Charts 17 and 18). Lending margins were largely unaffected. No changes are expected ahead.

Chart 1 Credit demand from households<sup>1</sup> and non-financial enterprises<sup>2</sup>. Change from previous quarter.<sup>3</sup> 2007 Q4 - 2018 Q1



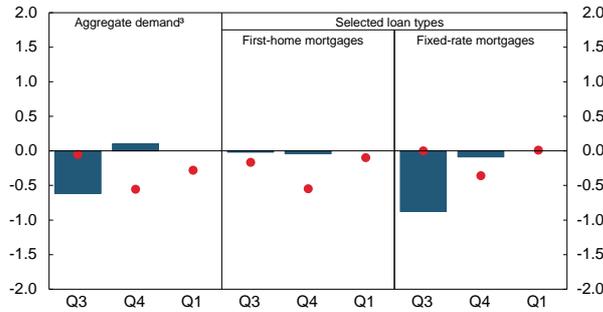
<sup>1</sup> Residential mortgages.  
<sup>2</sup> Total credit to non-financial enterprises.  
<sup>3</sup> 2/1 = Up a lot/a little, 0 = Approx. unchanged, -1/-2 = Down a little/a lot.  
 Source: Norges Bank

Chart 2 Credit standards for households<sup>1</sup> and non-financial enterprises<sup>2</sup>. Change from previous quarter.<sup>3</sup> 2007 Q4 - 2018 Q1



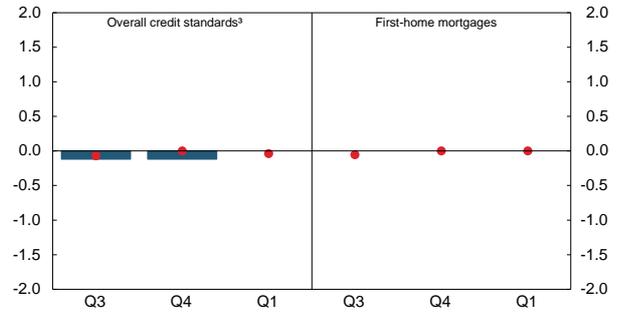
<sup>1</sup> Residential mortgages.  
<sup>2</sup> Total credit to non-financial enterprises.  
<sup>3</sup> 2/1 = Much/Somewhat easier to obtain credit,  
 0 = Approx. unchanged, -1/-2 = Somewhat/Much tighter credit standards.  
 Source: Norges Bank

Chart 3 Household residential mortgage demand.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2017 Q3 - 2018 Q1



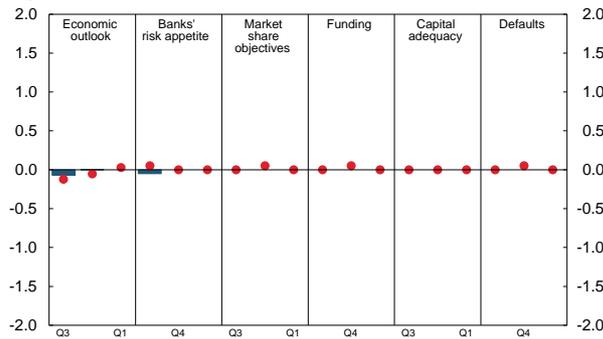
<sup>1</sup> Blue bars show reported developments for the relevant quarter.  
Red dots show expected developments, reported the previous quarter.  
<sup>2</sup> 2/1 = Up a lot/a little, 0 = Approx. unchanged, -1/-2 = Down a little/a lot.  
<sup>3</sup> Aggregate demand refers to the sum of demand for first-home mortgages, fixed-rate mortgages and all other residential mortgages (the latter is the largest component).  
Source: Norges Bank

Chart 4 Credit standards for households.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2017 Q3 - 2018 Q1



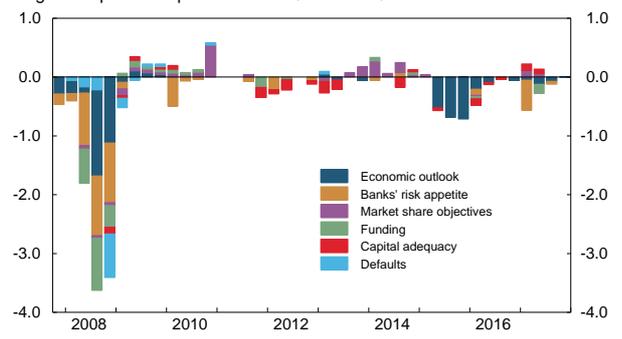
<sup>1</sup> Blue bars show reported developments for the relevant quarter.  
Red dots show expected developments, reported the previous quarter.  
<sup>2</sup> 2/1 = Much/Somewhat easier to obtain credit, 0 = Approx. unchanged, -1/-2 = Somewhat/Much tighter credit standards.  
<sup>3</sup> Overall credit standards refers to credit standards for first-home mortgages and all other residential mortgages (the latter is the largest component).  
Source: Norges Bank

Chart 5 Factors affecting credit standards.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2017 Q3 - 2018 Q1



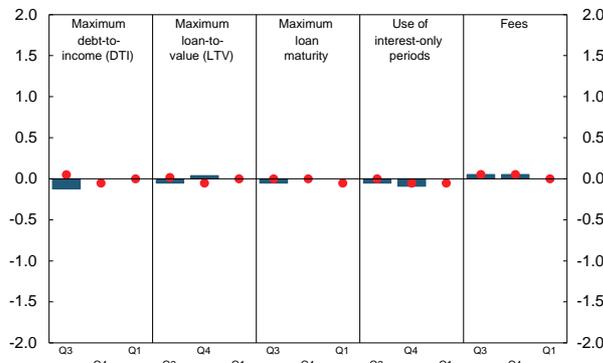
<sup>1</sup> Blue bars show reported developments for the relevant quarter.  
Red dots show expected developments, reported the previous quarter.  
<sup>2</sup> 2/1 = Much/Somewhat easier to obtain credit, 0 = Approx. unchanged, -1/-2 = Somewhat/Much tighter credit standards.  
Source: Norges Bank

Chart 6 Factors affecting credit standards for households.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2007 Q4 - 2017 Q4



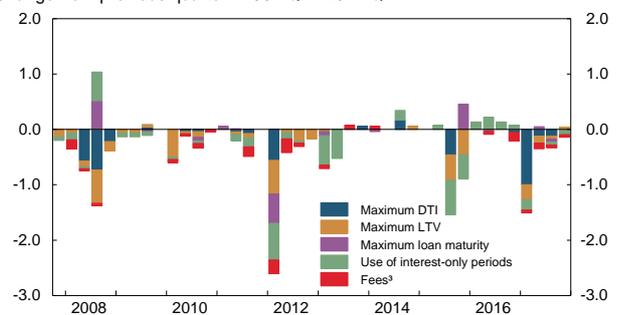
<sup>1</sup> Total response in a quarter from all banks for all six factors.  
If all banks responded "much easier to obtain credit" on all factors, the resulting figure would be 12.  
<sup>2</sup> 2/1 = Much/Somewhat easier to obtain credit, 0 = Approx. unchanged, -1/-2 = Somewhat/Much tighter credit standards.  
Source: Norges Bank

Chart 7 Loan conditions for households.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2017 Q3 - 2018 Q1



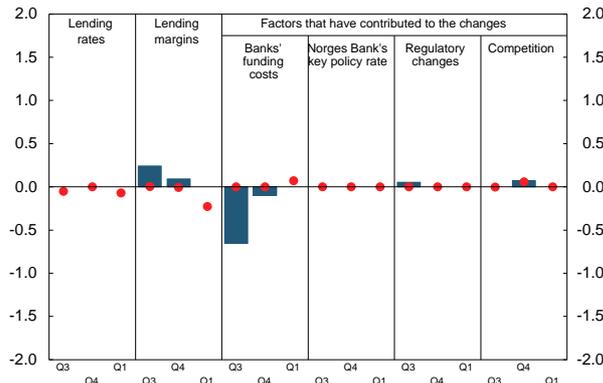
<sup>1</sup> Blue bars show reported developments for the relevant quarter.  
Red dots show expected developments, reported the previous quarter.  
<sup>2</sup> 2/1 = Up a lot/a little, 0 = Approx. unchanged, -1/-2 = Down a little/a lot.  
Source: Norges Bank

Chart 8 Loan conditions for households.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2007 Q4 - 2017 Q4



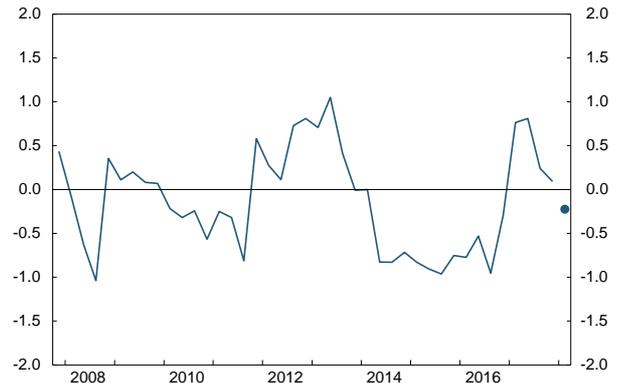
<sup>1</sup> Total response in a quarter from all banks for all six factors.  
If all banks responded "much easier to obtain credit" on all factors, the resulting figure would be 10.  
<sup>2</sup> 2/1 = Up a lot/a little, 0 = Approx. unchanged, -1/-2 = Down a little/a lot.  
<sup>3</sup> As higher fees make it harder to obtain credit, the fee series has been negativised.  
Source: Norges Bank

Chart 9 Lending rates and lending margins.<sup>1</sup> Lending to households.  
Change from previous quarter.<sup>2</sup> 2017 Q3 - 2018 Q1



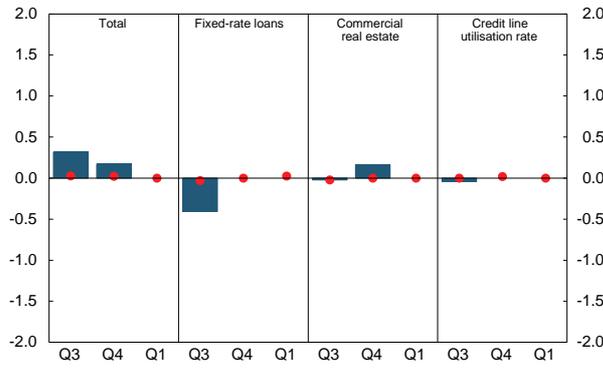
<sup>1</sup> Blue bars show reported developments for the relevant quarter.  
Red dots show expected developments, reported the previous quarter.  
<sup>2</sup> 2/1 = Up a lot/a little, 0 = Approx. unchanged, -1/-2 = Down a little/a lot.  
Source: Norges Bank

Chart 10 Margin on total residential mortgage loans to households.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2007 Q4 - 2018 Q1



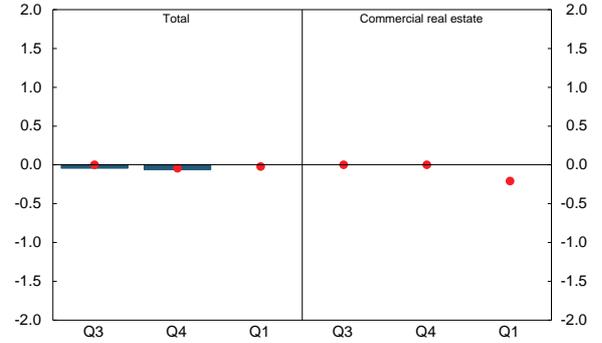
<sup>1</sup> The blue line shows reported developments in the relevant quarter.  
The blue dot shows expected developments for the next quarter.  
<sup>2</sup> 2/1 = Up a lot/a little, 0 = Approx. unchanged, -1/-2 = Down a little/a lot.  
Source: Norges Bank

Chart 11 Credit demand from non-financial enterprises.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2017 Q3 - 2018 Q1



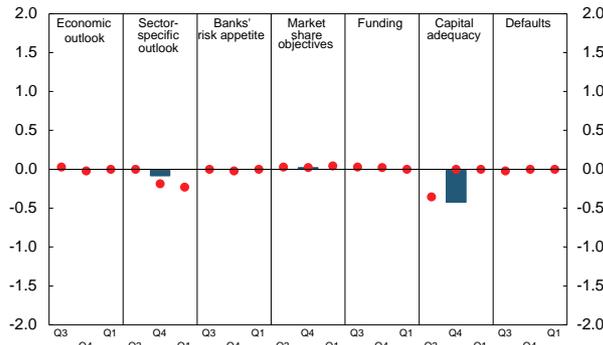
<sup>1</sup> Blue bars show reported developments for the relevant quarter.  
Red dots show expected developments, reported the previous quarter.  
<sup>2</sup> 2/1 = Up a lot/a little, 0 = Approx. unchanged, -1/-2 = Down a little/a lot.  
Source: Norges Bank

Chart 12 Credit standards for non-financial enterprises.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2017 Q3 - 2018 Q1



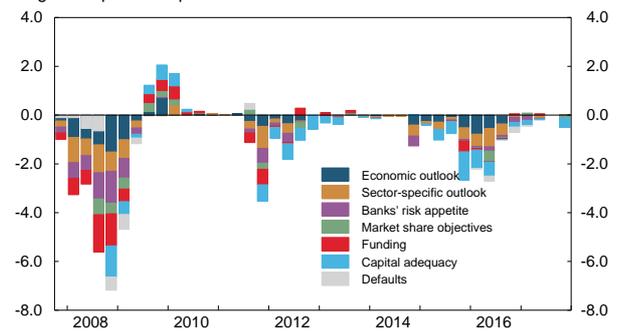
<sup>1</sup> Blue bars show reported developments for the relevant quarter.  
Red dots show expected developments, reported the previous quarter.  
<sup>2</sup> 2 = Much easier to get loans, 1 = Somewhat easier to get loans, 0 = Approx. unchanged, -1 = Somewhat tighter credit standards, -2 = Much tighter credit standards.  
Source: Norges Bank

Chart 13 Factors affecting credit standards for non-financial enterprises.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2017 Q3 - 2018 Q1



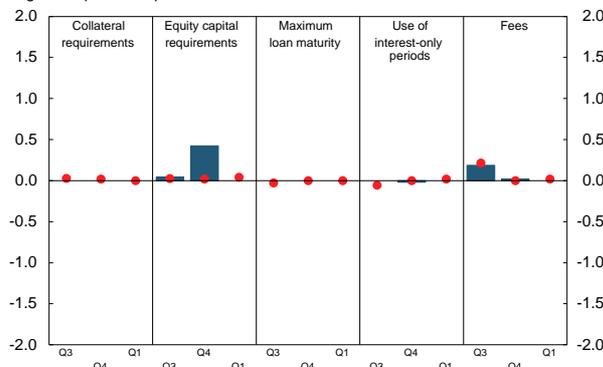
<sup>1</sup> Blue bars show reported developments for the relevant quarter.  
Red dots show expected developments, reported the previous quarter.  
<sup>2</sup> 2/1 = Much/Somewhat easier to obtain credit, 0 = Approx. unchanged, -1/-2 = Somewhat/Much tighter credit standards.  
Source: Norges Bank

Chart 14 Factors affecting credit standards for non-financial enterprises.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2007 Q4 - 2017 Q4



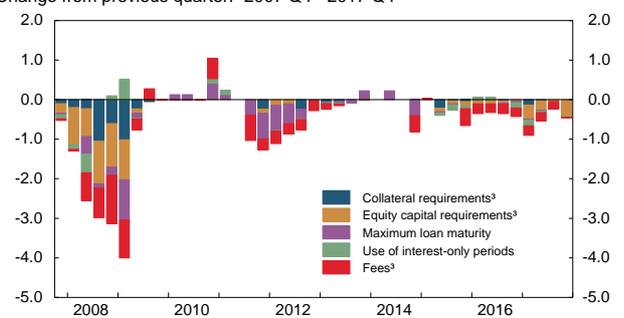
<sup>1</sup> Total response in a quarter from all banks for all six factors.  
If all banks responded "much easier to obtain credit" on all factors, the resulting figure would be 14.  
<sup>2</sup> 2/1 = Much/Somewhat easier to obtain credit, 0 = Approx. unchanged, -1/-2 = Somewhat/Much tighter credit standards.  
Source: Norges Bank

Chart 15 Loan conditions for non-financial enterprises.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2017 Q3 - 2018 Q1



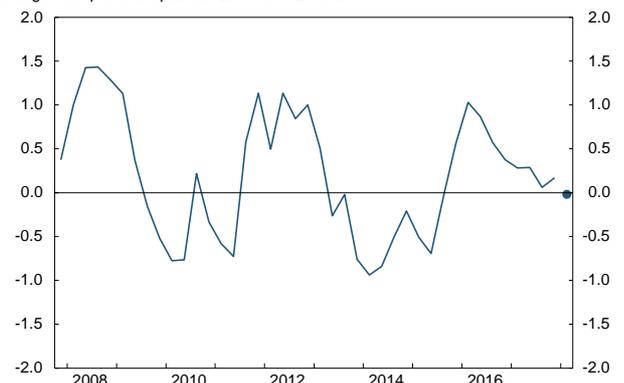
<sup>1</sup> Blue bars show reported developments for the relevant quarter.  
Red dots show expected developments, reported the previous quarter.  
<sup>2</sup> 2/1 = Up a lot/a little, 0 = Approx. unchanged, -1/-2 = Down a little/a lot.  
Source: Norges Bank

Chart 16 Loan conditions for non-financial enterprises.<sup>1</sup>  
Change from previous quarter.<sup>2</sup> 2007 Q4 - 2017 Q4



<sup>1</sup> Total response in a quarter from all banks for all six factors.  
If all banks responded "much easier to obtain credit" on all factors, the resulting figure would be 10.  
<sup>2</sup> 2/1 = Up a lot/a little, 0 = Approx. unchanged, -1/-2 = Down a little/a lot.  
<sup>3</sup> As an increase in the <sup>3</sup>-series makes it harder to obtain credit, these series have been negativised.  
Source: Norges Bank

Chart 18 Margin on total loans to non-financial enterprises.<sup>1</sup>  
Change from previous quarter.<sup>3</sup> 2007 Q4 - 2018 Q1



<sup>1</sup> The blue line shows reported developments in the relevant quarter.  
The blue dot shows expected developments for the next quarter.  
<sup>2</sup> 2/1 = Up a lot/a little, 0 = Approx. unchanged, -1/-2 = Down a little/a lot.  
Source: Norges Bank

