



ECONOMIC INDICATORS

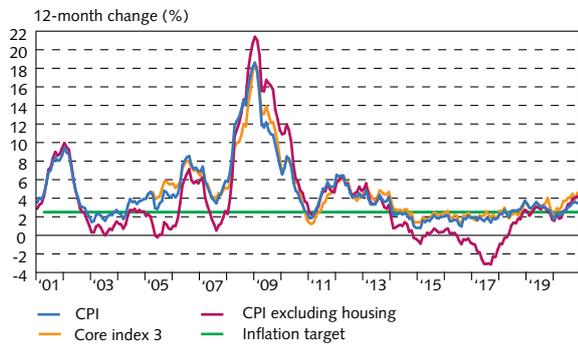
CENTRAL BANK OF ICELAND

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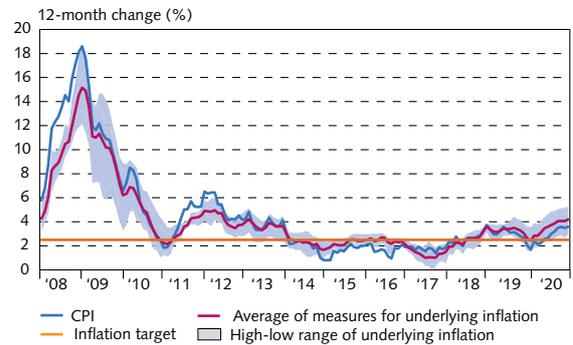
I Inflation and inflation expectations

I-1 Inflation



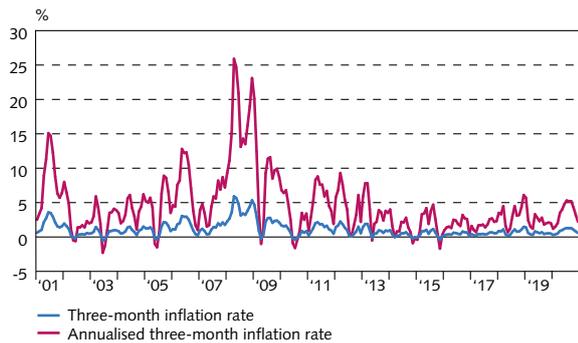
Core index 3 excludes the effects of agricultural products, petrol, and public services, as well as real mortgage interest expense. Monthly data.
Sources: Statistics Iceland, Central Bank of Iceland.

I-2 Inflation and underlying inflation



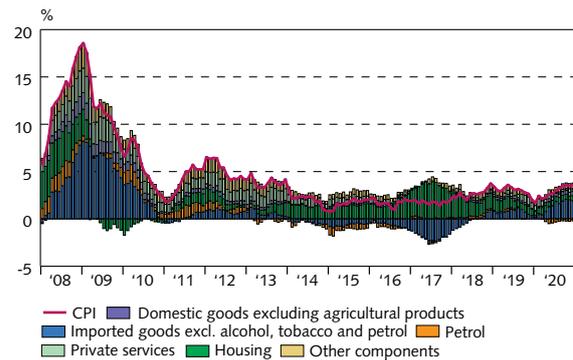
Underlying inflation is measured using core inflation (inflation excluding the effects of indirect taxes, certain groceries, petrol, public services, and the effect of changes in real interest rates on the housing component of the CPI) and various statistical measures (weighted median, trimmed mean, a dynamic factor model, and the common component of the CPI).
Sources: Statistics Iceland, Central Bank of Iceland.

I-3 Seasonally adjusted inflation



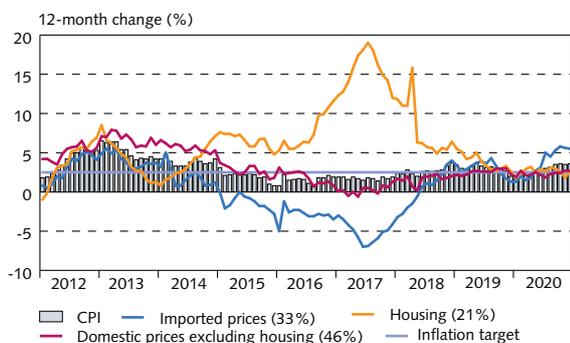
This inflation measurement is very volatile but indicates how inflation pressures are developing. Monthly data.
Sources: Statistics Iceland, Central Bank of Iceland.

I-4 Components of CPI inflation



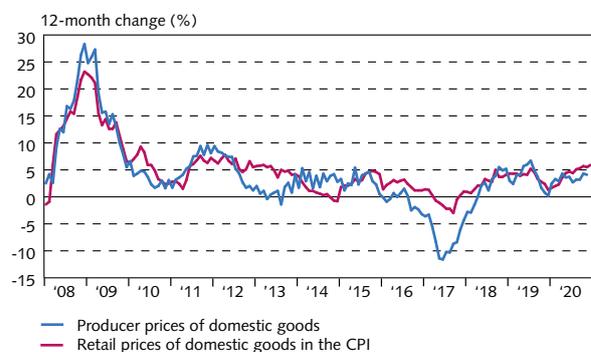
Contribution of individual items to 12-month inflation. Monthly data.
Source: Statistics Iceland.

I-5 Imported and domestic inflation



Imported inflation is estimated using imported food and beverages and the price of new motor vehicles and spare parts, petrol, and other imported goods. Domestic inflation is estimated using the price of domestic goods and the price of private and public services. The figures in parentheses show the current weight of these items in the CPI. Monthly data.
Sources: Statistics Iceland, Central Bank of Iceland.

I-6 Production and retail prices of domestic goods

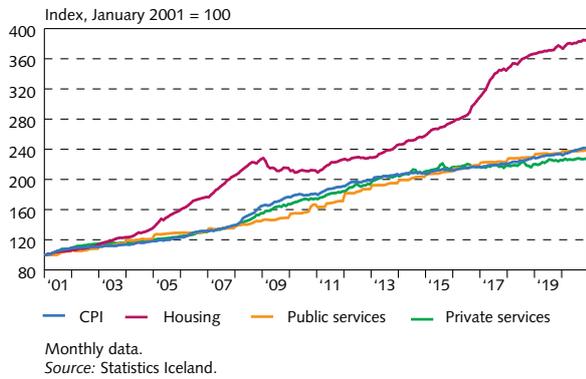


Monthly data.
Sources: Statistics Iceland, Central Bank of Iceland.

I Inflation and inflation expectations

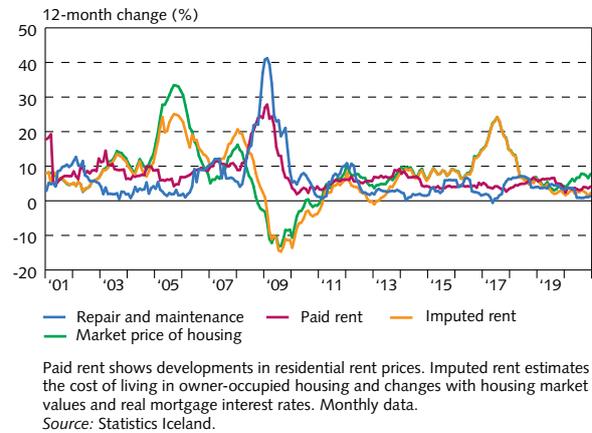
I-7

Price developments: housing and services



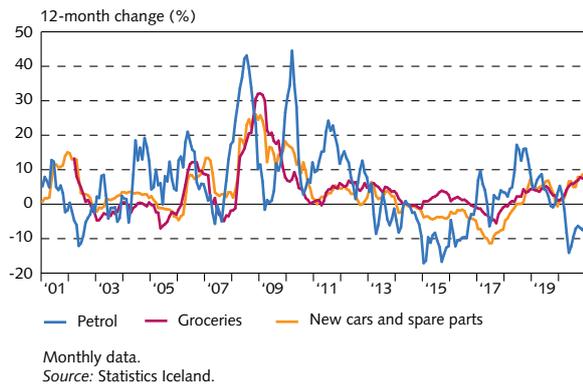
I-8

Price developments: housing



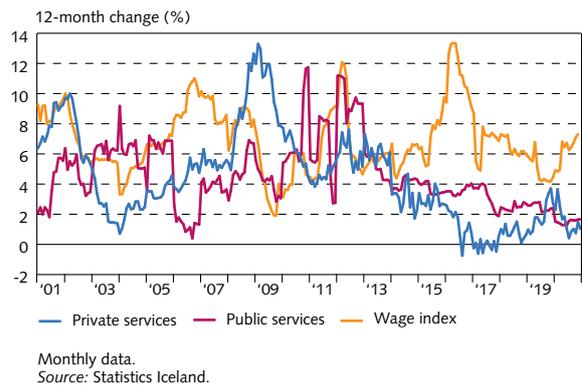
I-9

Price developments: various components



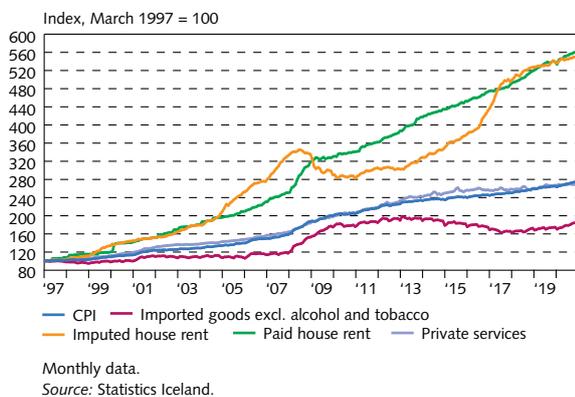
I-10

Price developments: wages and services



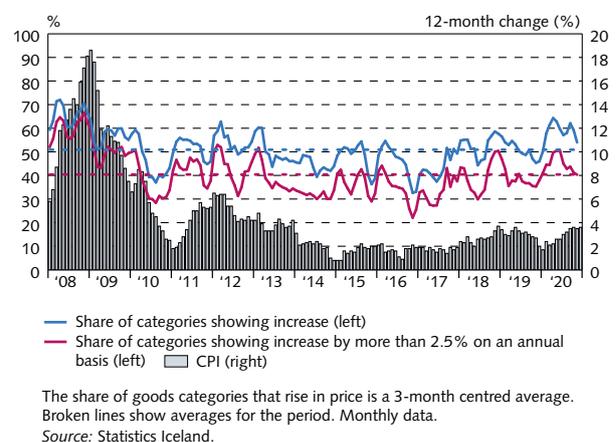
I-11

Price developments: goods, housing and services



I-12

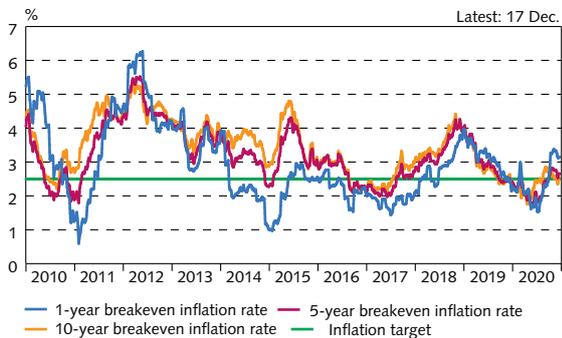
Distribution of price increases in the CPI



I Inflation and inflation expectations

I-13

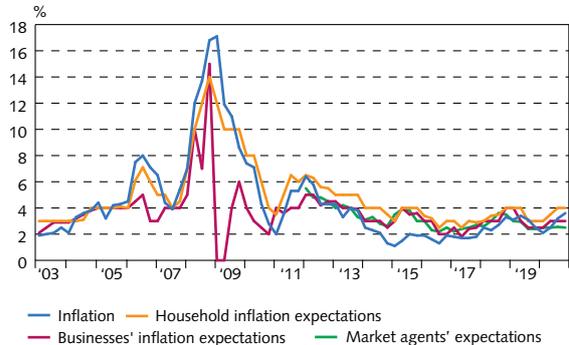
Breakeven inflation rates



Breakeven inflation rates are calculated from yield spreads between nominal and index-linked Government and Government-guaranteed bonds (5-day moving averages). Daily data.
Source: Central Bank of Iceland.

I-14

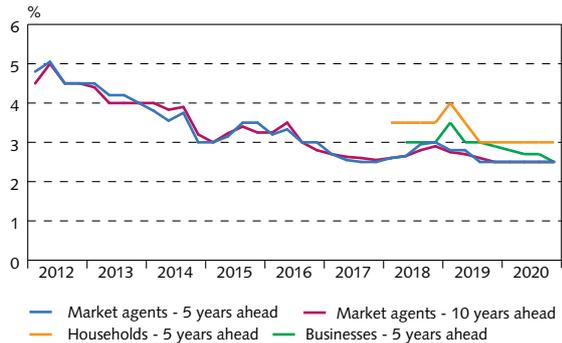
Inflation expectations of businesses, households, and market agents one year ahead and current inflation



Inflation expectations according to surveys carried out by Gallup and the Central Bank. Respondents are asked about inflation 12 months ahead and median figures are used. Businesses' inflation expectations were measured on an irregular basis before Q3/2006 so until then measurements are interpolated. Quarterly data.
Sources: Gallup, Statistics Iceland, Central Bank of Iceland.

I-15

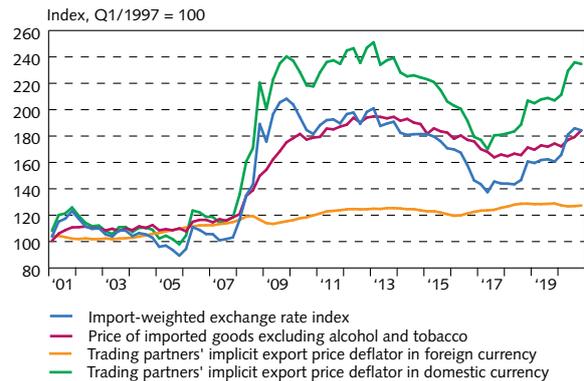
Long-term inflation expectations of businesses, households, and market agents



Inflation expectations according to surveys carried out by Gallup and the Central Bank. Respondents are asked about average inflation 5/10 years ahead and median figures are used. Quarterly data.
Sources: Statistics Iceland, Central Bank of Iceland.

I-16

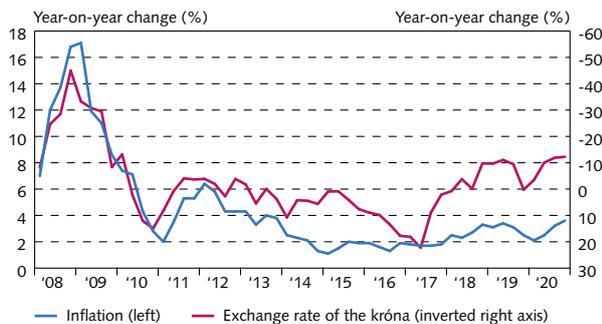
Import price levels and exchange rate developments



Import-weighted exchange rate index and price of imported goods excluding alcohol and tobacco in the CPI. Trading partners' implicit export price deflator is weighted using the import weights from the narrow trade-weighted basket and its latest value is based on the Bank's most recent baseline forecast. Quarterly data.
Sources: Statistics Iceland, Central Bank of Iceland.

I-17

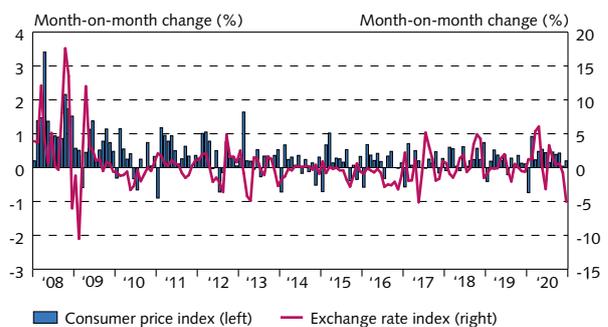
Inflation and exchange rate of the króna



Based on the narrow trade-weighted exchange rate of the króna. Quarterly data.
Sources: Statistics Iceland, Central Bank of Iceland.

I-18

Price level and exchange rate developments

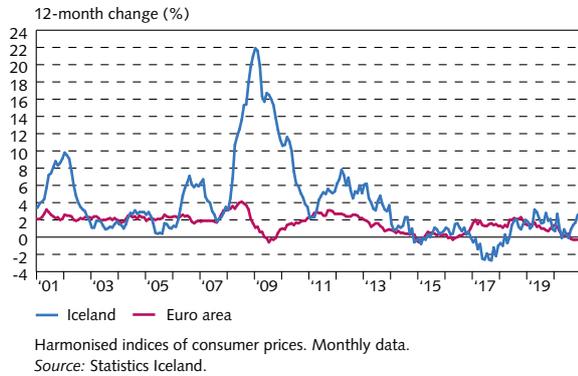


Based on the narrow trade-weighted exchange rate of the króna. Monthly data.
Sources: Statistics Iceland, Central Bank of Iceland.

I Inflation and inflation expectations

I-19

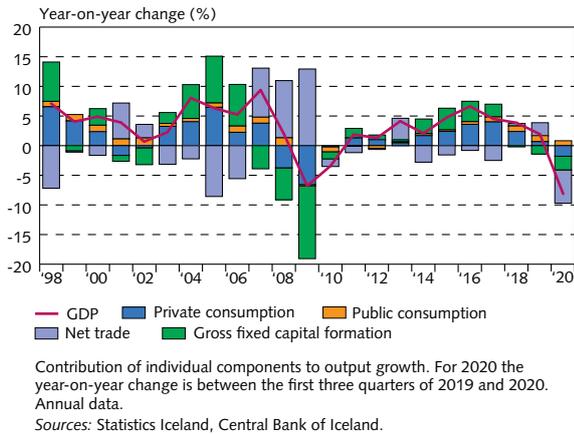
Inflation in Iceland and Europe



II Output and demand

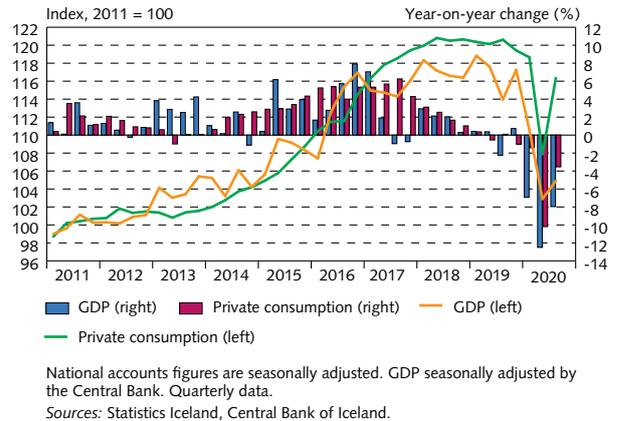
II-1

Contribution of individual components to output growth



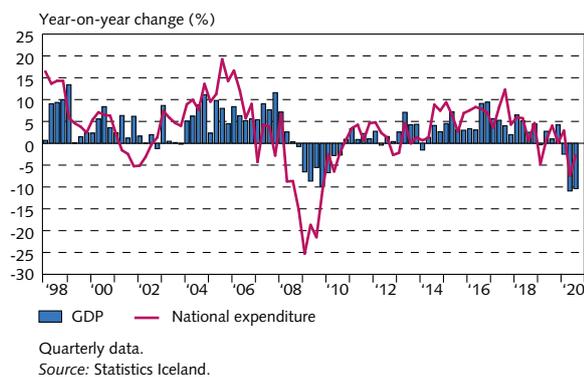
II-2

GDP and private consumption per capita



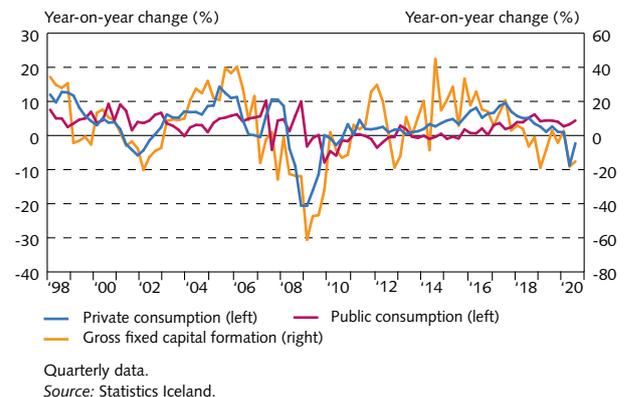
II-3

Output growth and national expenditure



II-4

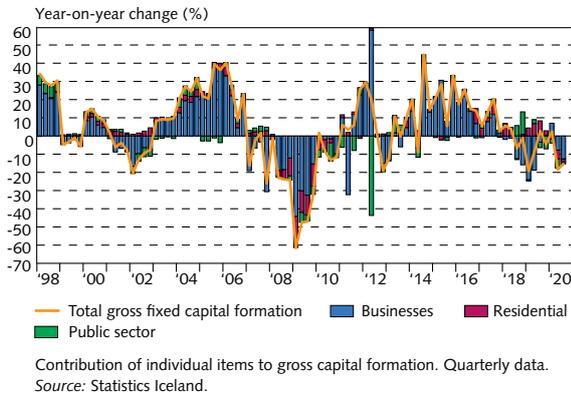
Private consumption, public consumption and gross fixed capital formation



II Output and demand

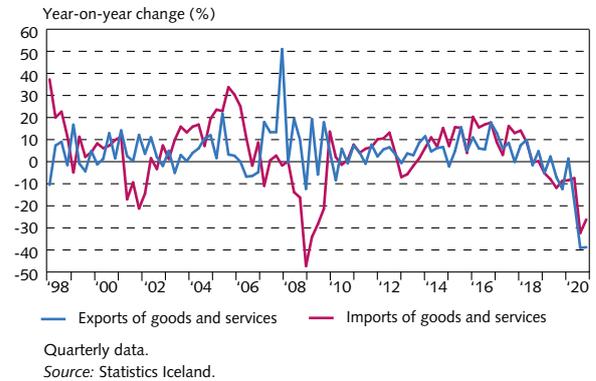
II-5

Gross fixed capital formation



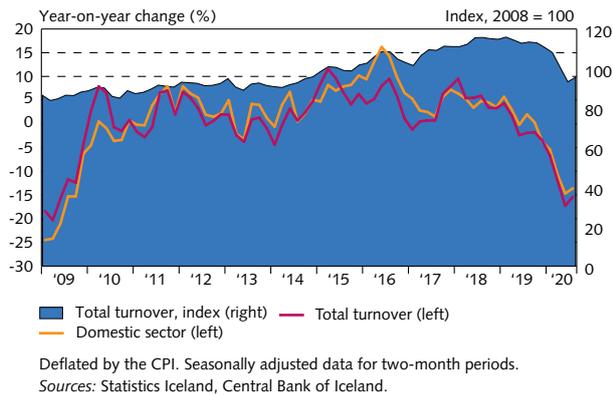
II-6

Foreign trade



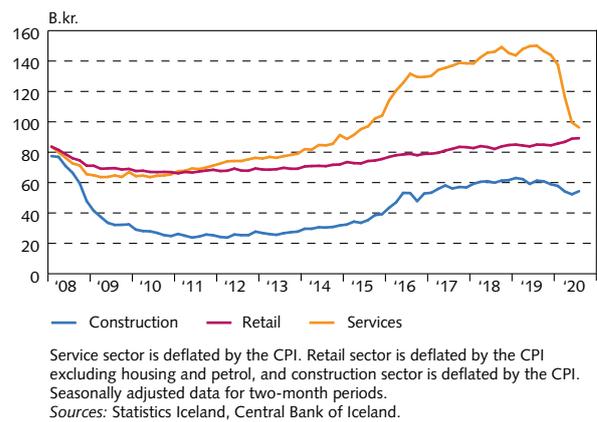
II-7

Turnover according to VAT returns



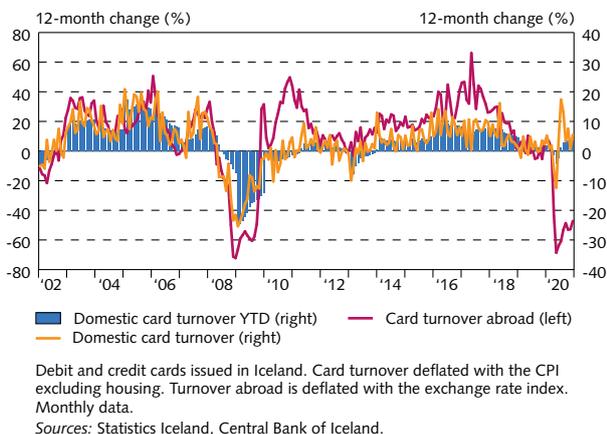
II-8

Turnover according to VAT returns



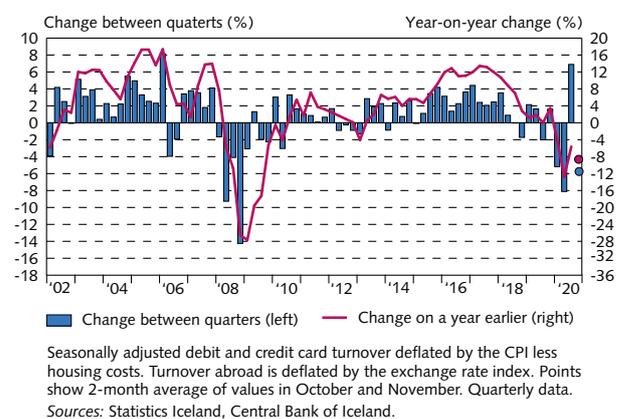
II-9

Payment card turnover



II-10

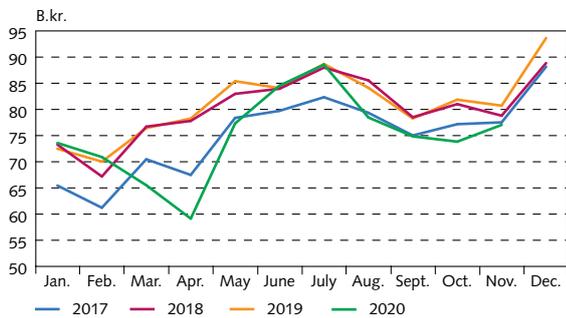
Total household payment card turnover



II Output and demand

II-11

Household payment card turnover

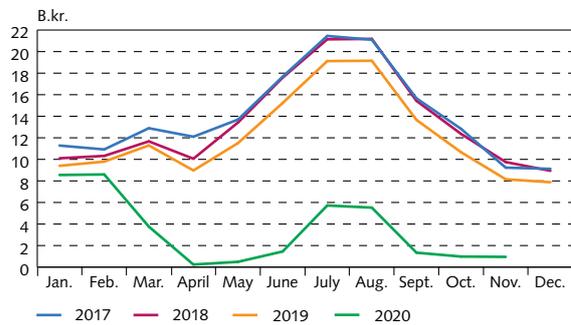


Debit and credit cards issued in Iceland. Domestic card turnover is deflated with the CPI excluding housing. Foreign turnover is deflated with the import-weighted exchange rate index. Based on latest monthly prices and exchange rates. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-12

Foreign payment card turnover in Iceland

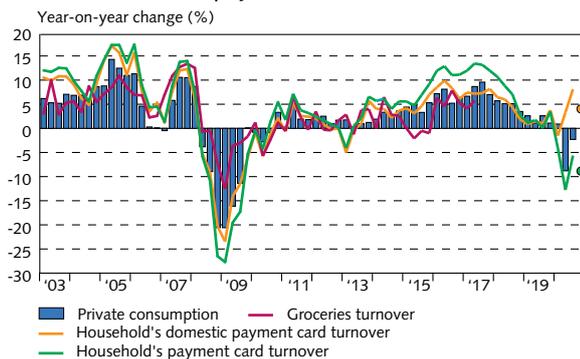


Foreign payment card turnover deflated by the CPI less housing costs. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-13

Private consumption, groceries, and payment card turnover

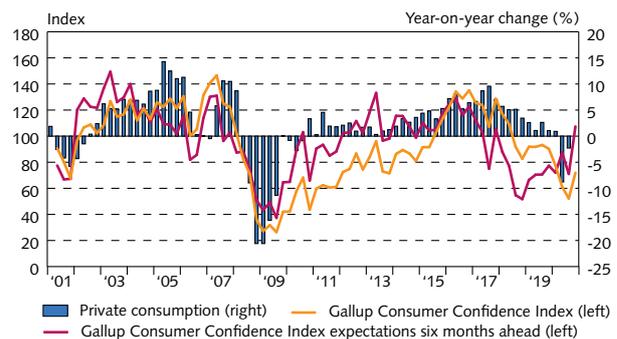


Points show 2-month average values in October and November. Quarterly data.

Sources: Icelandic Centre for Retail Studies, Statistics Iceland, Central Bank of Iceland.

II-14

Private consumption and Gallup Consumer Confidence Index

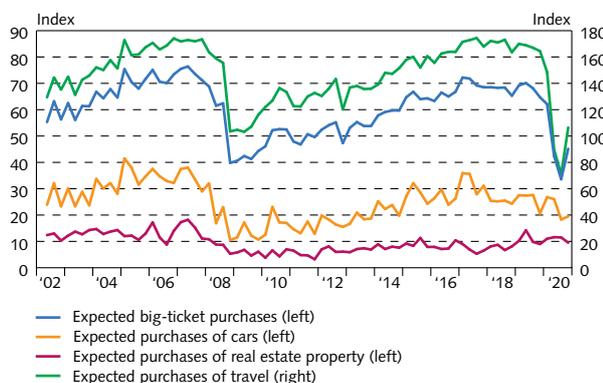


The Gallup Consumer Confidence Index is a measure of general consumers' sentiment towards the economy and the labour market. Quarterly data.

Sources: Gallup, Statistics Iceland.

II-15

Indices of expected big-ticket purchases

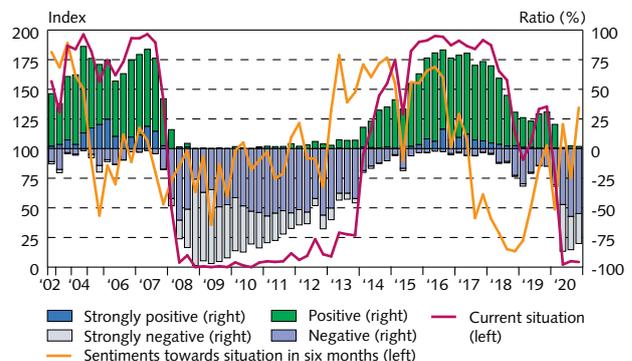


Indices of expected big-ticket purchases are based on Gallup consumer sentiment survey. The index for expected big-ticket purchases is an average of the other three indices. Quarterly data.

Source: Gallup.

II-16

Corporation expectations towards the economic situation and outlook



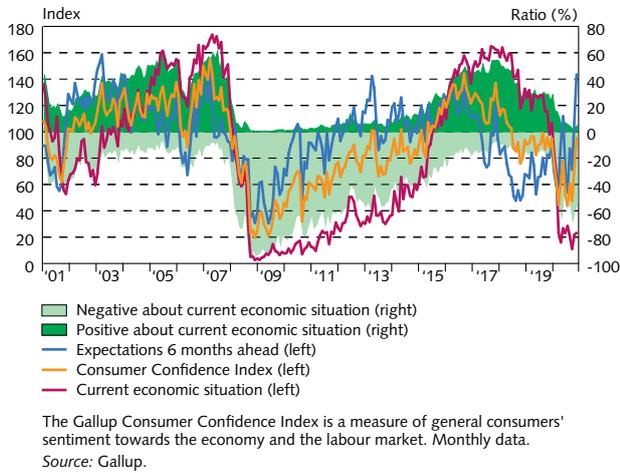
The Business sentiment indices are based upon Gallup's survey of the largest companies in Iceland, conducted 4 times a year. The columns show the sentiments towards the current situation of the economy.

Source: Gallup.

II Output and demand

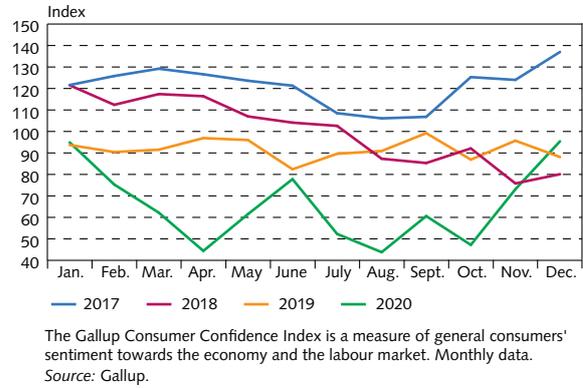
II-17

Consumer sentiment (Gallup)



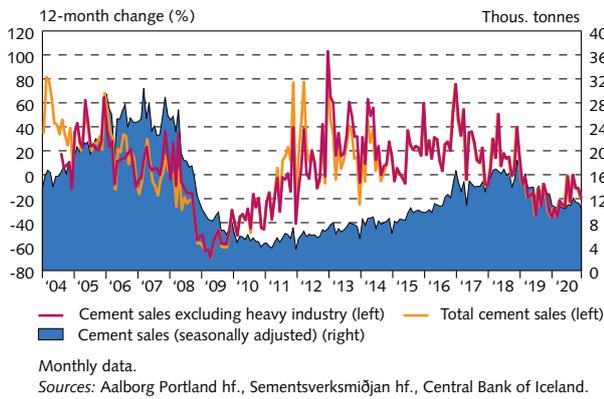
II-18

Consumer sentiment (Gallup)



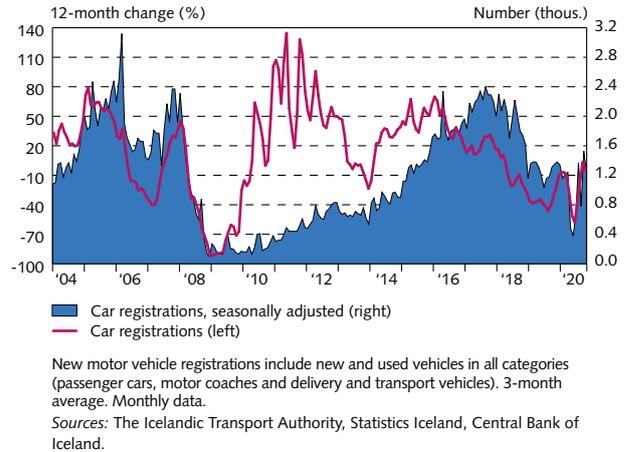
II-19

Cement sales



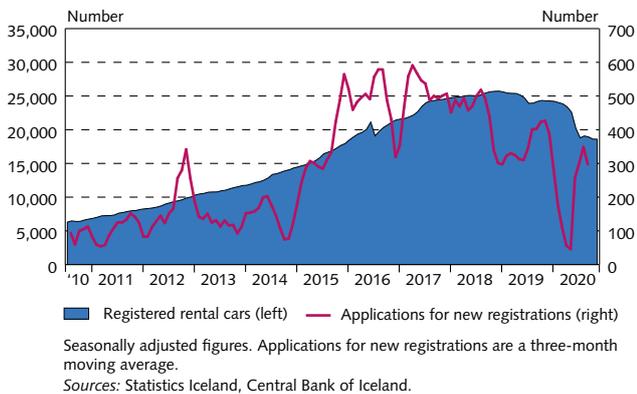
II-20

New registration of motor vehicles



II-21

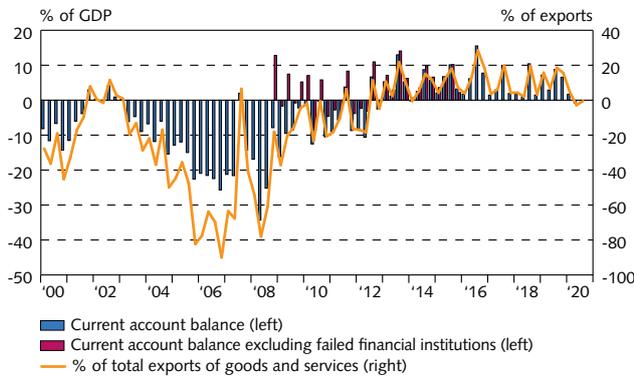
Rental cars



III Foreign trade and external economic conditions

III-1

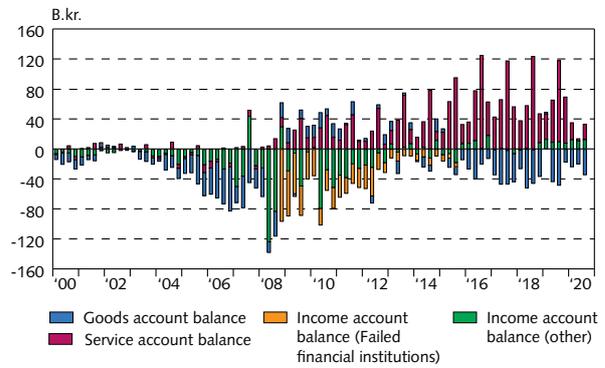
Current account balance



Current account balance excluding failed financial institutions is also adjusted for the failed financial institutions' financial intermediation services indirectly measured (FISIM). From 2016 there is no difference between these figures and official figures for current account balance. Quarterly data.
 Sources: Statistics Iceland, Central Bank of Iceland.

III-2

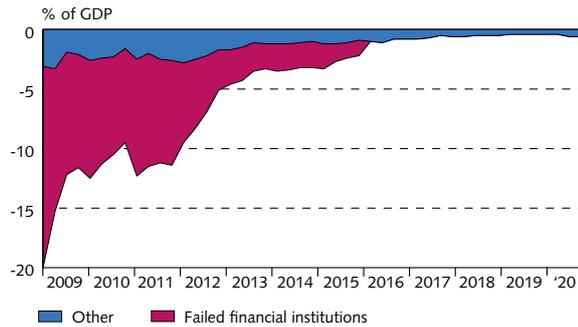
Components of current account



From 2016 there is no difference between income account balance (other) and income account balance total, because the share of failed financial institutions was wound up year-end 2015. Net current transfers are included in primary income. Quarterly data.
 Sources: Statistics Iceland, Central Bank of Iceland.

III-3

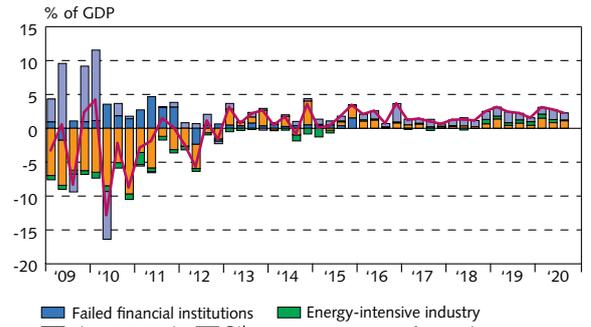
Net foreign interest payments



Including dividends on equity securities. The failed financial institutions were wound up at the end of 2015; therefore, their share is zero from 2016 onwards. Quarterly data.
 Sources: Statistics Iceland, Central Bank of Iceland.

III-4

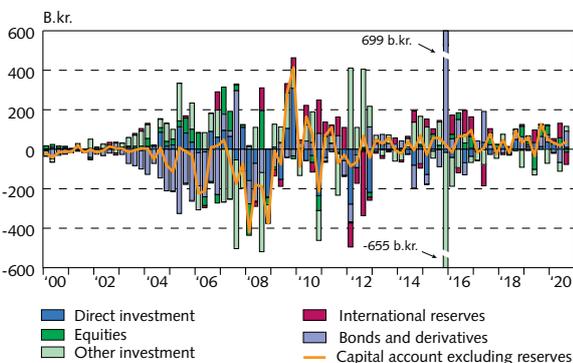
Net returns on foreign direct investment



The failed financial institutions were wound up at the end of 2015; therefore, their share is zero from 2016 onwards. Holding companies that were established to hold the assets and liabilities of the former estates are now categorized as "Other". Quarterly data.
 Sources: Statistics Iceland, Central Bank of Iceland.

III-5

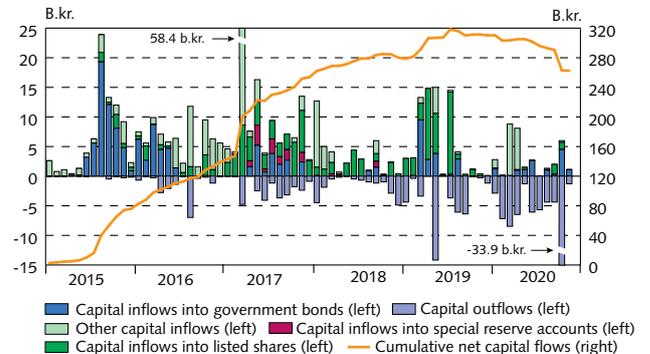
Net capital flows



Capital account balance (net capital outflows) and net capital flows to foreign direct investment, portfolio investment (bonds, derivatives, and equities), and other investment. Positive (negative) numbers represent an increase (decrease) in resident entities' foreign assets or a decrease (increase) in their foreign debt. Large movements in Q4/2015 reflect the settlement of the failed banks' estates. Quarterly data.
 Source: Central Bank of Iceland.

III-6

Capital flows due to registered new investment

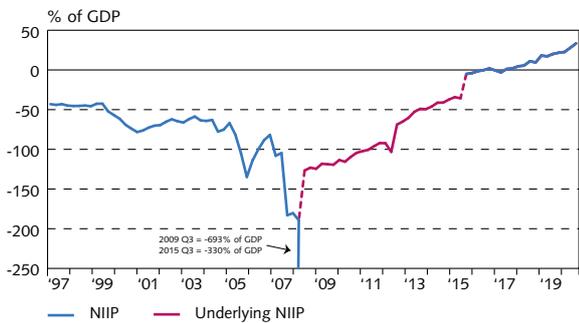


Other inflows in March 2017 derived almost entirely from non-residents' acquisition of a holding in a domestic commercial bank. Monthly data.
 Source: Central Bank of Iceland.

III Foreign trade and external economic conditions

III-7

Net international investment position

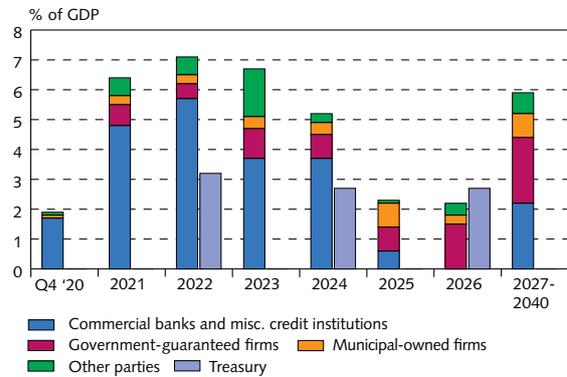


Based on underlying position from 2008 through end-2015; i.e., adjusted for the effects of settling the failed banks' estates and assuming equal distribution of assets to general creditors. At the end of 2015, the estates of the failed financial institutions reached composition agreements entailing the write-off of a large portion of their debt. As a result, there was no difference between the NIIP and the underlying NIIP. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-8

Repayment profile of long-term foreign debt

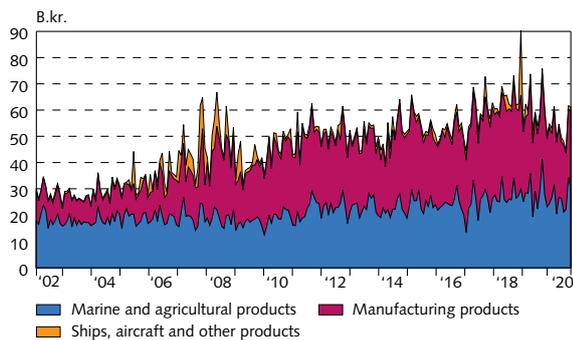


Based on Q3 2020 position and end-October 2020 exchange rate.

Sources: Statistics Iceland, Central Bank of Iceland.

III-9

Components of merchandise exports

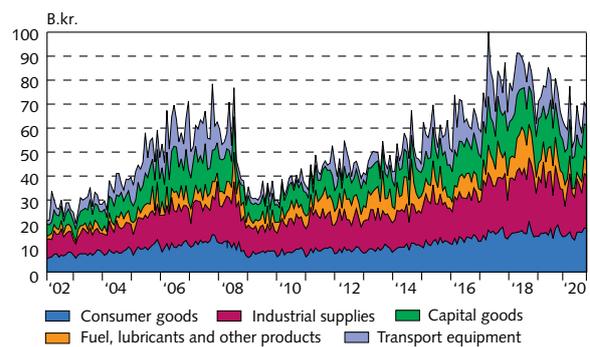


Merchandise export values at constant exchange rates based on monthly average export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-10

Components of merchandise imports

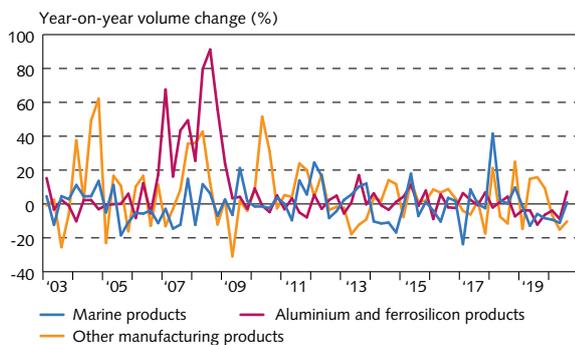


Merchandise import values at constant exchange rates based on import-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-11

Main export products

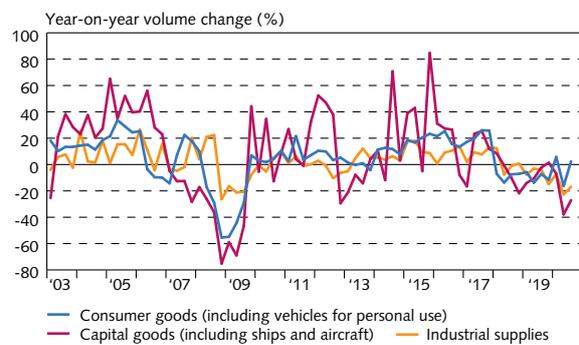


Quarterly data.

Source: Statistics Iceland.

III-12

Main import products



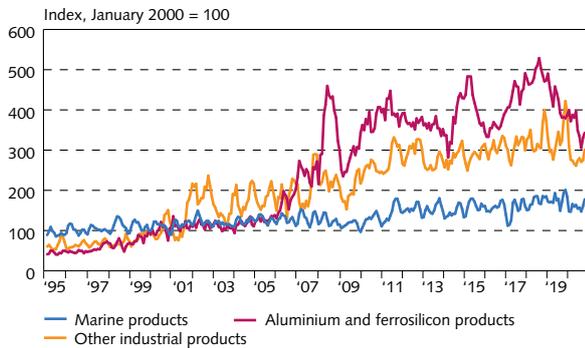
Quarterly data.

Source: Statistics Iceland.

III Foreign trade and external economic conditions

III-13

Merchandise exports by category

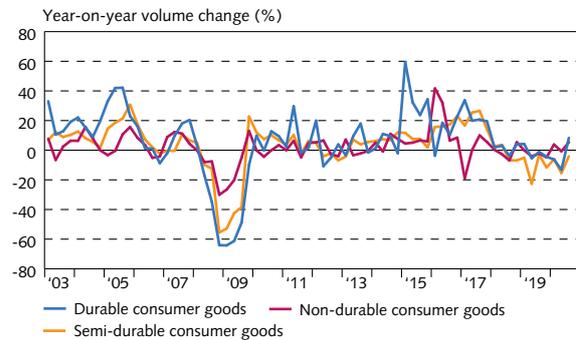


Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-14

Imported consumer goods

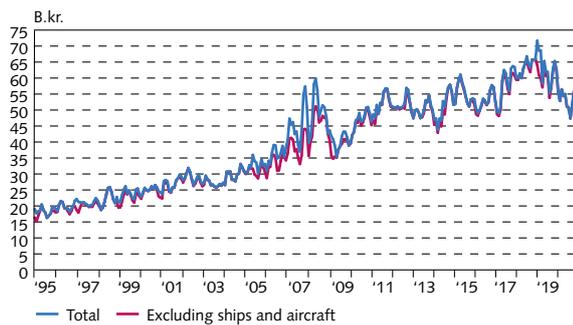


Non-durable consumer goods are disposable items such as tobacco and pharmaceuticals. Semi-durables are products that are neither disposable nor durable, such as clothing. Consumer durables are products with a long life-time, such as household appliances. Quarterly data.

Source: Statistics Iceland.

III-15

Merchandise exports

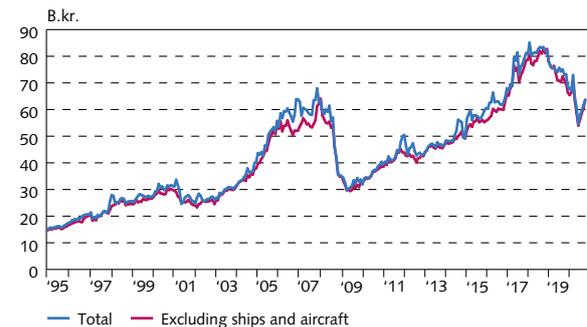


Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-16

Seasonally adjusted merchandise imports

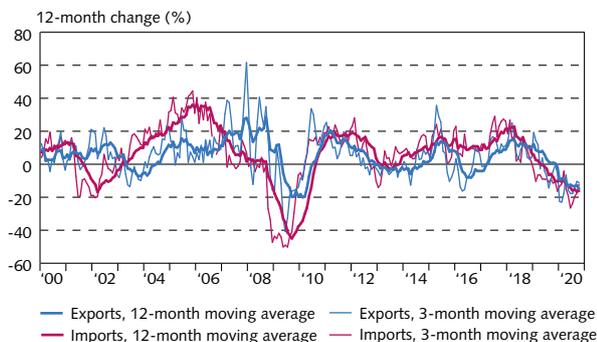


Imported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). The index of foreign price levels is calculated by weighting together the consumer price indices in main trading partner countries using a currency basket. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-17

Merchandise imports and exports

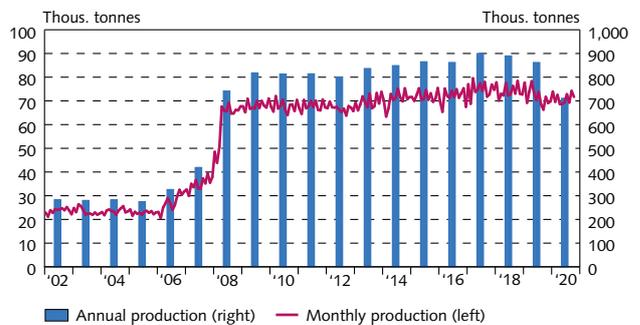


Exchange rate used consists of monthly averages of the broad trade-weighted index. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-18

Aluminium production



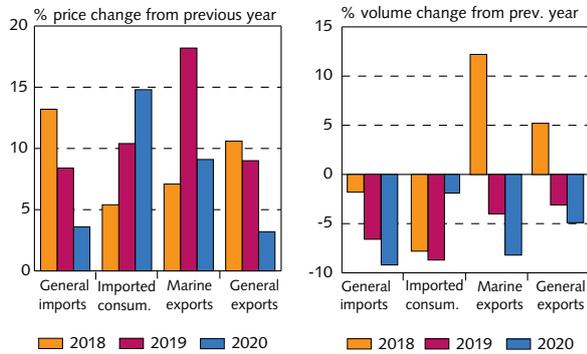
Annual aluminium production for 2020 is production for January-October. Monthly data.

Source: Statistics Iceland.

III Foreign trade and external economic conditions

III-19

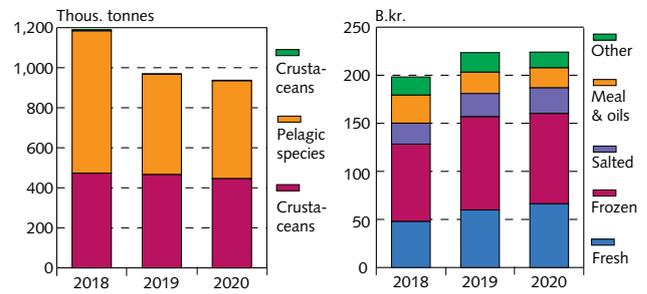
Merchandise trade
January-October



Cumulative price and volume indices from beginning of year. General imports are total imports excluding ships, aircraft, and sundry items (residual). General exports are total exports excluding ships, aircraft, and sundry items (residual). Monthly data.
Source: Statistics Iceland.

III-20

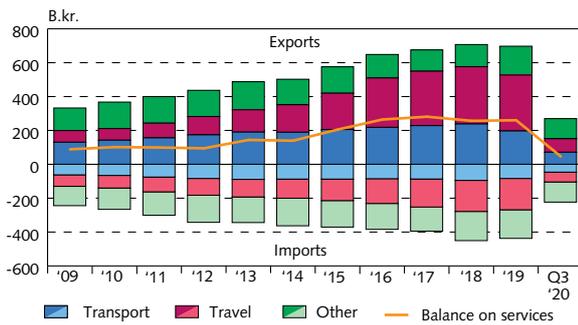
Catch volume and export value of marine products
January-November



Cumulative catch volume from beginning of year. Cumulative value of marine exports from beginning of year; nominal fob value. Monthly data.
Sources: Directorate of Fisheries, Statistics Iceland.

III-21

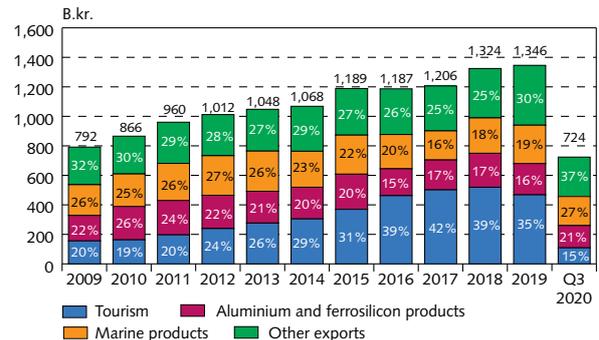
Services imports and exports



Annual and cumulative quarterly data.
Sources: Statistics Iceland, Central Bank of Iceland.

III-22

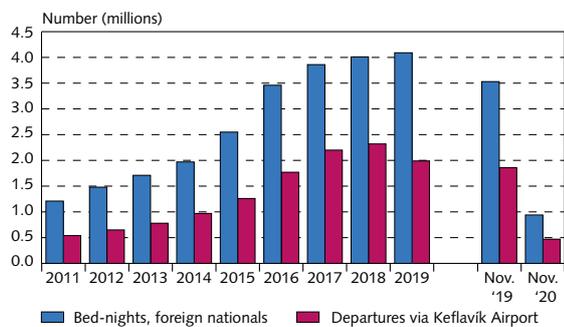
Goods and services exports



Tourism is the sum of "Travel", i.e. income from foreign tourists in Iceland, and "Passenger transport by air", i.e. that income of Icelandic airlines that is attributable to transporting foreign passengers. Annual and cumulative quarterly data.
Sources: Statistics Iceland, Central Bank of Iceland.

III-23

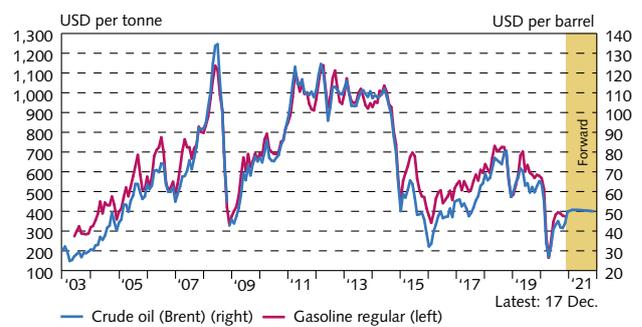
Foreign tourists and hotel bed-nights



Cumulative monthly figures for departures are for January-November but figures for bed-nights are for January-October. Annual and cumulative monthly figures.
Sources: Icelandic Tourist Board, Isavia, Statistics Iceland.

III-24

Global crude oil and gasoline prices

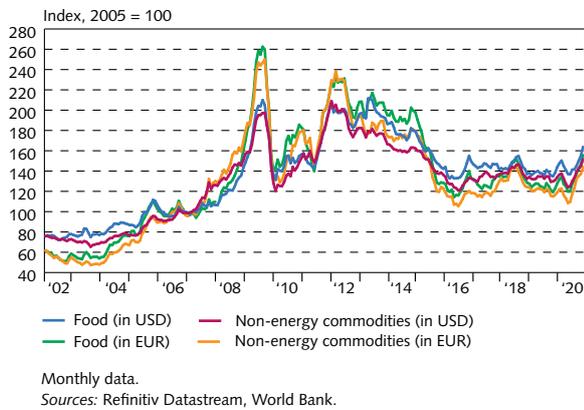


Monthly averages and forward prices 12 months ahead.
Source: Refinitiv.

III Foreign trade and external economic conditions

III-25

Commodity prices in international markets



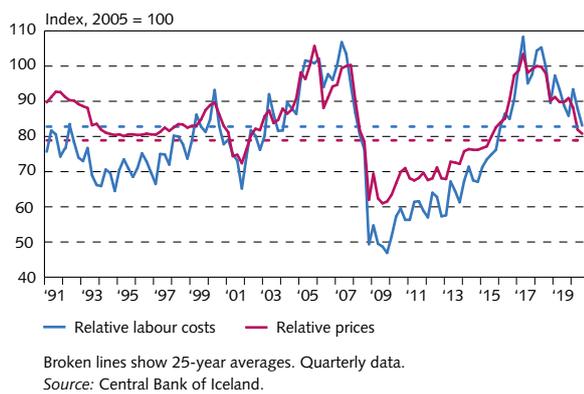
III-26

Icelandic export prices



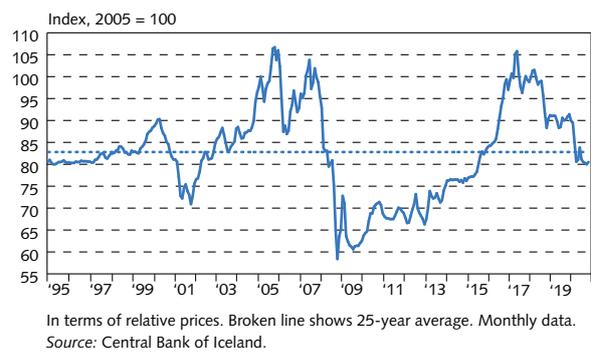
III-27

Real exchange rate



III-28

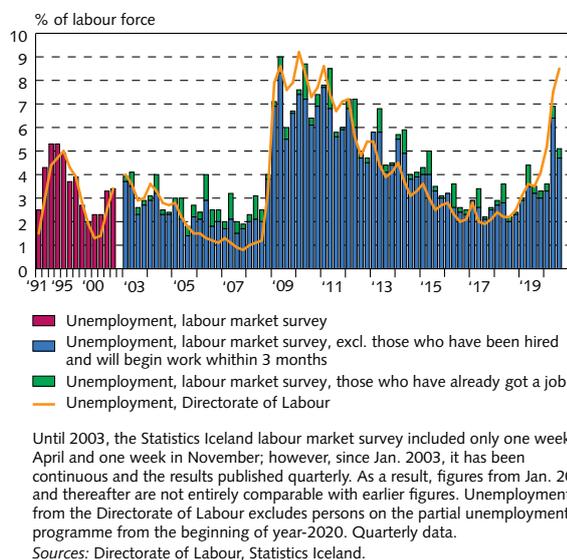
Real exchange rate



IV Labour market and wages

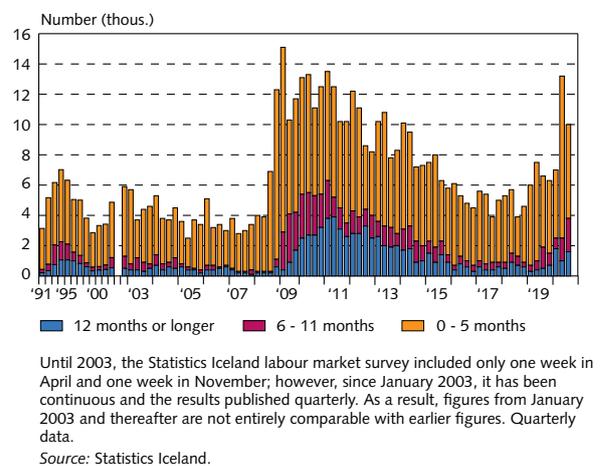
IV-1

Unemployment rate



IV-2

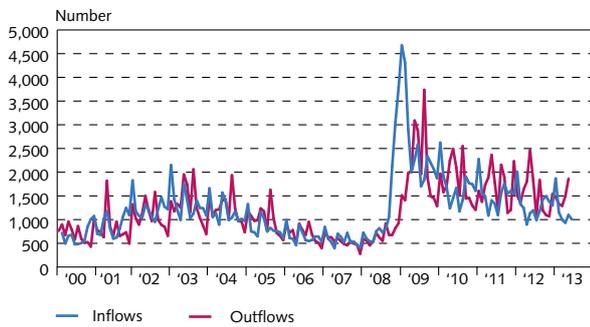
Unemployment by duration



IV Labour market and wages

IV-3

Unemployment register: Inflows and outflows

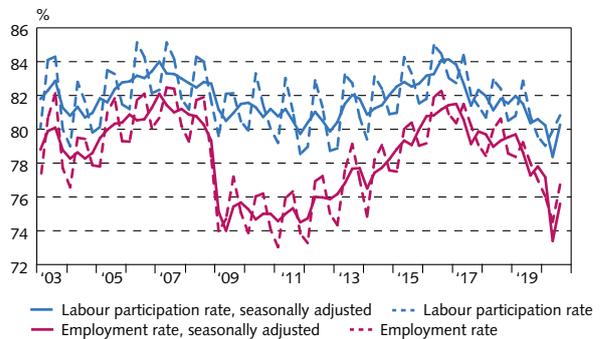


Monthly data.

Source: Directorate of Labour.

IV-4

Labour participation rate and employment rate

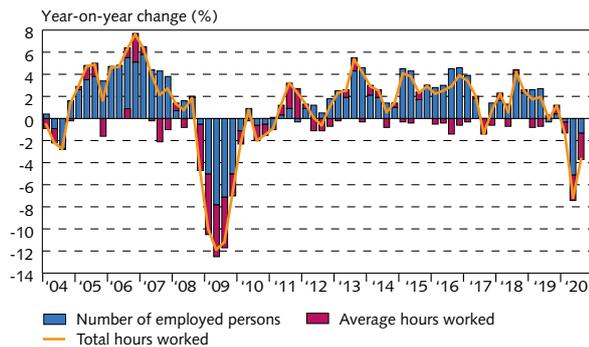


Quarterly numbers based on monthly data averages.

Source: Statistics Iceland.

IV-5

Employment and hours worked for employed persons

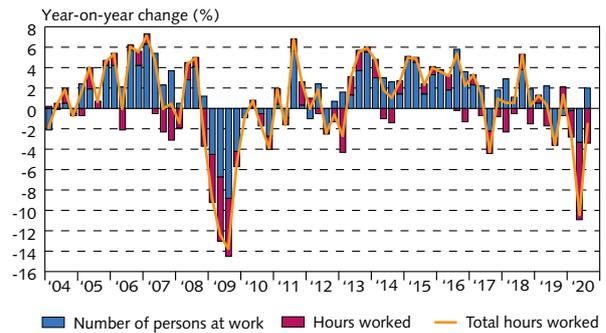


Employed persons are those who worked at least one hour during the reference week or were absent from work that they were hired to carry out. Quarterly numbers based on monthly data averages.

Source: Statistics Iceland.

IV-6

Employment and hours worked for persons at work

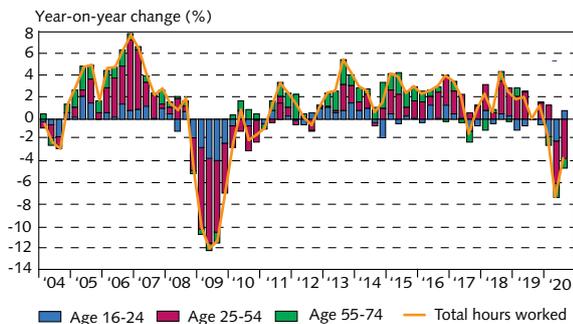


Persons at work are those who worked one hour or more during the reference week. Quarterly data.

Source: Statistics Iceland.

IV-7

Total working hours

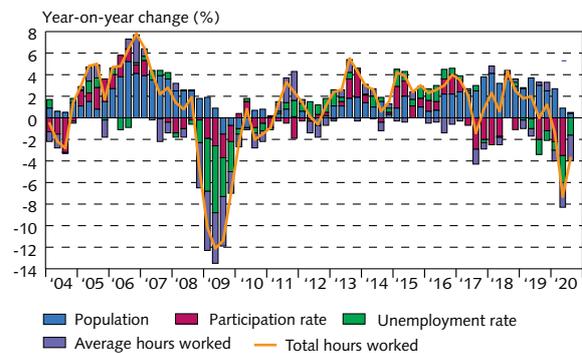


Quarterly data.

Source: Statistics Iceland.

IV-8

Total working hours



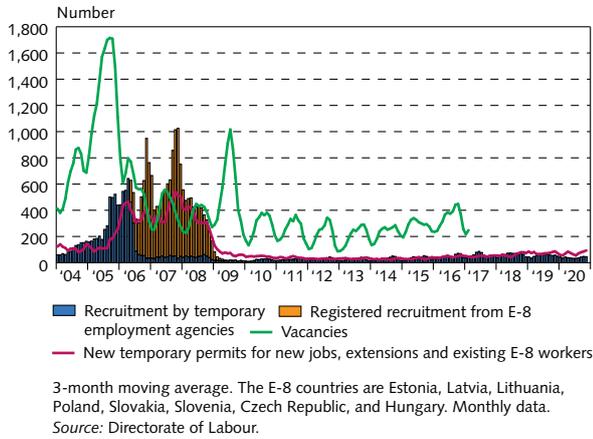
Increase in unemployment shows as a negative contribution to an increase in total working hours. Quarterly numbers based on monthly data averages.

Sources: Statistics Iceland, Central Bank of Iceland.

IV Labour market and wages

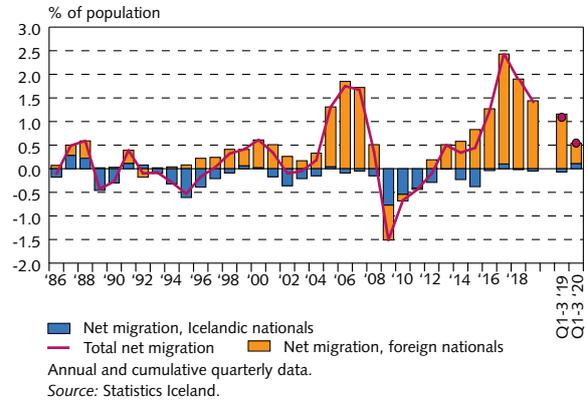
IV-9

Vacancies and foreign labour



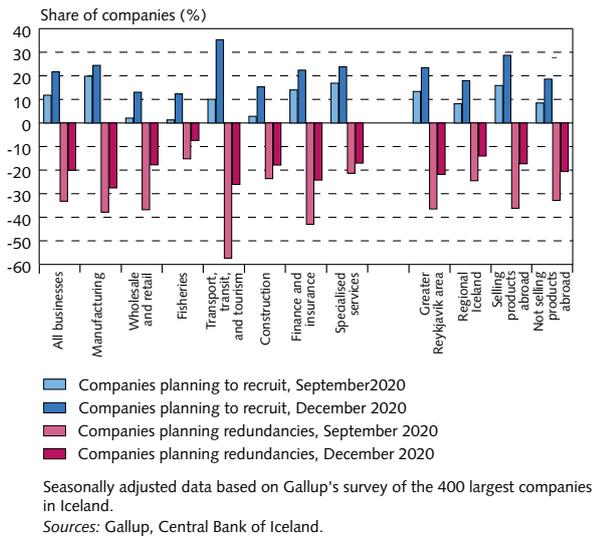
IV-10

Migration



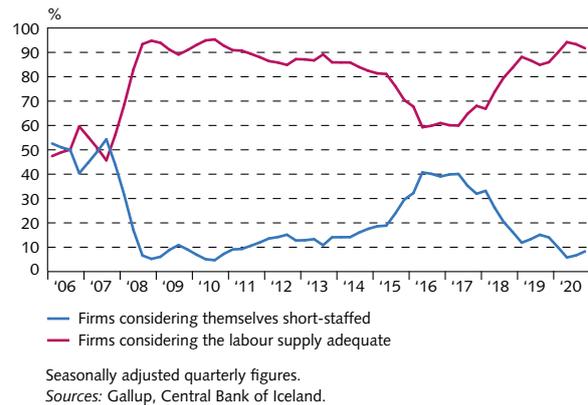
IV-11

Companies planning to change staffing levels during the next 6 months



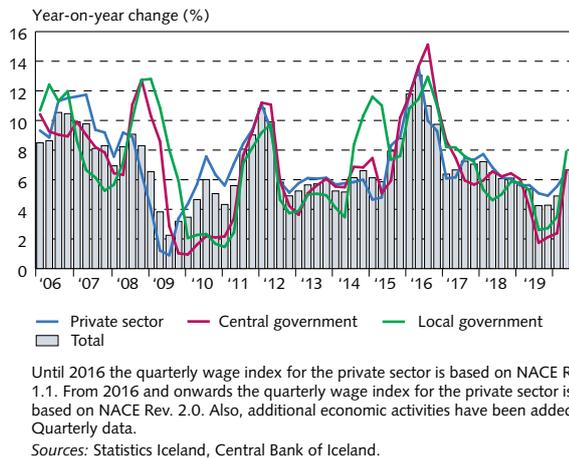
IV-12

Labour supply



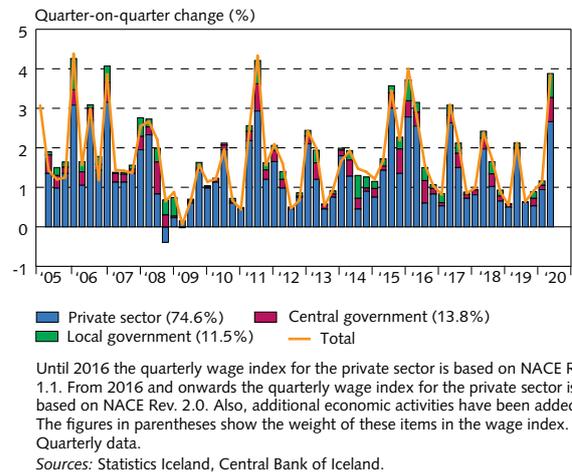
IV-13

Wage changes by sector



IV-14

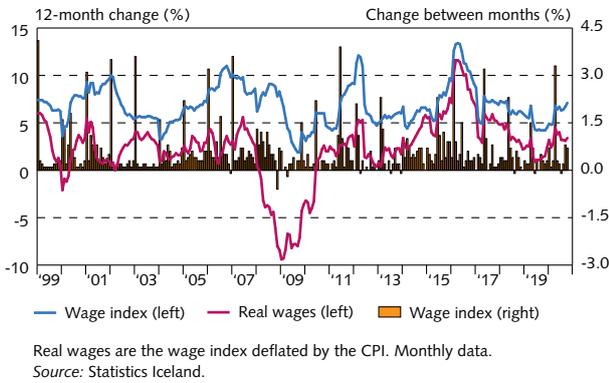
Sectoral contribution to wage growth



IV Labour market and wages

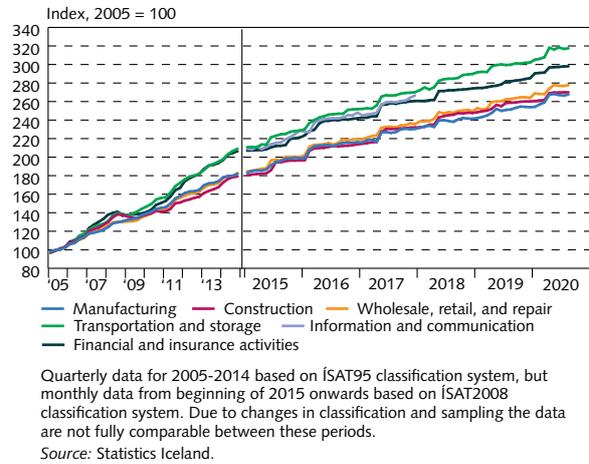
IV-15

Nominal and real wages



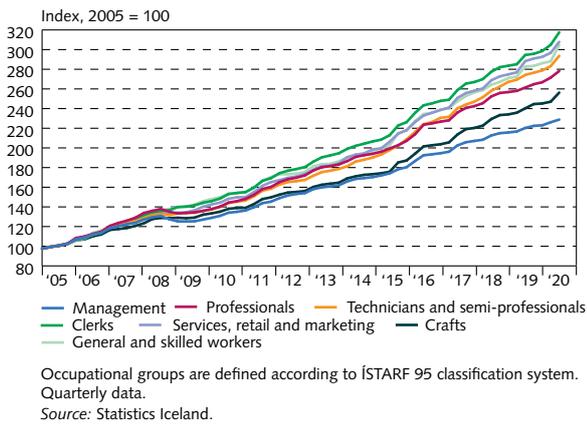
IV-16

Private sector wage index by selected sectors



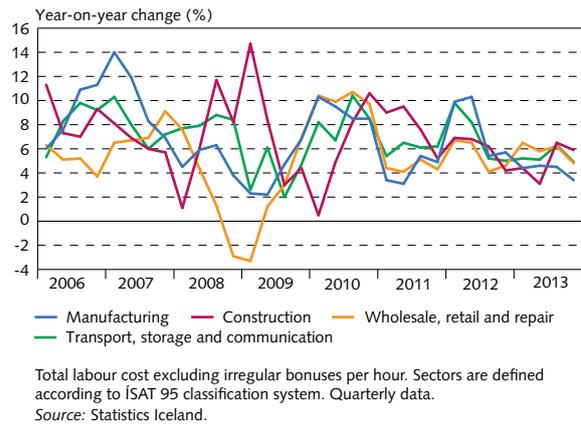
IV-17

Private sector wage index by occupational group



IV-18

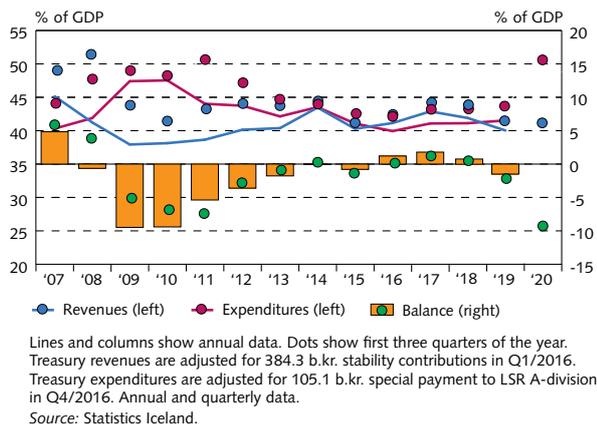
Private sector labour cost index by sector



V Public finances

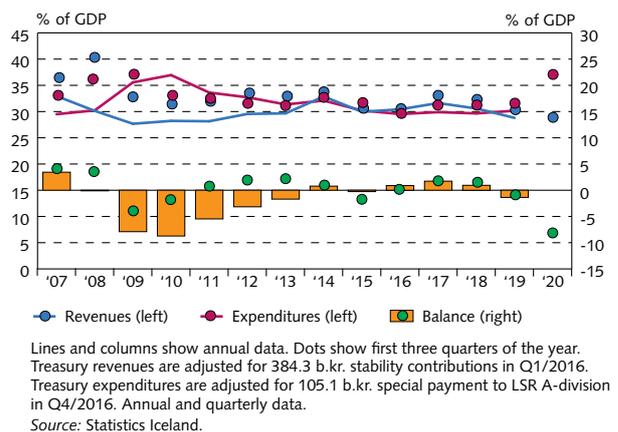
V-1

General government revenues, expenditures and balance



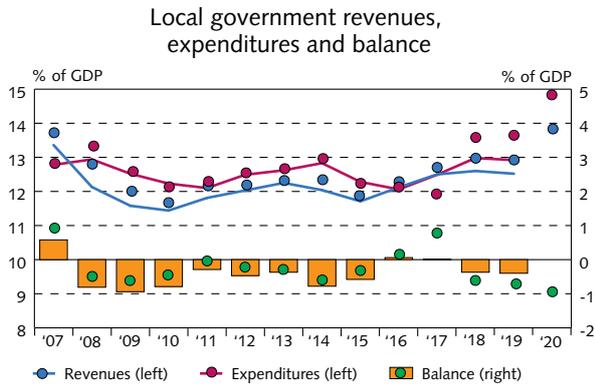
V-2

Treasury revenues, expenditures and balance



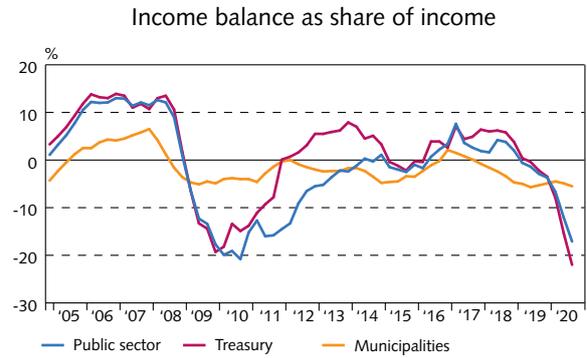
V Public finances

V-3



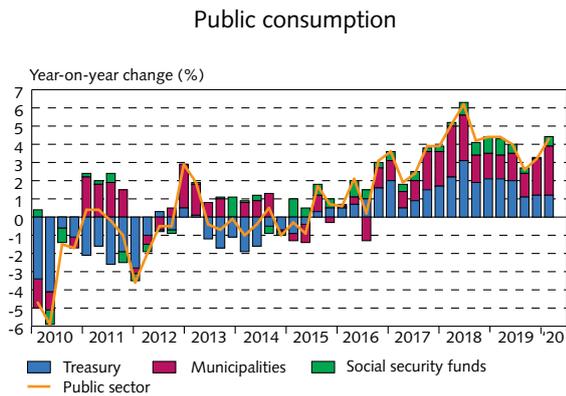
Lines and columns show annual data. Dots show first three quarters of the year. Expenditures are adjusted for a 32 b.kr. special payment to the pension fund Brú in Q2/2017. Annual and quarterly data.

V-4



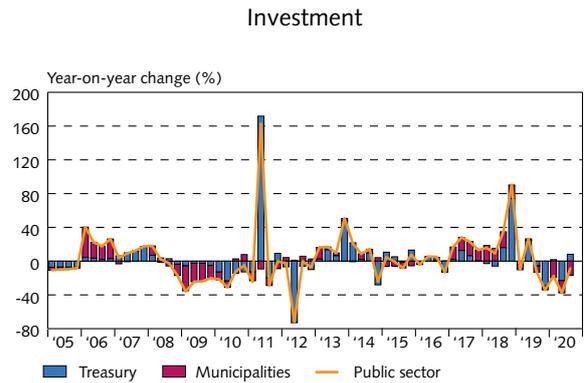
Treasury revenues are adjusted for stability contributions. Treasury expenditures are adjusted for transfers due to the Central Bank and LSR A-division and local government expenditures are adjusted for special payment to the pension fund Brú. Four quarter moving average. Quarterly data..
Source: Statistics Iceland.

V-5



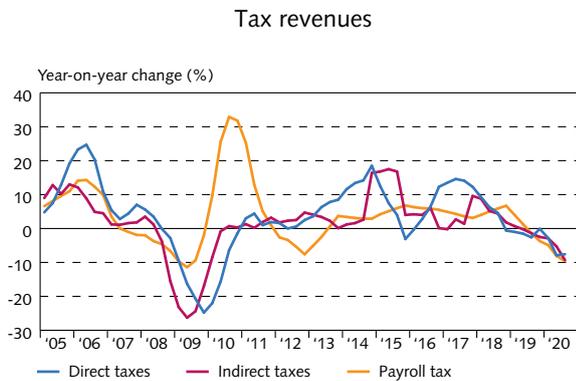
Quarterly data.
Source: Statistics Iceland.

V-6



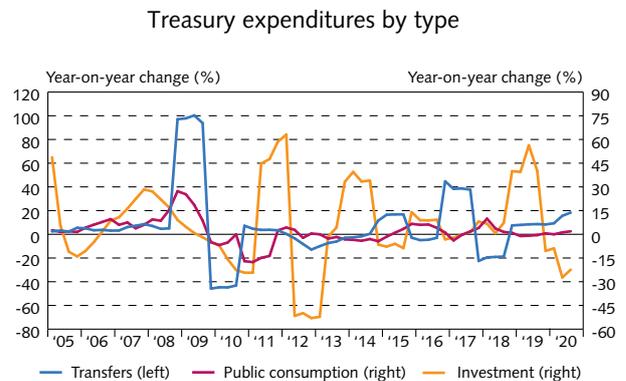
Quarterly data.
Source: Statistics Iceland.

V-7



Direct taxes are adjusted for 384.3 b.kr. stability contributions in Q1/2016. Four quarter moving averages, deflated by the CPI. Quarterly data.
Source: Statistics Iceland.

V-8

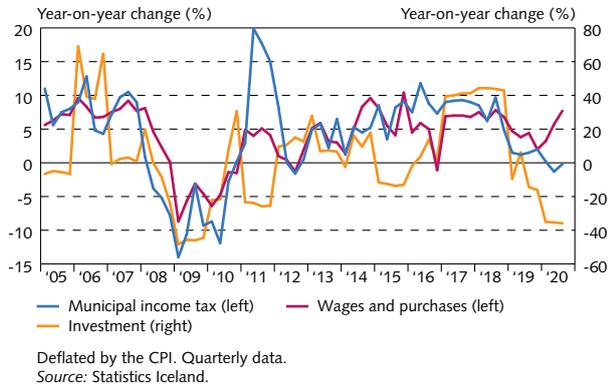


Four quarter moving averages, deflated by the CPI. Quarterly data.
Source: Statistics Iceland.

V Public finances

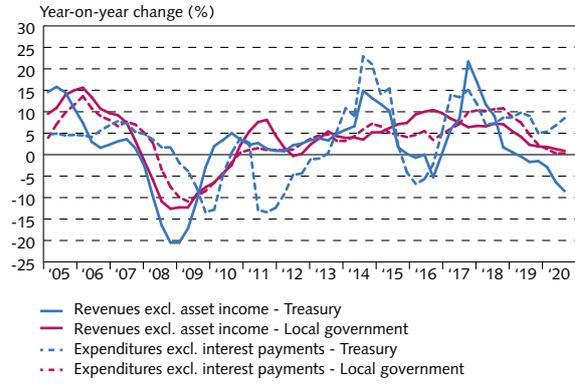
V-9

Local government revenues and expenditures



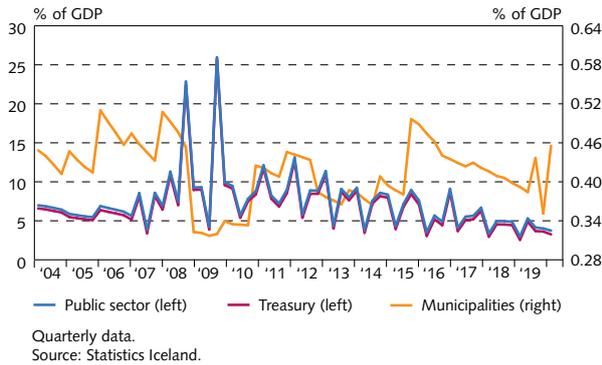
V-10

Treasury and local government revenues and expenditures



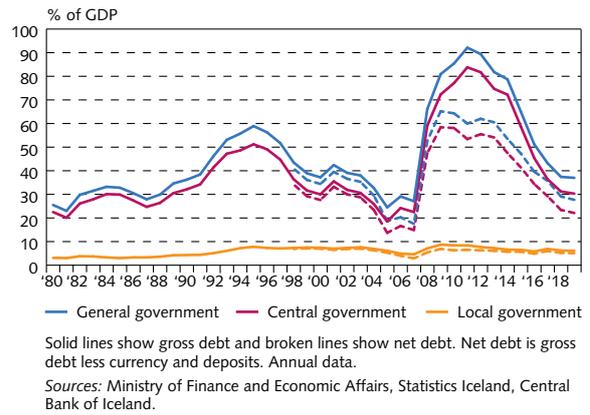
V-11

Interest expense of general, central, and local government



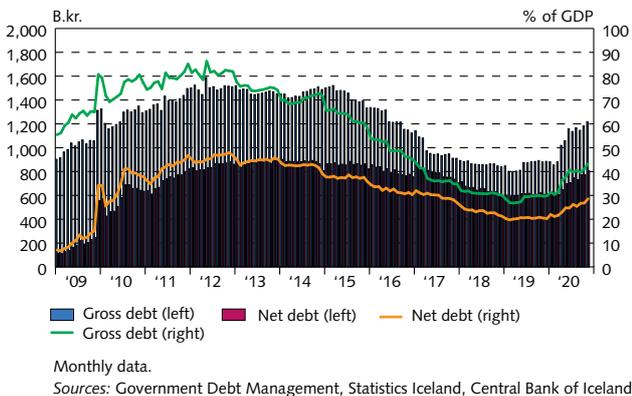
V-12

Debt of general, central, and local government



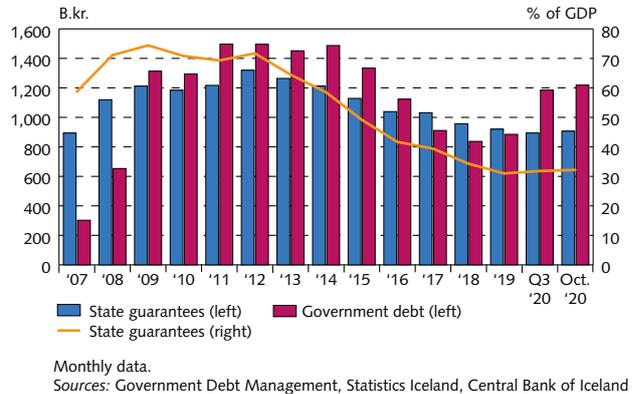
V-13

Central government debt



V-14

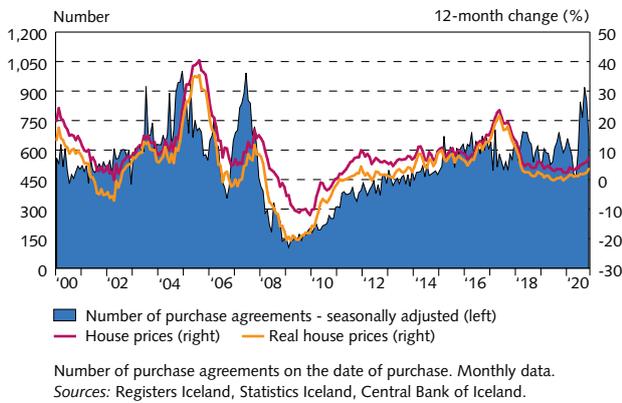
State guarantees and gross debt



VI Asset markets

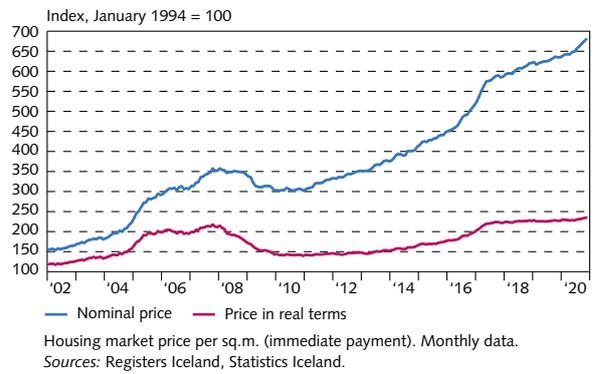
VI-1

Housing market prices and activity in greater Reykjavík



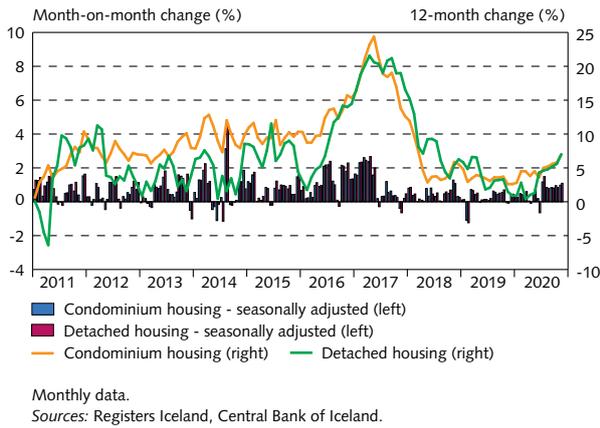
VI-2

Housing market prices in greater Reykjavík



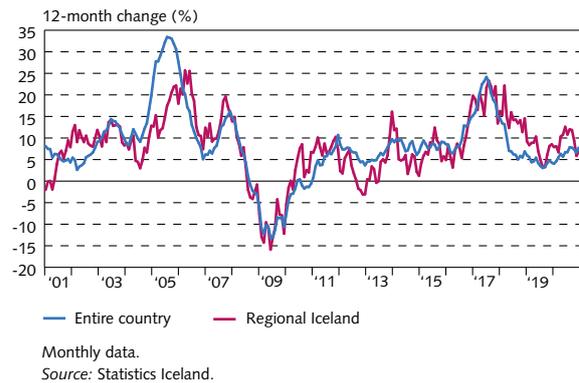
VI-3

House prices in greater Reykjavík



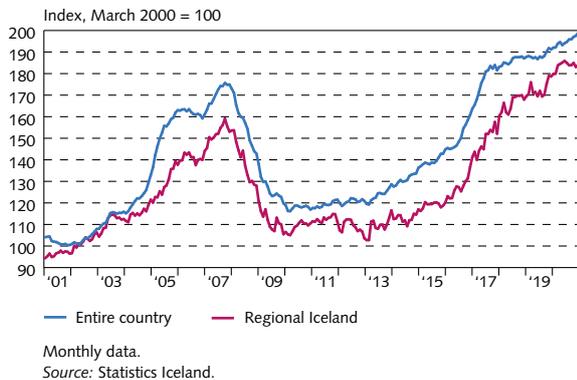
VI-4

Market price of residential housing



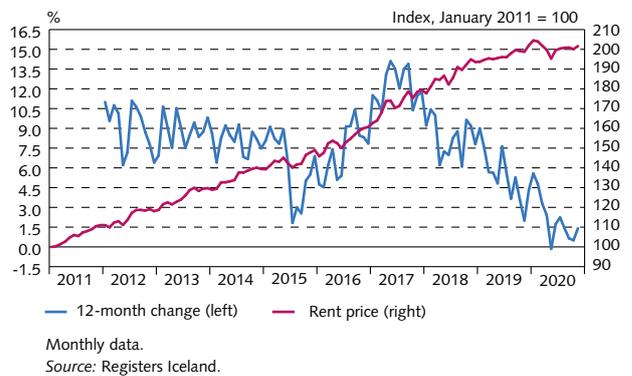
VI-5

Market price of residential housing - in real terms



VI-6

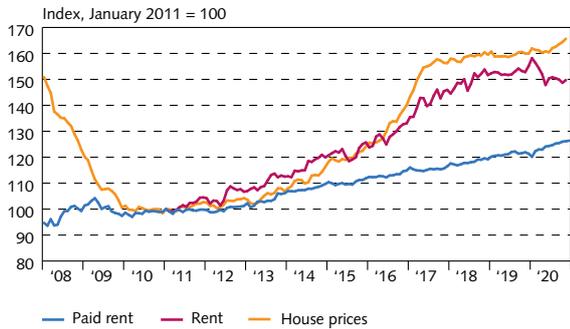
Rent price in greater Reykjavík



VI Asset markets

VI-7

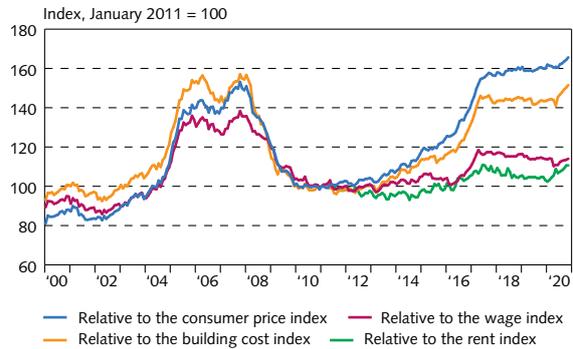
Rent, house prices, and paid rent in real terms



Rent and house prices are for greater Reykjavik, paid rent is for the whole country. Monthly data.
Sources: Registers Iceland, Statistics Iceland.

VI-8

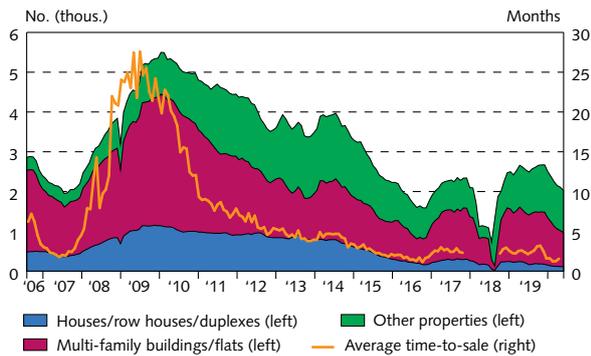
Capital area house prices relative to macroeconomic fundamentals



Sources: Registers Iceland, Statistics Iceland.

VI-9

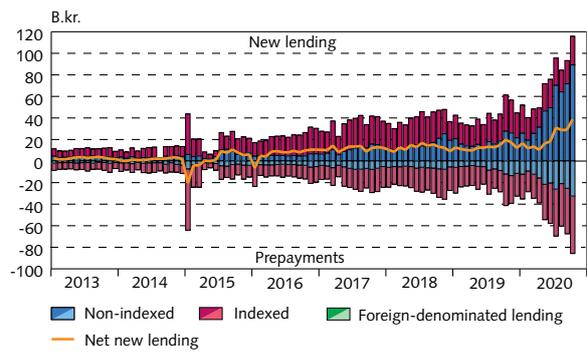
Advertised capital area property and average time to sale



Monthly average of advertisements on Morgunbladid real estate website. The count is carried out by property code so as to avoid a repeat count of the same property. Monthly seasonally adjusted turnover is according to the number of officially registered purchase agreements. The average time to sale is the length of time (in months) that it takes to sell advertised property divided by the turnover for the month in question. From May 2018 through March 2019 there was an error in the data; therefore, the average time-to-sale is not calculated for that period.
Sources: Morgunbladid Real Estate Website (mbl.is), Registers Iceland.

VI-10

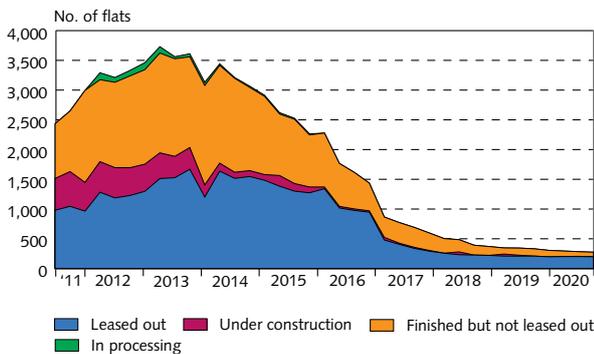
New DMB, pension funds, and HFF mortgage lending to households and prepayments of older loans



Net new lending consist of new lending net of prepayments of older loans. Figures for new mortgage lending of pension funds are from September 2015. Most recent figures are preliminary. Monthly data.
Source: Central Bank of Iceland.

VI-11

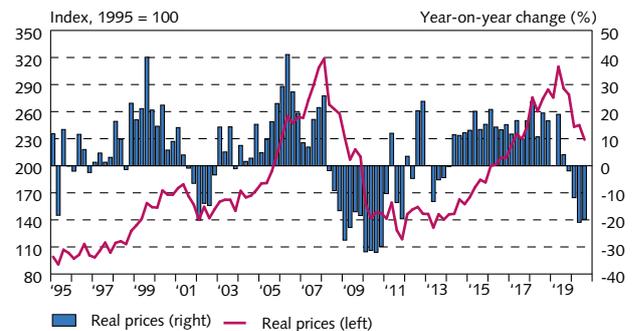
Residential housing owned by financial institutions nationwide



Classified by status. The financial institutions are: Arion Bank, Hilda, Hömlur, Íslandsbanki, Housing Financing Fund, Klettur, Landey, and Kvika Bank. Quarterly data.
Source: Central Bank of Iceland.

VI-12

Commercial property real prices in greater Reykjavik

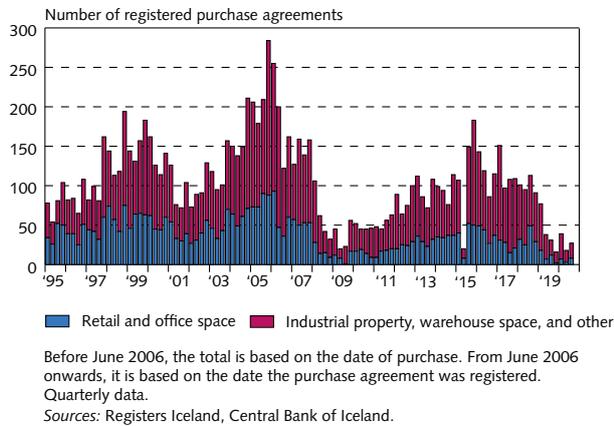


Weighted average of industrial, retail, and office housing. Data are subject to uncertainty due to sparsity and divergence of measurements. Latest figures are preliminary. Quarterly data.
Sources: Registers Iceland, Central Bank of Iceland.

VI Asset markets

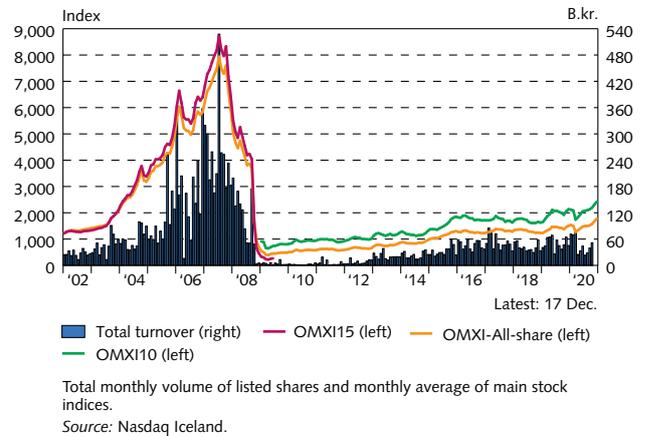
VI-13

Commercial real estate market activity



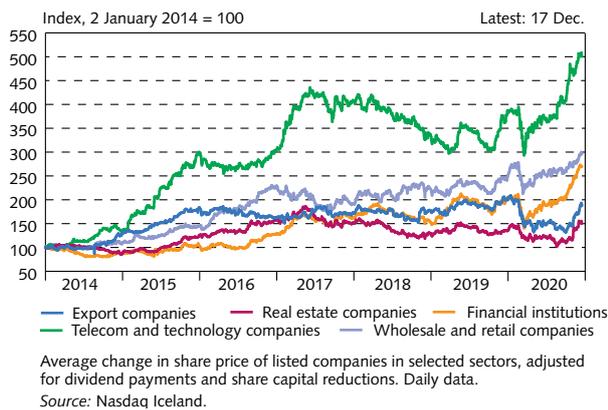
VI-14

Equity market



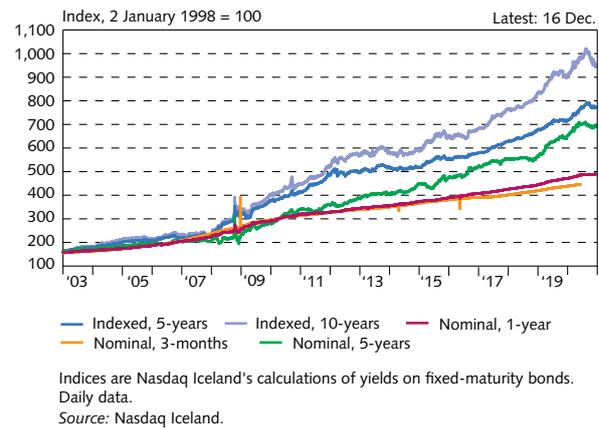
VI-15

Share prices by sector



VI-16

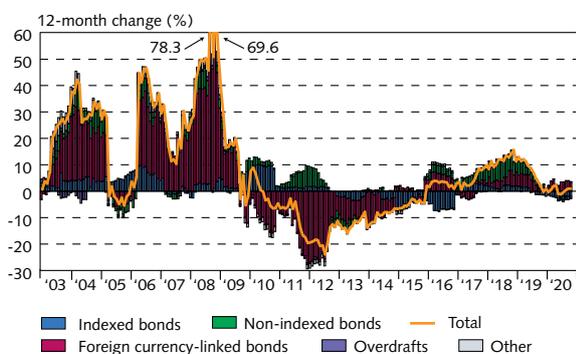
Bond indices



VII Households and businesses

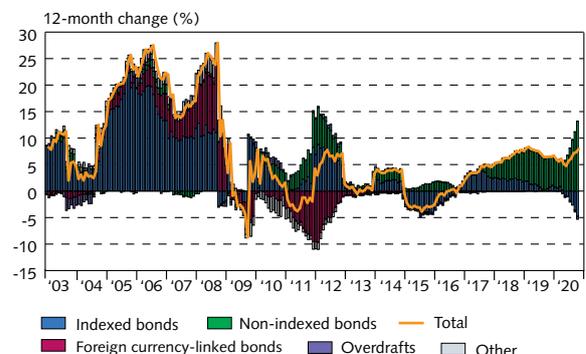
VII-1

Credit system lending to businesses



VII-2

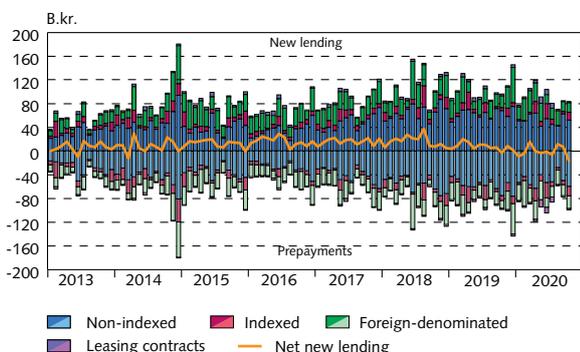
Credit system lending to households



VII Households and businesses

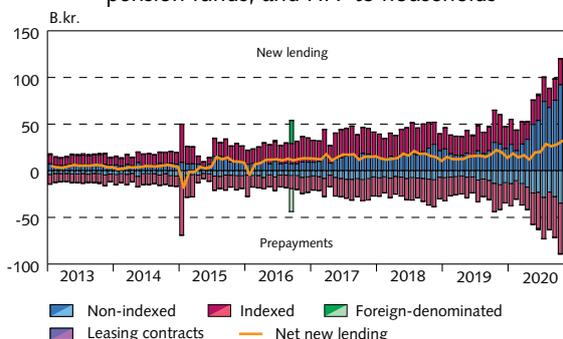
VII-3

Net new lending from DMBs and HFF to firms



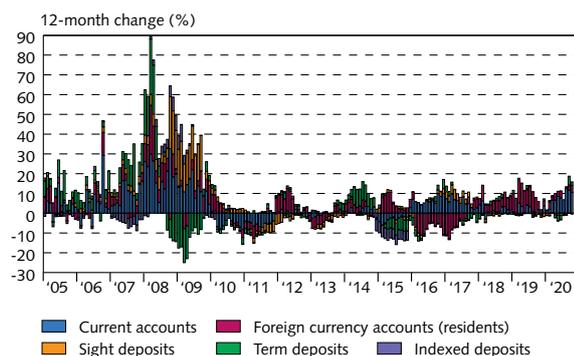
VII-4

Net new lending from DMBs, pension funds, and HFF to households



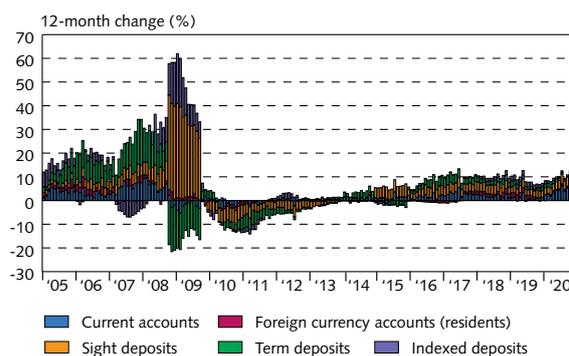
VII-5

Companies' deposits



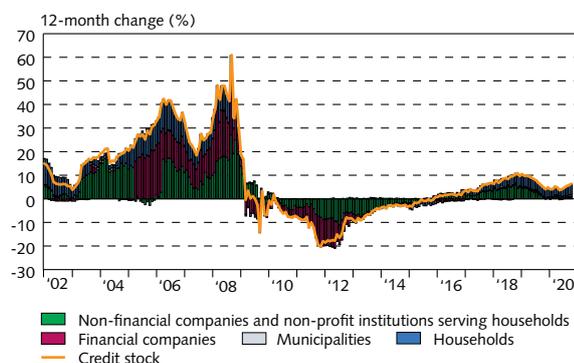
VII-6

Household deposits



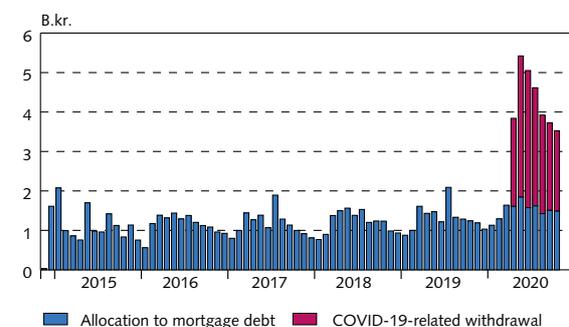
VII-7

Credit system lending to resident borrowers



VII-8

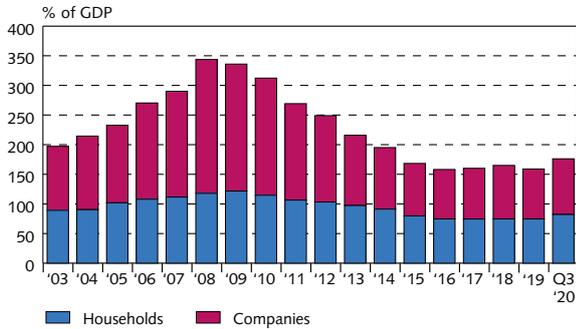
Third-pillar pension savings withdrawals



VII Households and businesses

VII-9

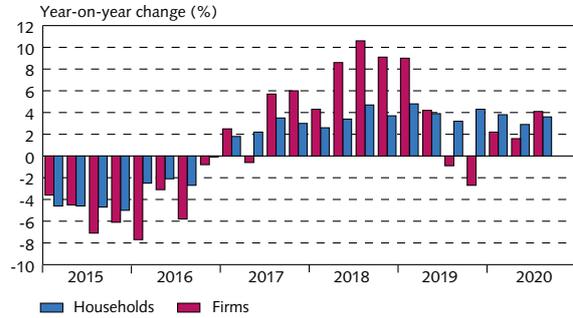
Household and non-financial corporate debt



Debt owed to financial undertakings and market bonds issued. Companies excluding financial institutions (which includes holding companies). GDP for 2020 is based on the Central Banks' latest baseline forecast. Annual data. Sources: Statistics Iceland, Central Bank of Iceland.

VII-10

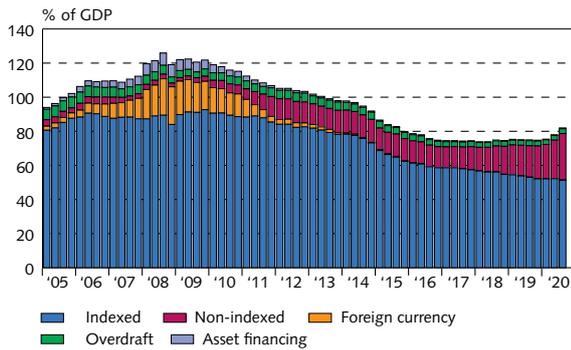
Real credit growth to households and firms



Year-on-year change in total credit to households and non-financial firms, excluding holding companies, deflated with the consumer price index. Claim value. Quarterly data. Sources: Statistics Iceland, Central Bank of Iceland.

VII-11

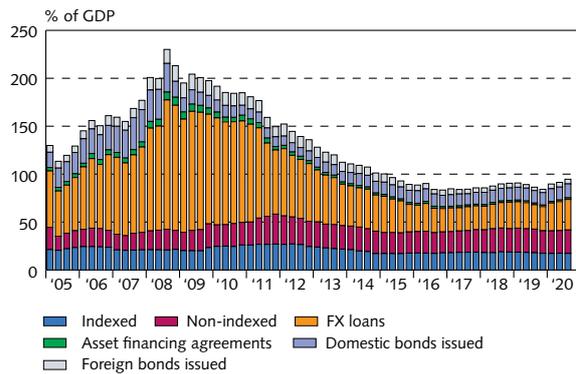
Household debt relative to GDP



Quarterly data. GDP computed as 4-quarter moving average and then multiplied by four. Sources: Statistics Iceland, Central Bank of Iceland.

VII-12

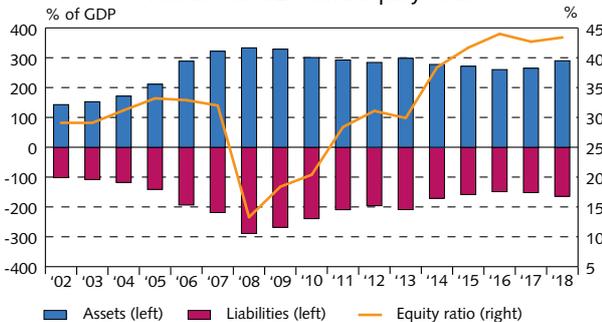
Companies debt relative to GDP



Debt owed to domestic and foreign financial undertakings and market bonds issued. Quarterly data. GDP computed as 4-quarter moving average and then multiplied by four. Sources: Statistics Iceland, Central Bank of Iceland.

VII-13

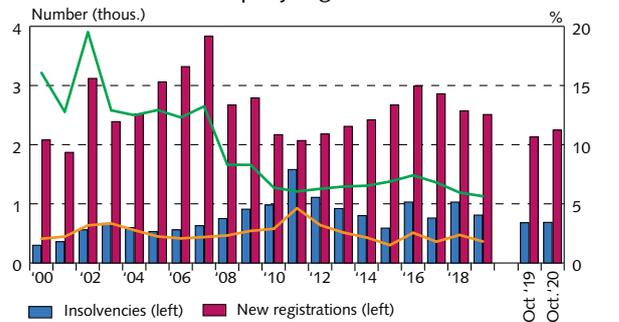
Companies assets and liabilities relative to GDP and equity ratio



Commercial economy excluding pharmaceuticals, financial, and insurance companies (ISAT no. 03-20, 22-63, 68-82, 95-96). Annual data. Sources: Statistics Iceland, Central Bank of Iceland.

VII-14

Corporate insolvencies and new company registrations

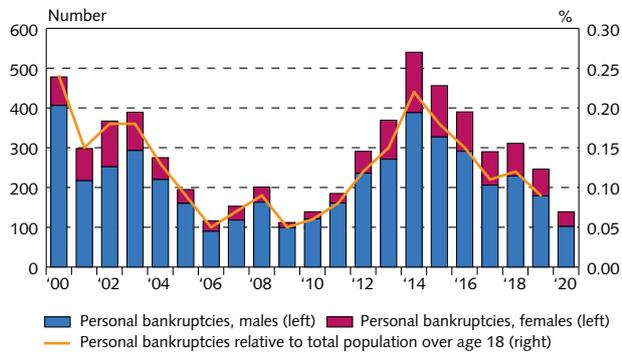


Annual and cumulative monthly data. Source: Statistics Iceland.

VII Households and businesses

VII-15

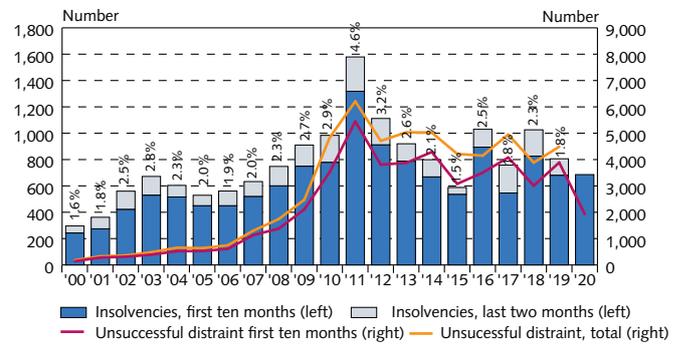
Personal bankruptcies



Total for entire year. January-August data for 2020.
Sources: Judicial Administration, Statistics Iceland.

VII-16

Companies insolvencies and unsuccessful distraint actions

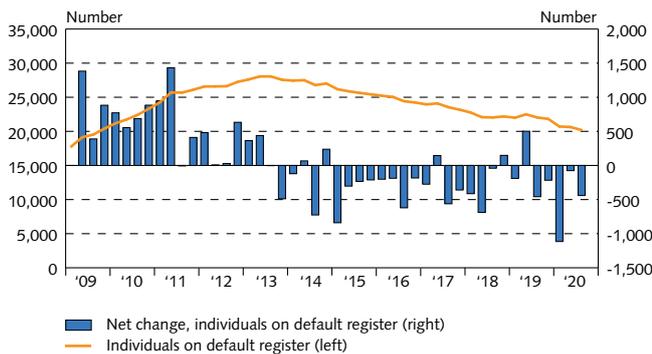


The percentages show bankruptcies as a share of the total number of firms.
Annual and cumulative monthly data.

Sources: Registers Iceland, Statistics Iceland, Central Bank of Iceland.

VII-17

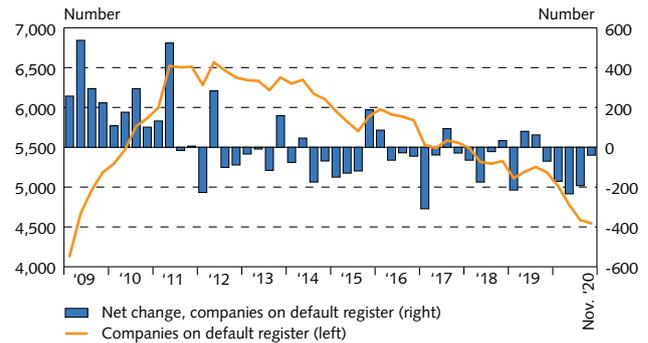
Individuals on default register



Quarterly data.
Source: CreditInfo.

VII-18

Companies on default register

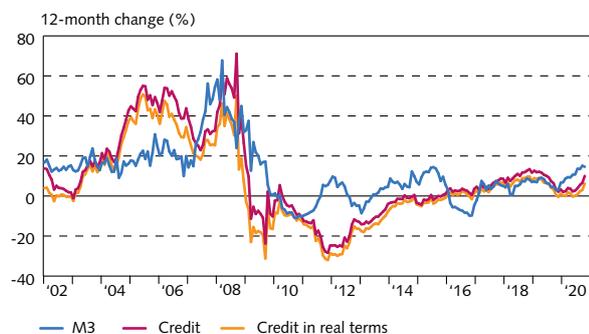


Quarterly data.
Source: CreditInfo.

VIII Financial markets

VIII-1

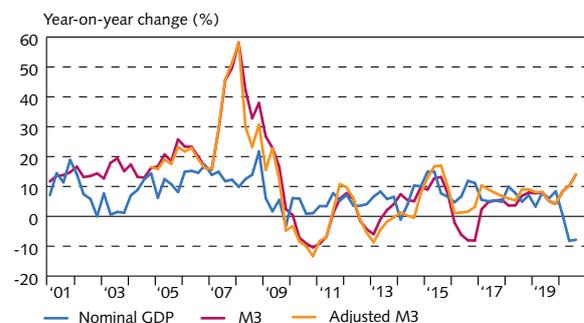
M3 and domestic bank credit



Loans are assessed at claim value. The series "credit in real terms" represents loans deflated by the CPI. Changes have been made to loan classification during the period shown. The data are therefore not fully comparable within the period. Further information can be found on the monetary statistics pages of the Central Bank website. Most recent figures are preliminary. Monthly data.
Sources: Statistics Iceland, Central Bank of Iceland.

VIII-2

Nominal GDP and M3

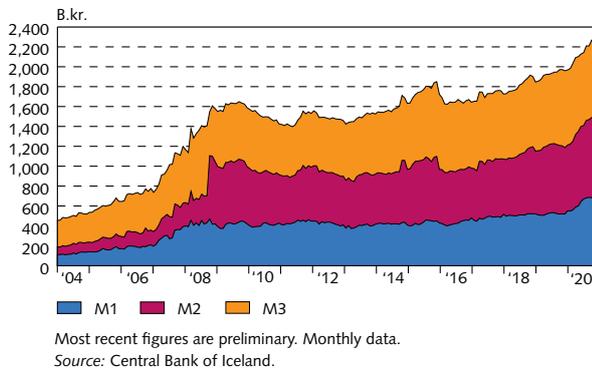


Adjusted M3 excludes deposits of failed financial institutions. Quarterly data.
Sources: Statistics Iceland, Central Bank of Iceland.

VIII Financial markets

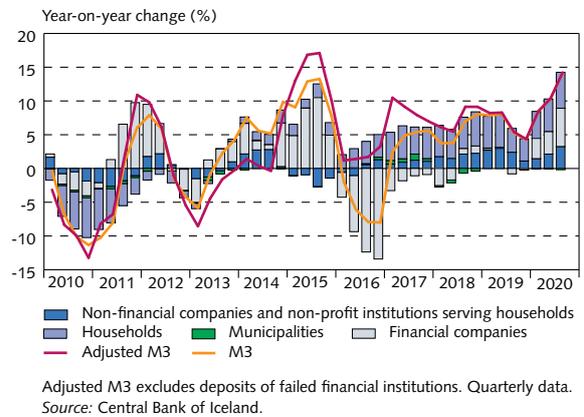
VIII-3

Money holdings



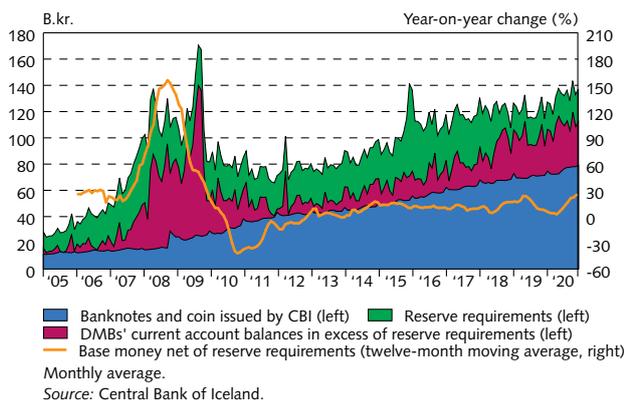
VIII-4

Components of money holdings



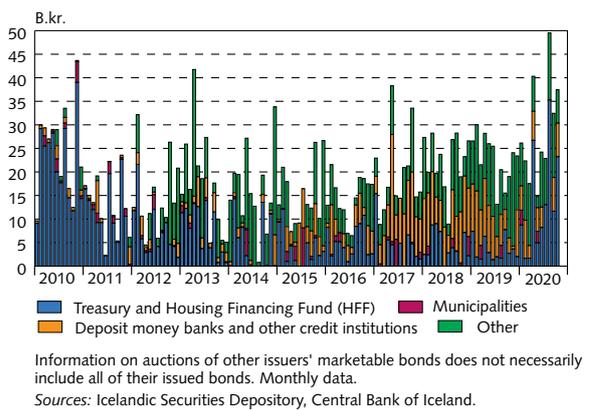
VIII-5

Components of Central Bank base money (M0)



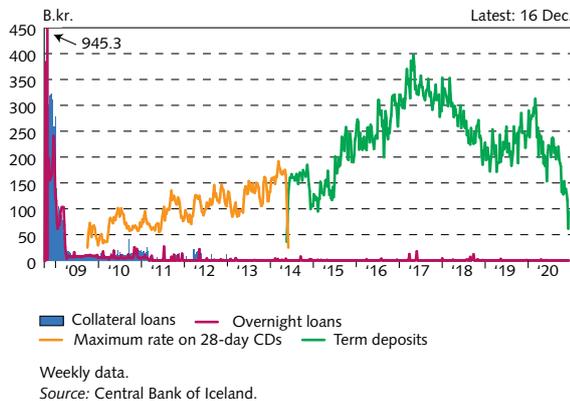
VIII-6

Bond auctions



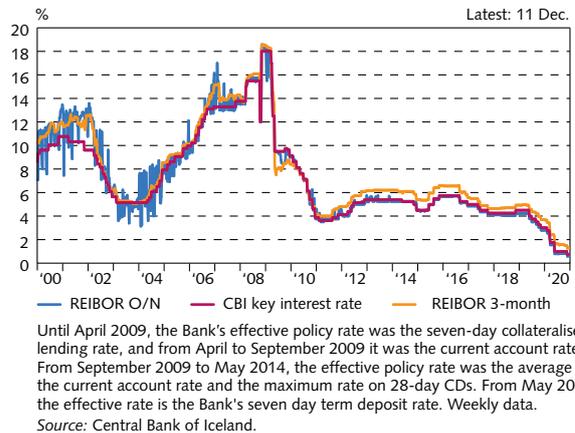
VIII-7

Transactions between financial institutions and the Central Bank



VIII-8

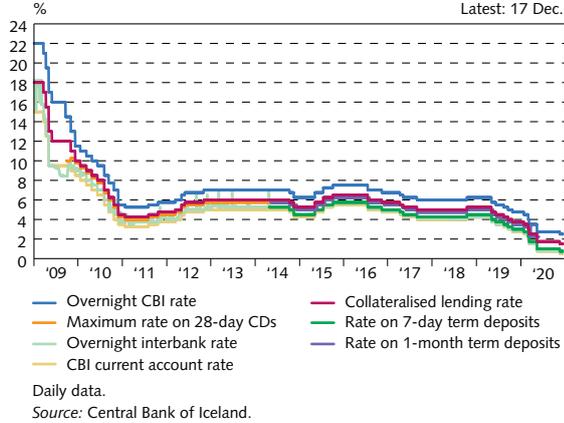
Central Bank key interest rate and money market interest rates



VIII Financial markets

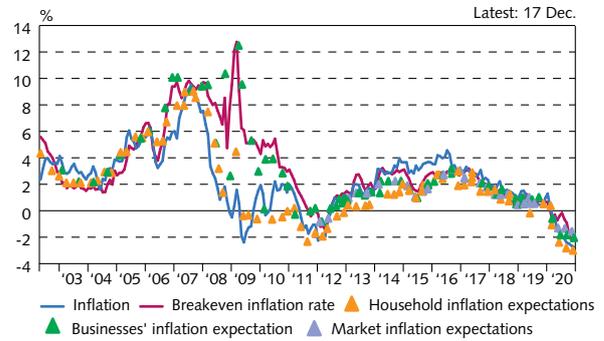
VIII-9

Central Bank of Iceland and short-term market interest rates



VIII-10

Central Bank of Iceland real interest rates

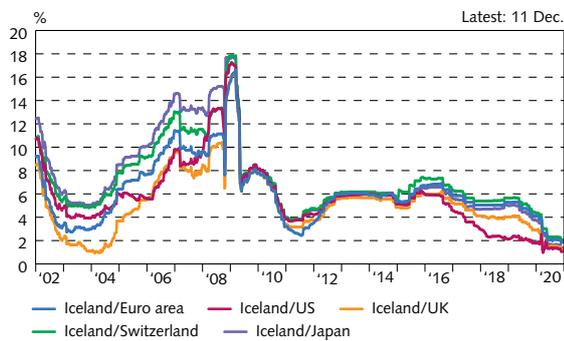


According to 12-month inflation and 1-year inflation expectations. Real interest rates according to breakeven inflation rate on Treasury notes are calculated based on Treasury note (RIKB 13 0517) and Treasury bond (RIKS 15 1001) yields until June 2004, and on the difference between the nominal and indexed yield curves onwards (monthly average). Until April 2009, the Bank's effective policy rate was the seven-day collateralised lending rate, and from April to September 2009 it was the current account rate. From September 2009 to May 2014, the effective policy rate was the average of the current account rate and the maximum rate on 28-day CDs. From May 2014, the effective rate is the Bank's seven day term deposit rate. Monthly data.

Sources: Gallup, Statistics Iceland, Central Bank of Iceland.

VIII-11

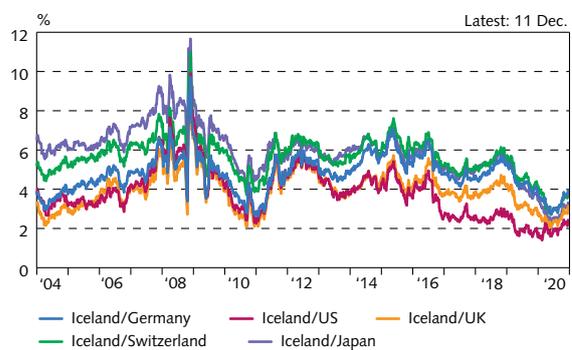
Short-term interest rate differential



3-month interbank rates. Weekly data.
 Source: Refinitiv Datastream.

VIII-12

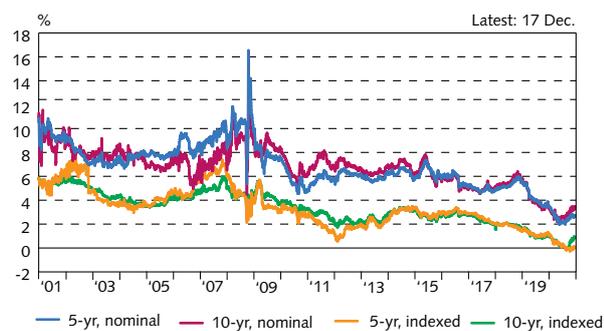
Long-term interest rate differential



Yields on non-indexed 10-year Treasury bonds are used. Weekly data.
 Source: Refinitiv Datastream.

VIII-13

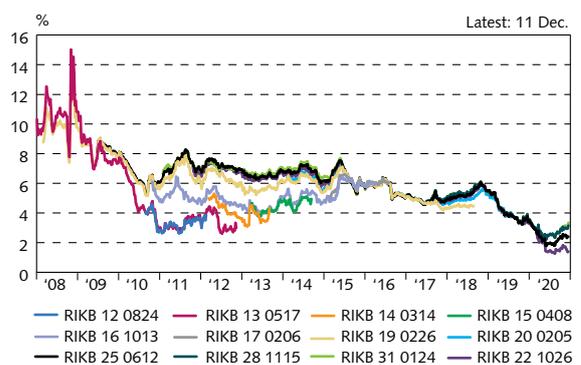
Government-guaranteed bond yields



Based on the zero-coupon yield curve, estimated with the Nelson-Siegel method, using money market interest rates and Government-guaranteed bonds.
 Source: Central Bank of Iceland.

VIII-14

Yields on nominal Treasury bonds

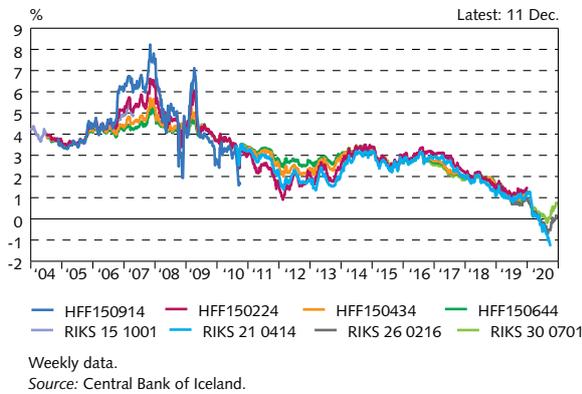


Weekly data.
 Source: Central Bank of Iceland.

VIII Financial markets

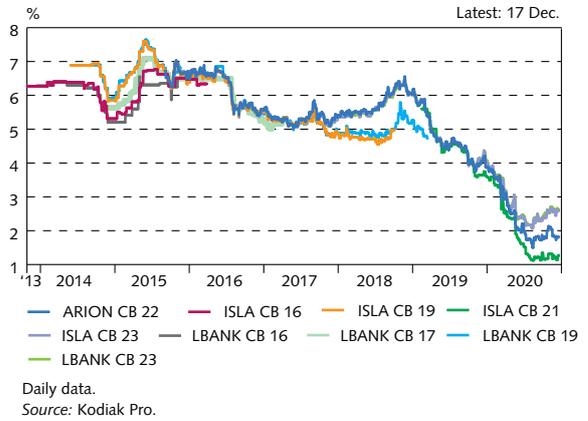
VIII-15

Yields on indexed Treasury and HFF bonds



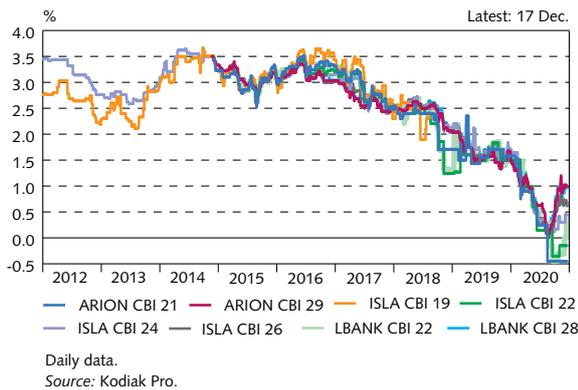
VIII-16

Yields on DMB nominal covered bonds



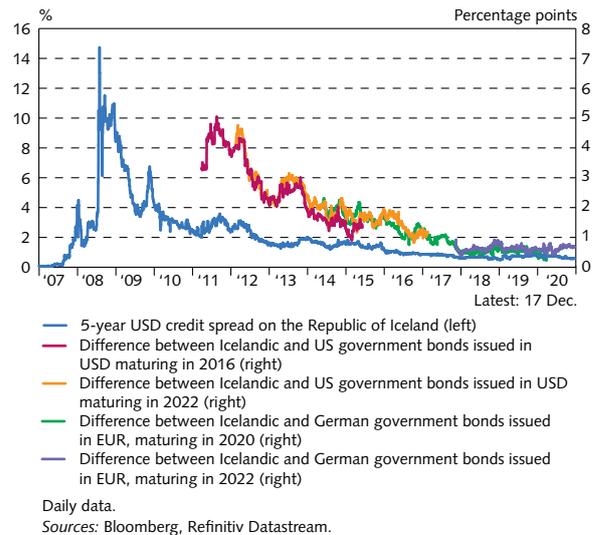
VIII-17

Yields on DMB indexed covered bonds



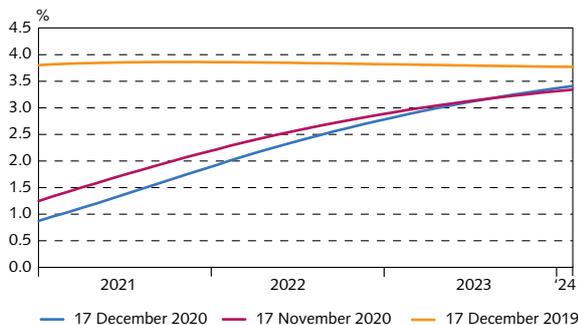
VIII-18

Risk premia on the Icelandic Treasury



VIII-19

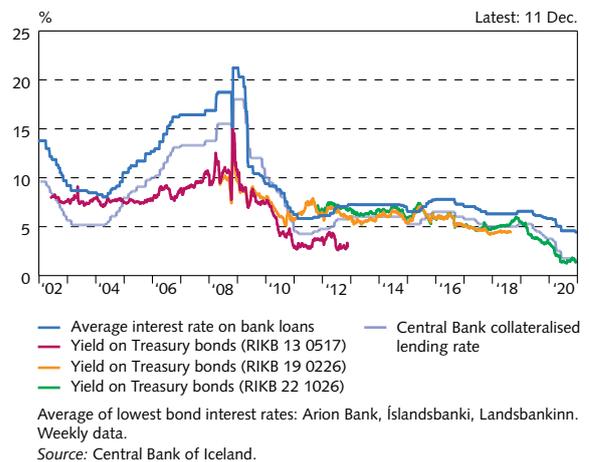
Forward market interest rates



The Central Bank's key interest rate and Treasury bond yields were used to estimate the yield curve, using the Nelson-Siegel method. The valuation is subject to some uncertainty because of the small number of Treasury notes underlying the calculations.
Source: Central Bank of Iceland.

VIII-20

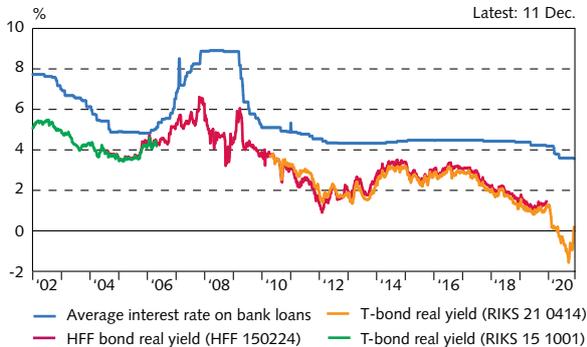
Nominal interest rates



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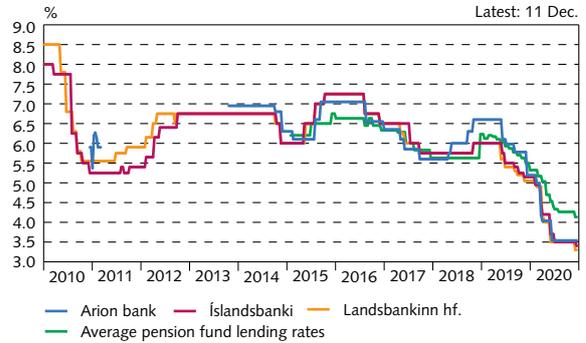
Indexed interest rates



Average of lowest bond interest rates: Arion Bank, Íslandsbanki, Landsbankinn. Weekly data.
Source: Central Bank of Iceland.

VIII-22

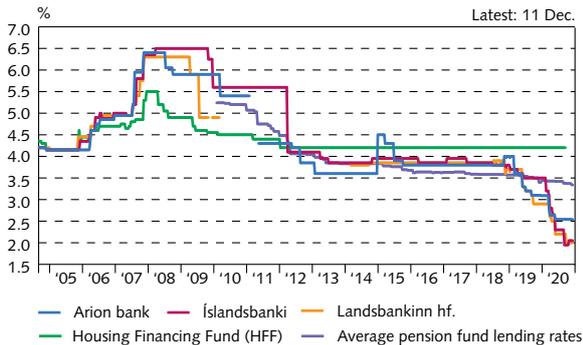
Interest rates on nominal housing loans



Lowest floating rates for non-indexed housing loans. No data for Arion bank for the time periods 11 March 2010 - 11 February 2011 and 11 May - 1 December 2013. Average pension fund lending rates is the average of the lending rates charged by Gildi, Lífsverk and LSR. 10-day data except for pension fund data, which are monthly.
Source: Central Bank of Iceland.

VIII-23

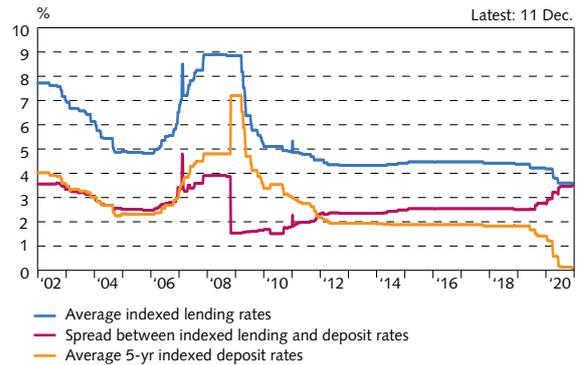
Interest rates on indexed housing loans



Lowest fixed rates for indexed housing loans. Housing Financing Fund interest rates are indexed housing loan rates with prepayment penalty for December 2005 onwards, and without prepayment before that time. Average pension fund lending rates is the average of the lending rates charged by Almenni, Festa, Frjálsi, Gildi, Lífsverk, LSR, The pension fund of commerce, Stapi, and Söfnunarsjóður lífeyrisréttinda. 10-day data except for pension fund data, which are monthly.
Sources: Housing Financing Fund, Central Bank of Iceland.

VIII-24

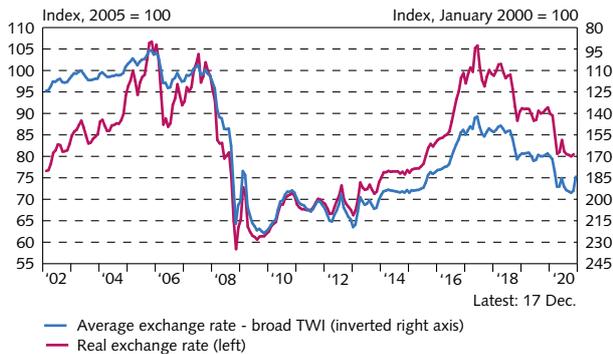
Banks' indexed lending and deposit rates



Average interest rates: Arion Bank, Íslandsbanki, Landsbankinn. Weekly data.
Source: Central Bank of Iceland.

VIII-25

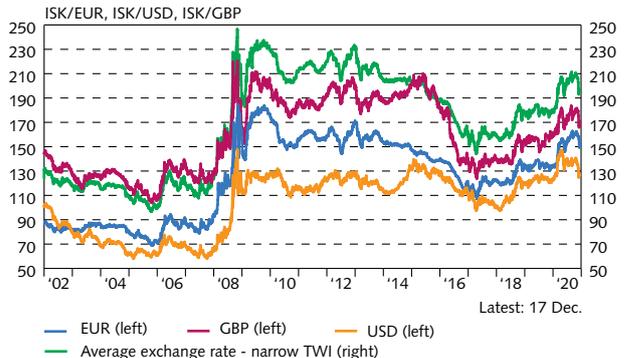
Nominal and real effective exchange rate of the króna



Monthly data.
Source: Central Bank of Iceland.

VIII-26

Exchange rate of foreign currencies against the króna

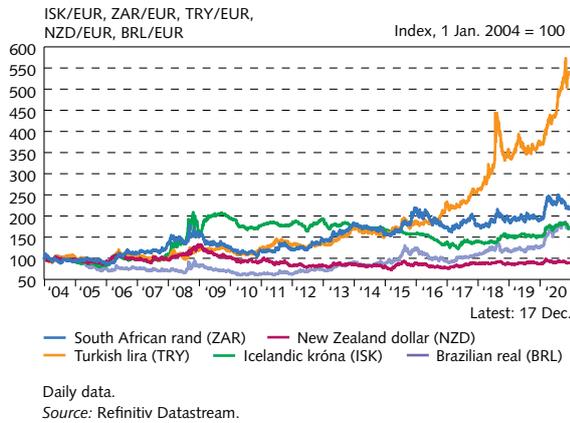


Daily data.
Source: Central Bank of Iceland.

VIII Financial markets

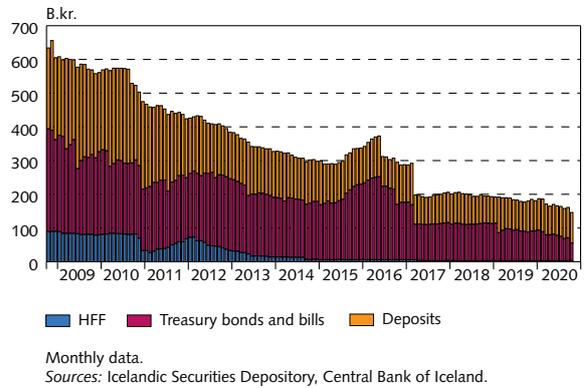
VIII-27

Exchange rate of the euro against other currencies



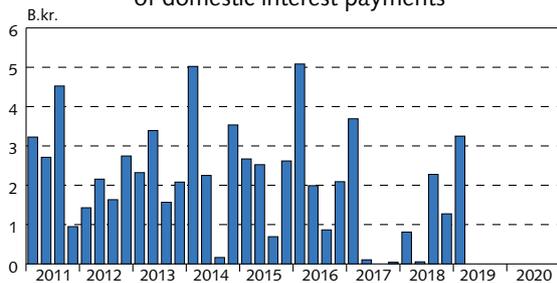
VIII-28

Non-residents' króna assets



VIII-29

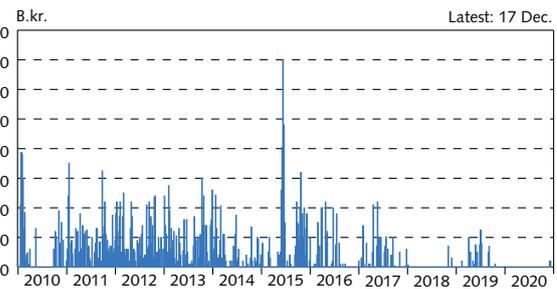
Non-residents' repatriation of domestic interest payments



The figures above are based on information provided to the Central Bank by domestic financial institutions, on non-residents' foreign exchange transactions involving payments of interest and indexation on deposits with domestic financial institutions and ISK-denominated bonds issued by domestic parties. In comparing the amounts, it should be borne in mind that regulatory provisions on foreign exchange transactions involving interest payments have changed between periods. The Central Bank considers data from the years 2009 and 2010 not reliable enough for official publication. The data imply, however, that foreign exchange transactions resulting from non-residents' interest payments have been on the decline between these periods. Quarterly data.
Source: Central Bank of Iceland.

VIII-30

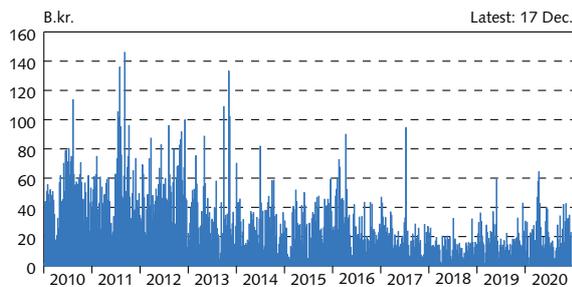
Turnover on the interbank market for krónur



Weekly data.
Source: Central Bank of Iceland.

VIII-31

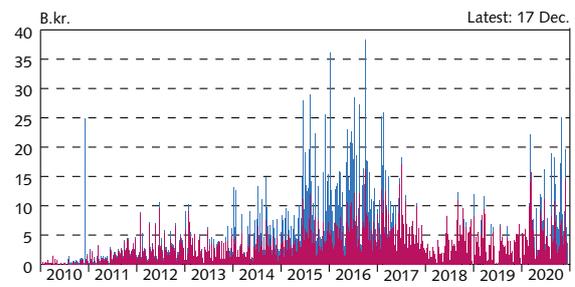
Bond market turnover



Weekly data.
Source: Nasdaq Iceland.

VIII-32

Foreign exchange market turnover

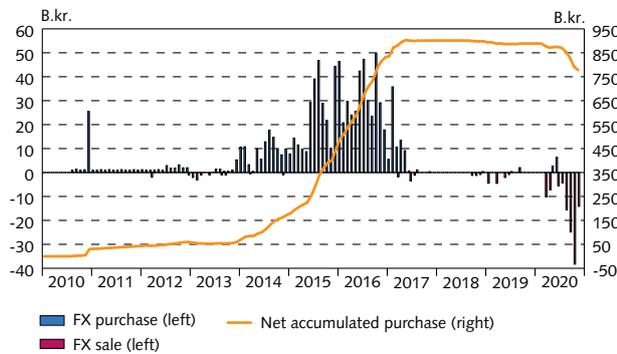


Weekly data.
Source: Central Bank of Iceland.

VIII Financial markets

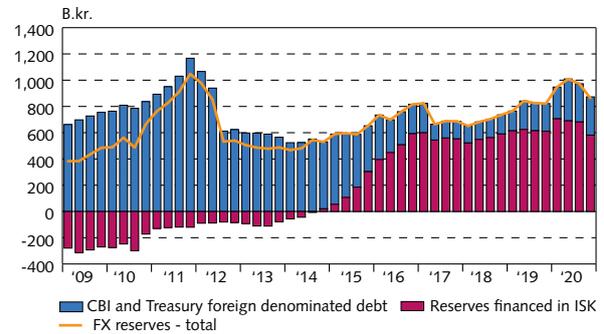
VIII-33

Central Bank intervention in foreign exchange market



VIII-34

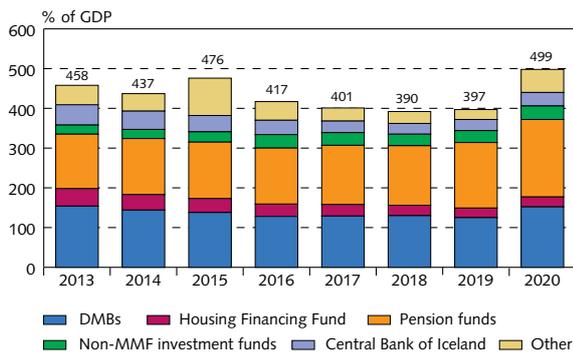
Central Bank of Iceland foreign exchange reserves



IX The financial system

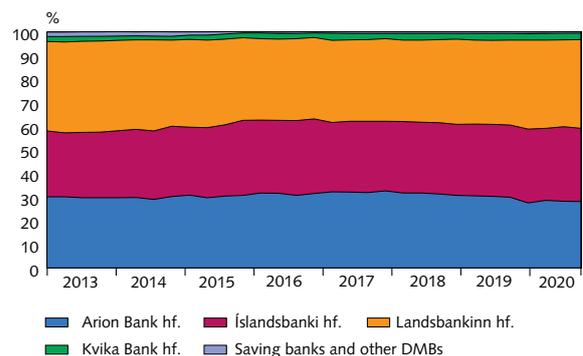
IX-1

Financial system assets relative to GDP



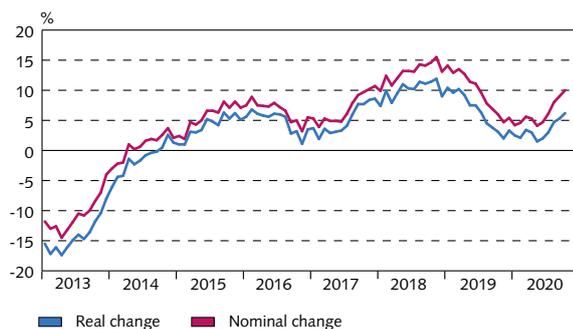
IX-2

DMBs share of total assets



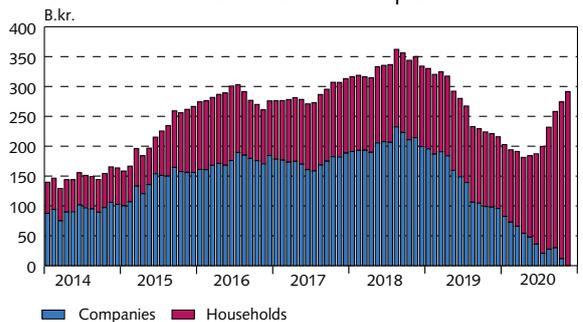
IX-3

D-SIB lending to households and companies



IX-4

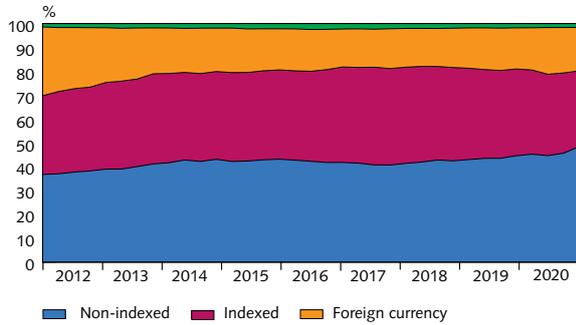
D-SIB net new lending to households and companies



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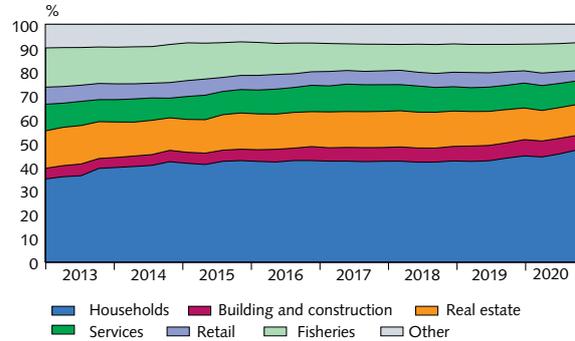
DMB distribution of loans by type



Parent companies. Loans by each type as a share of total lending to households and operating companies. Foreign currency loans include exchange rate-linked loans. Quarterly data. Source: Central Bank of Iceland.

IX-6

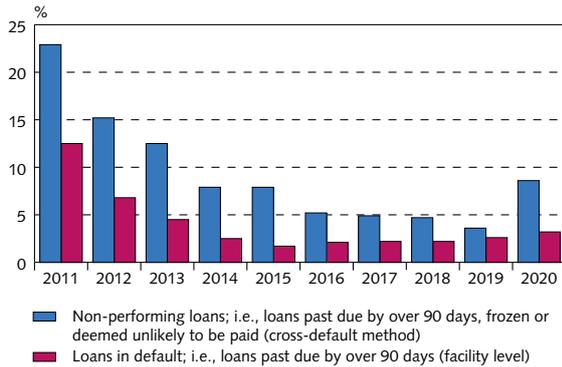
D-SIB lending classified by borrower



Loans to each sector as a share of total lending to households and operating companies. Quarterly data. Source: Central Bank of Iceland.

IX-7

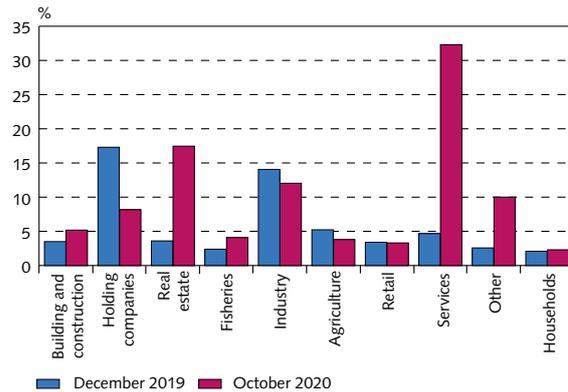
D-SIB default ratios



Parent companies, book value. EBA definition for non-performing loans used from 2018 onwards (red). According to the cross-default method, all of a borrower's loans are considered non-performing if one loan is frozen or in arrears by 90 days or more, or if the borrower is deemed unlikely to pay their obligations when due. Annual data. Q3 data for 2020 for loans in default and October data for non-performing loans. Source: Central Bank of Iceland.

IX-8

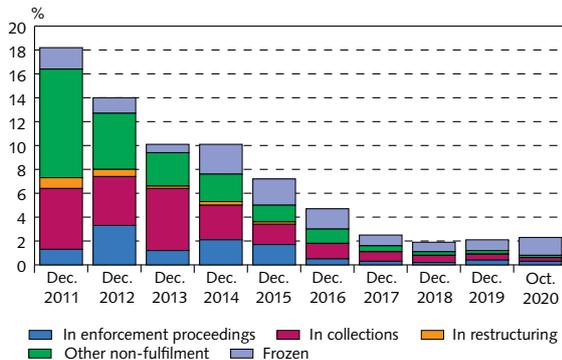
D-SIB non-performing loan ratios



Parent companies, book value. Non-performing loans according to the cross-default method, according to which all of a borrower's loans are considered non-performing if one loan is frozen or in arrears by 90 days or more, or if the borrower is deemed unlikely to pay their obligations when due. Source: Central Bank of Iceland.

IX-9

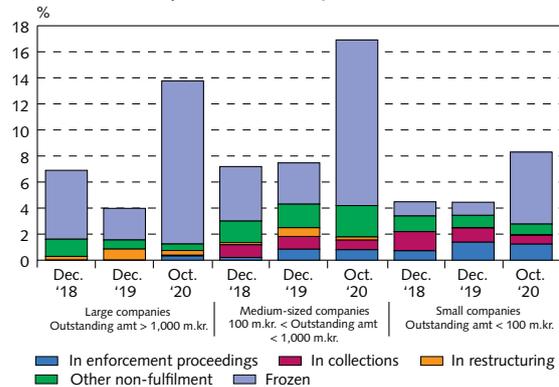
Status of D-SIBs non-performing loans to households



Parent companies, book value. Source: Central Bank of Iceland.

IX-10

Status of D-SIBs non-performing corporate loans, by claim amount

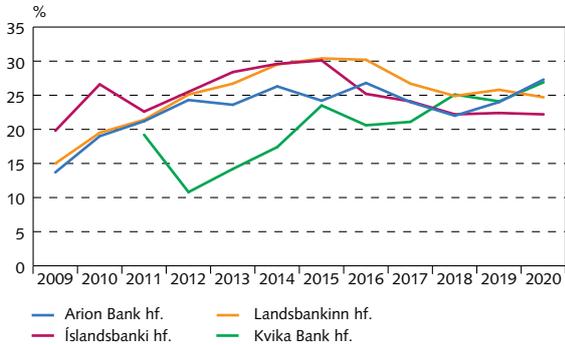


Percentage of total loans in each size category. Parent companies, book value. Source: Central Bank of Iceland.

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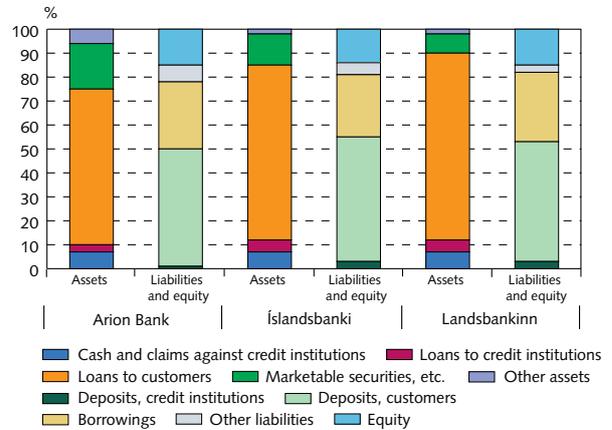
Commercial bank's capital adequacy ratios



Consolidated figures. Capital base as % of risk-weighted base. CAR for MP Bank until end of year 2014. Annual data. Q3 data for 2020.
Sources: Commercial banks' financial statements.

IX-12

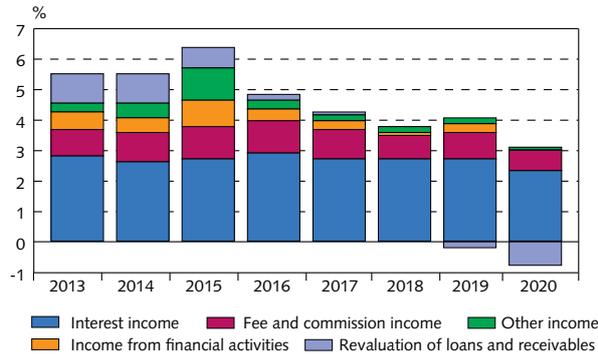
D-SIB assets and liabilities



End of Q3 2020. Consolidated accounts.
Sources: Commercial banks' financial statements, Central Bank of Iceland.

IX-13

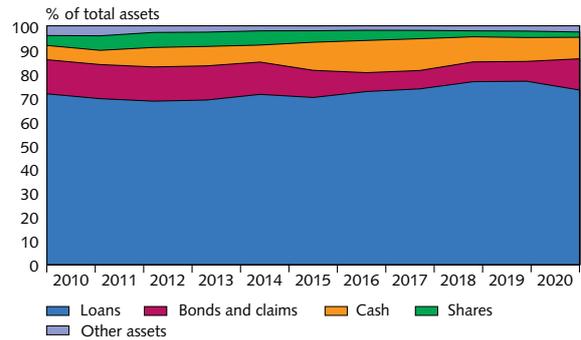
Ratio of D-SIB operating income to total assets



Consolidated figures. Annual data. Q3 data for 2020.
Sources: Commercial banks' financial statements, Central Bank of Iceland.

IX-14

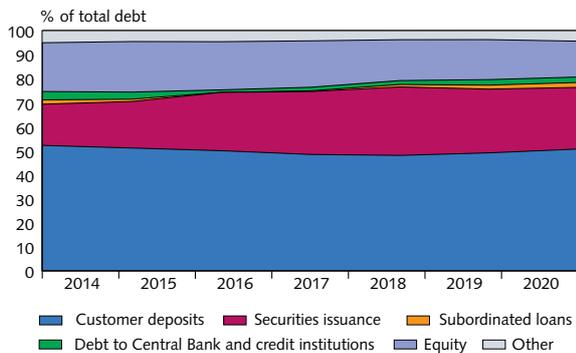
D-SIB assets



Parent companies. Annual data. Q3 data for 2020.
Source: Central Bank of Iceland.

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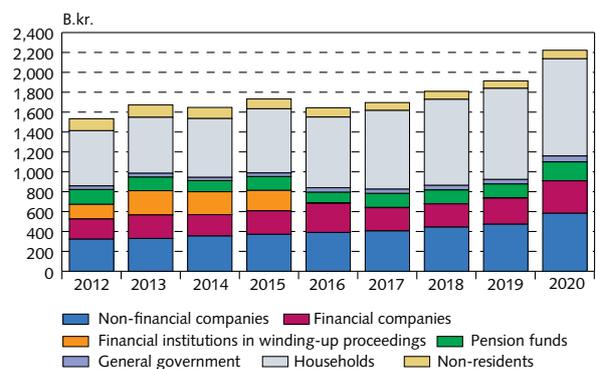
D-SIB funding



Parent companies. Annual data. Q3 data for 2020.
Sources: Statistics Iceland, Central Bank of Iceland.

IX-16

D-SIB depositors

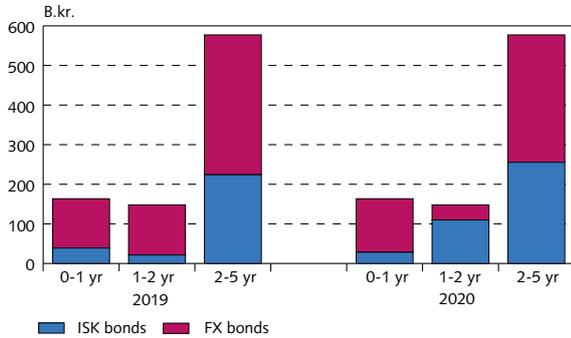


Parent companies. Annual data. Q3 data for 2020.
Source: Central Bank of Iceland.

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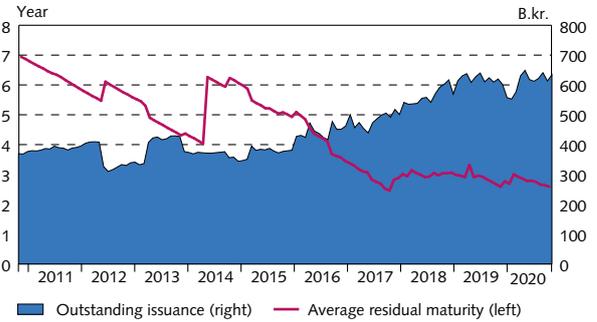
D-SIB bond maturities



Instalments and interest. Parent companies figures. As of end-October each year.
Source: Central Bank of Iceland.

IX-18

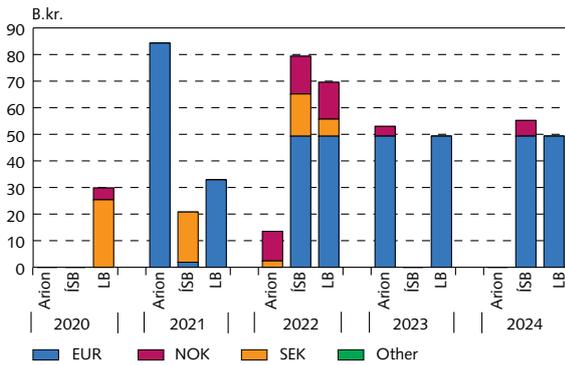
D-SIB average residual maturity and total issuance of funding in foreign currency



Monthly data.
Sources: Nasdaq Iceland, Central Bank of Iceland.

IX-19

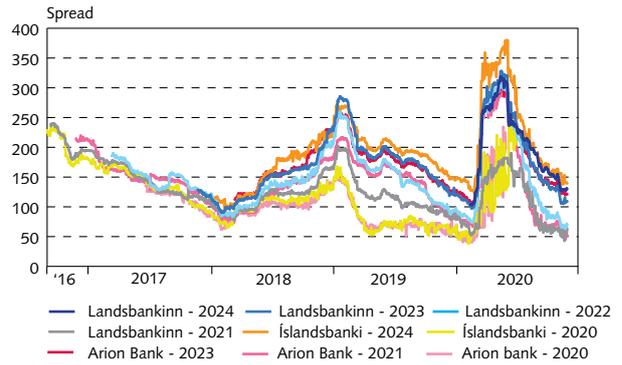
D-SIB foreign bonds by maturity and currency



At 31 October 2020 exchange rate. Not included in the chart is Arion Bank NOK issue maturing in 2027, in the total amount of 3.7 b.kr., and Tier 2 issuance from Arion Bank, Íslandsbanki, and Landsbankinn.
Source: Nasdaq Iceland.

IX-20

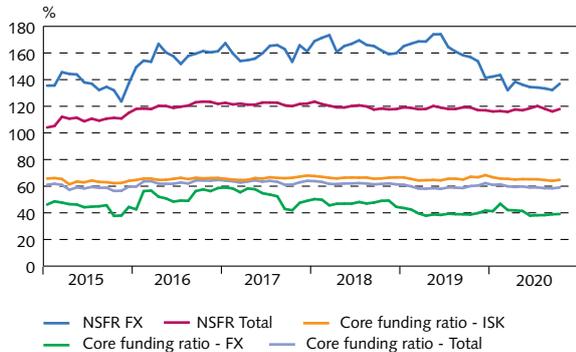
D-SIB spread on listed foreign bonds, EUR



Spread on Euro benchmark curve. Daily data.
Source: Refinitiv Datastream.

IX-21

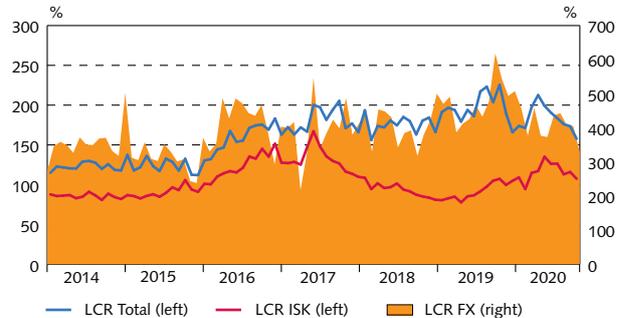
D-SIB NSFR ratio and ratio of core funding to total funding



Core funding is defined here as deposits held by resident individuals and non-financial companies (excluding pension funds), plus capital, subordinated loans, and issued negotiable securities with a residual maturity of more than three years. According to Central Bank rules on stable funding, the Bank also monitors the NSFR for all currencies combined. Monthly data.
Source: Central Bank of Iceland.

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D-SIB liquidity coverage ratio

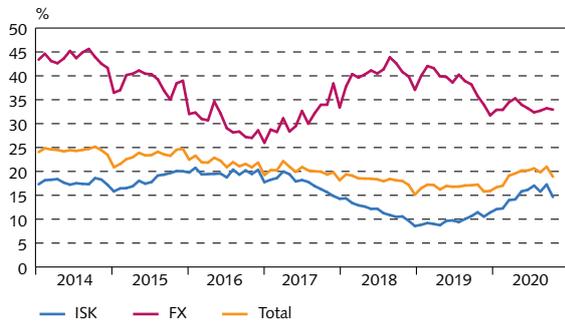


Consolidated figures. Monthly data.
Source: Central Bank of Iceland.

IX The financial system

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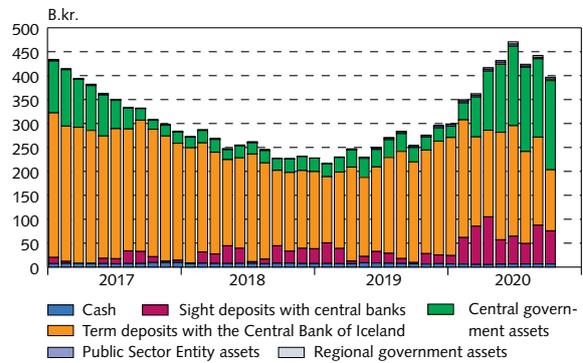
DMB's ratio of liquid assets to total assets



Parent companies. Monthly data.
Source: Central Bank of Iceland.

IX-24

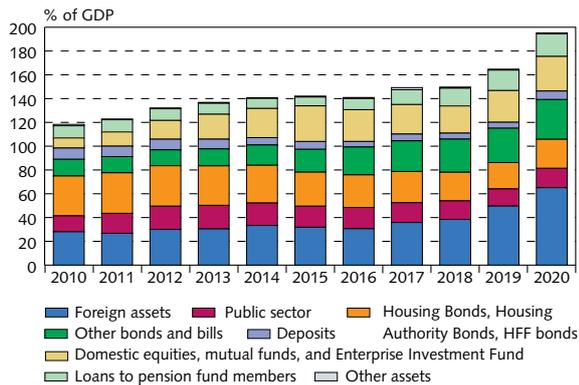
D-SIB liquid assets



Liquid assets in Icelandic krónur. Parent companies. Monthly data.
Source: Central Bank of Iceland.

IX-25

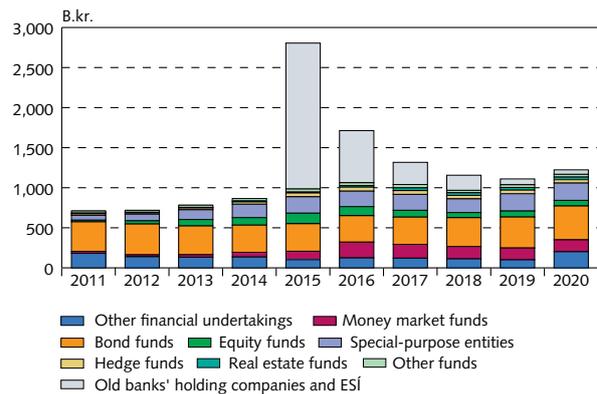
Pension funds' distribution of assets



Q3 2020 based on preliminary figures. Annual data. Data for the first three quarters of 2020. GDP for 2020 is based on the Central Banks' latest baseline forecast.
Sources: Statistics Iceland, Central Bank of Iceland.

IX-26

Size of other financial intermediaries



Constant prices. Other financial intermediaries are mutual funds (UCITS), investment funds, and institutional investment funds; special purpose vehicles, securities companies, brokers, and miscellaneous credit institutions. Annual data. Q3 data for 2020.
Source: Central Bank of Iceland.