



2022 | 1



# ECONOMIC INDICATORS

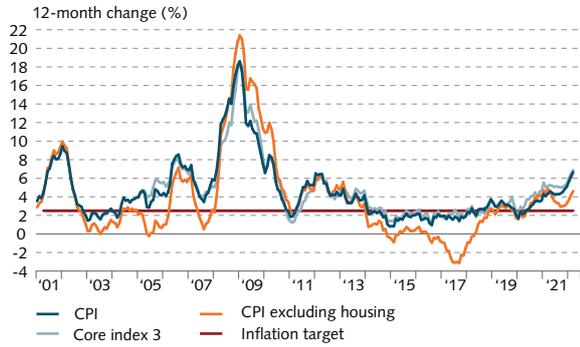
# Contents

I	Inflation and inflation expectations	3
II	Output and demand	6
III	Foreign trade and external economic conditions	9
IV	Labour market and wages	14
V	Public finances	17
VI	Asset markets	19
VII	Households and businesses	22
VIII	Financial markets	25
IX	The financial system	30

# I Inflation and inflation expectations

I-1

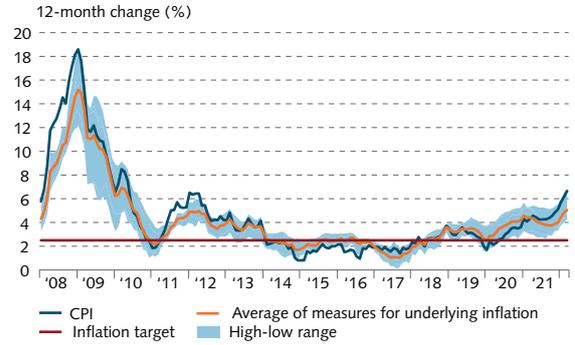
Inflation



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

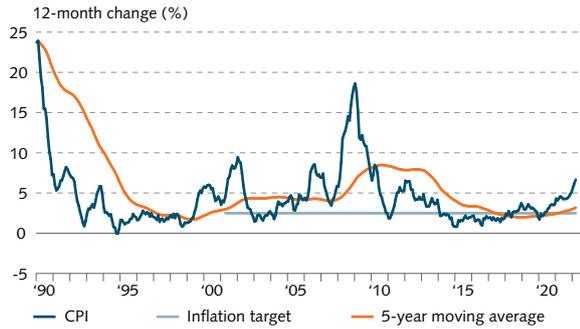
Inflation and underlying inflation



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

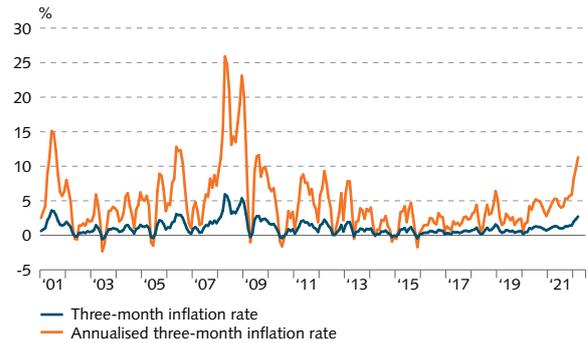
Inflation



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

I-4

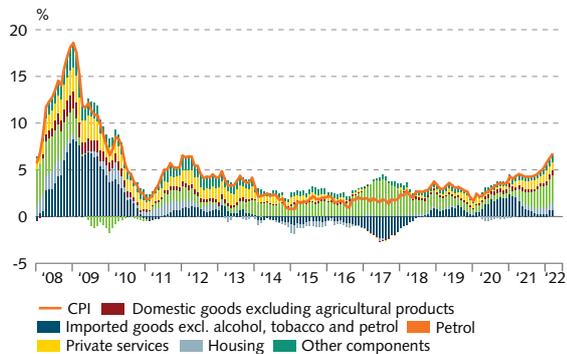
Seasonally adjusted inflation



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

I-5

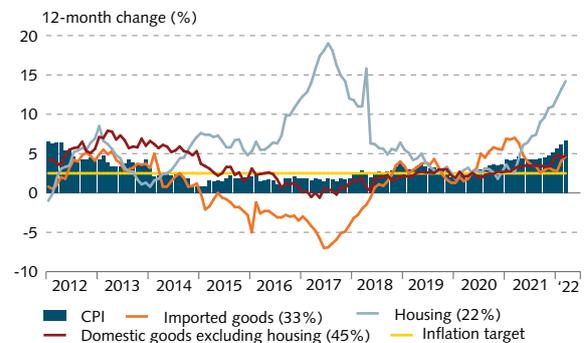
Components of CPI inflation



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

I-6

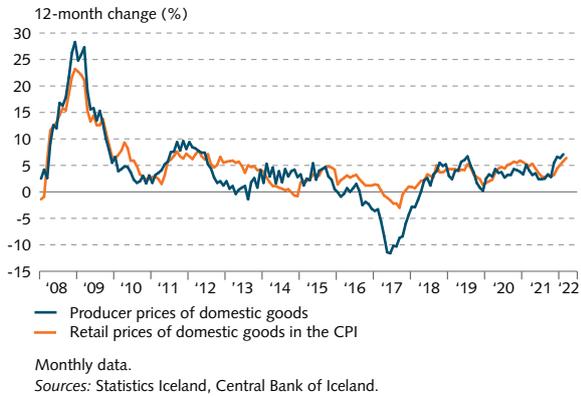
Domestic and imported goods prices



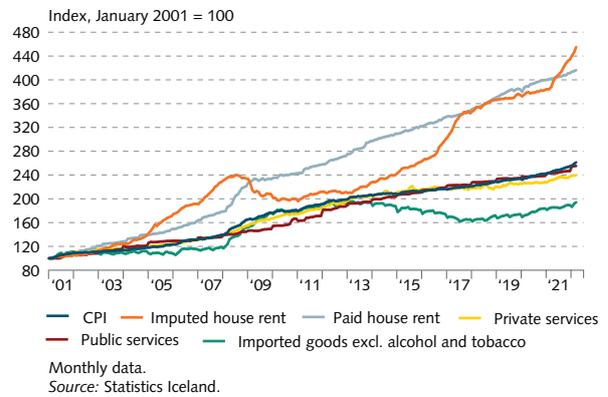
Prices of imported goods are estimated using the prices of imported food and beverages, new motor vehicles and spare parts, petrol, and other imported goods. Prices of domestic goods are estimated using the prices of domestic goods and private and public services. The figures in parentheses show the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

# I Inflation and inflation expectations

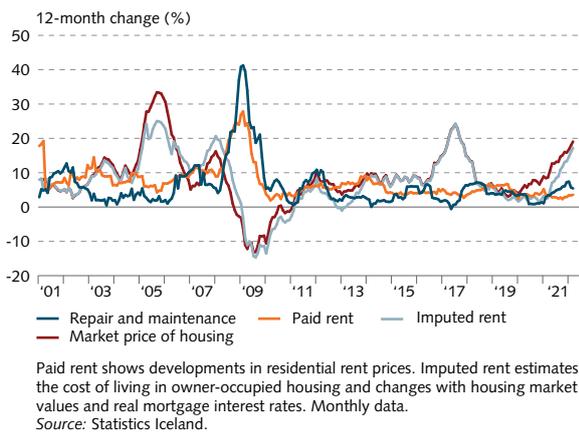
I-7  
Production and retail prices of domestic goods



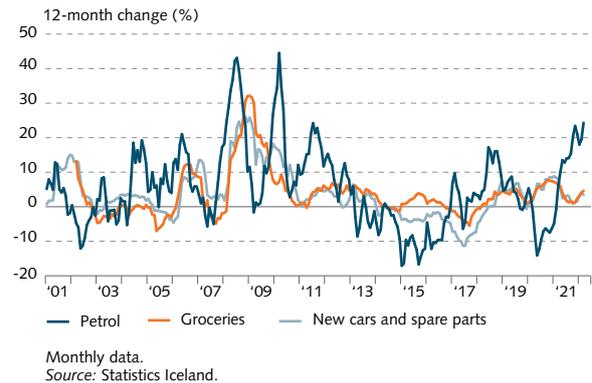
I-8  
Price developments: housing, goods and services



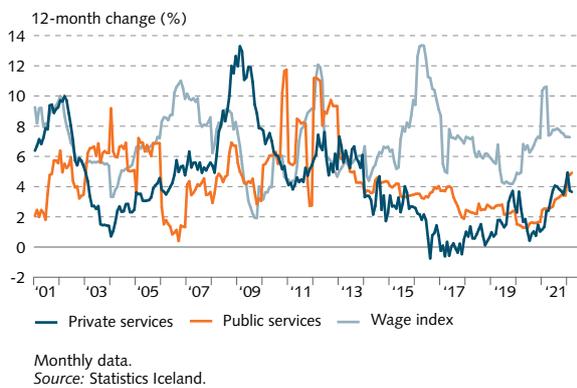
I-9  
Price developments: housing



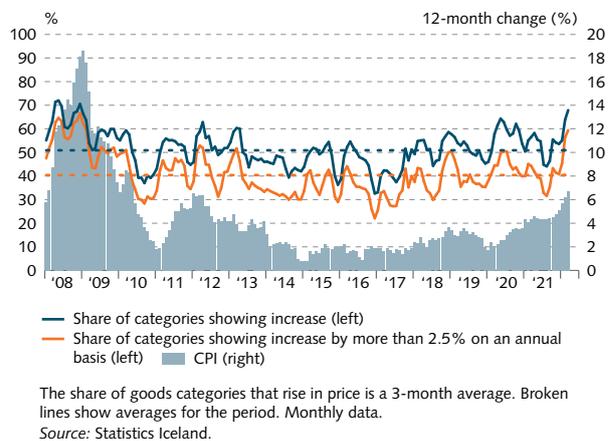
I-10  
Price developments: various components



I-11  
Price developments: wages and services



I-12  
Distribution of price increases in the CPI



# I Inflation and inflation expectations

I-13

Breakeven inflation rates

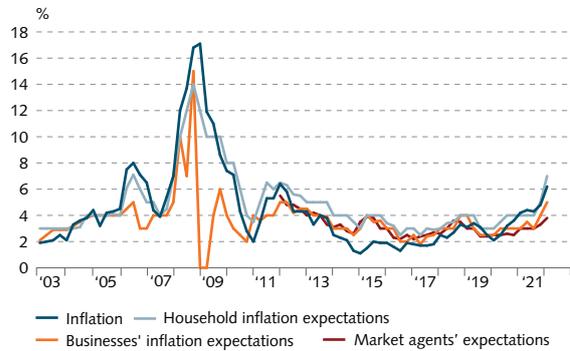


Breakeven inflation rates are calculated from yield spreads between nominal and index-linked Government and Government-guaranteed bonds (5-day moving averages). Daily data.

Sources: 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

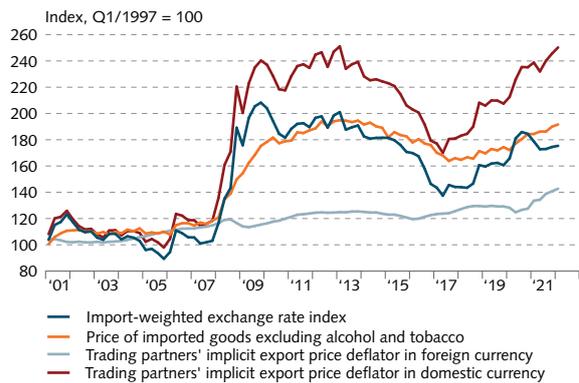


Inflation expectations according to surveys carried out by Gallup and the Central Bank. Respondents are asked about average inflation 5/10 years ahead and median figures are used. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

I-16

Import price levels and exchange rate developments

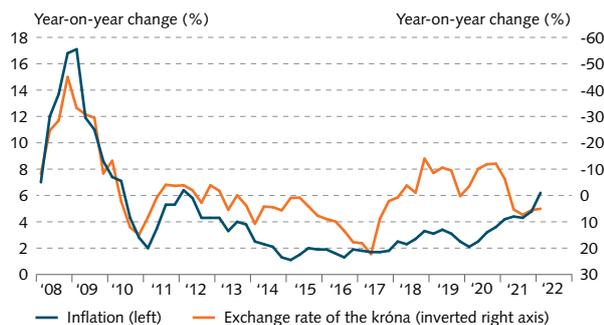


Import-weighted exchange rate index and price of imported goods excluding alcohol and tobacco in the CPI. Trading partners' implicit export price deflator is weighted using the import weights from the narrow trade-weighted basket and its latest value is based on the Bank's most recent baseline forecast.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

Sources: Statistics Iceland, Central Bank of Iceland.

I-17

Inflation and exchange rate of the króna

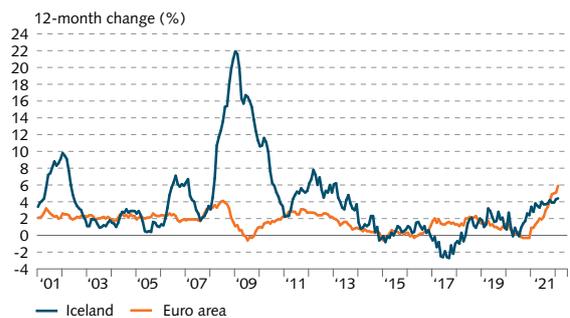


Inflation based on CPI. Based on the narrow trade-weighted exchange rate of the króna. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

I-18

Inflation in Iceland and Europe



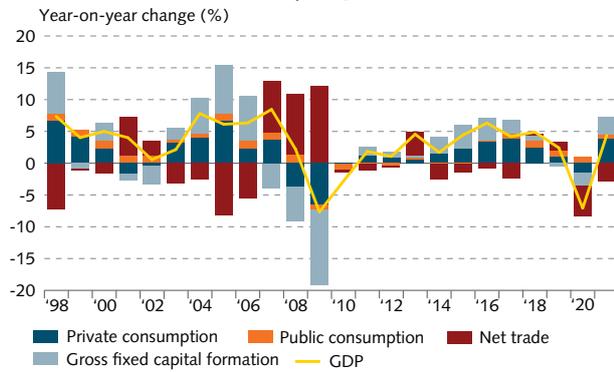
Harmonised indices of consumer prices. Monthly data.

Source: Statistics Iceland.

## II Output and demand

II-1

Contribution of individual components to output growth

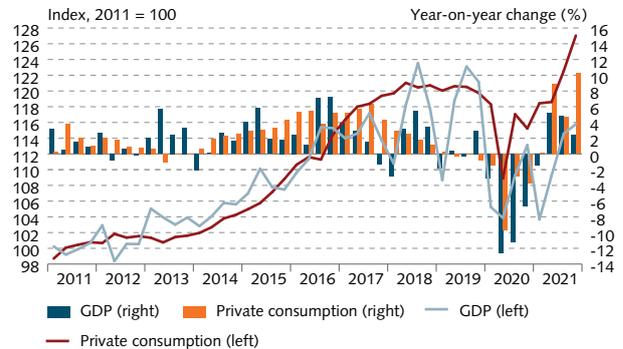


Contribution of individual components to output growth. Change on a year earlier. Annual data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-2

GDP and private consumption per capita

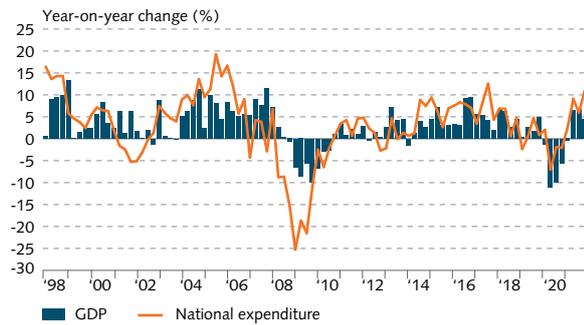


National accounts figures are seasonally adjusted. GDP seasonally adjusted by the Central Bank. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-3

Output growth and national expenditure

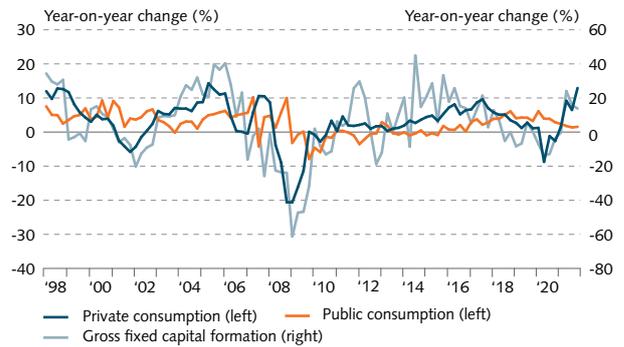


Quarterly data.

Source: Statistics Iceland.

II-4

Private consumption, public consumption and gross fixed capital formation

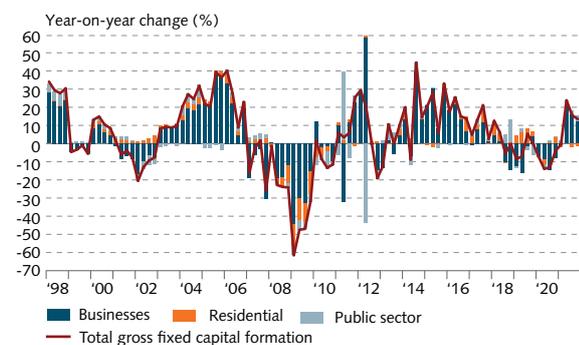


Quarterly data.

Source: Statistics Iceland.

II-5

Gross fixed capital formation

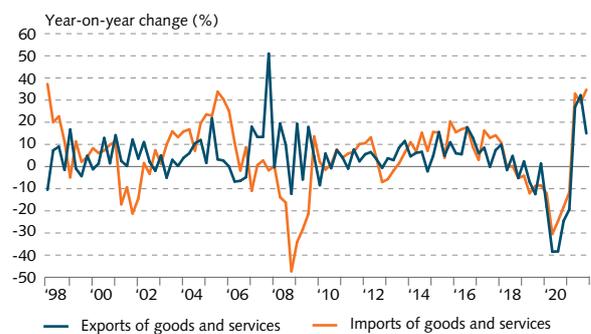


Contribution of individual items to gross capital formation. Quarterly data.

Source: Statistics Iceland.

II-6

Foreign trade



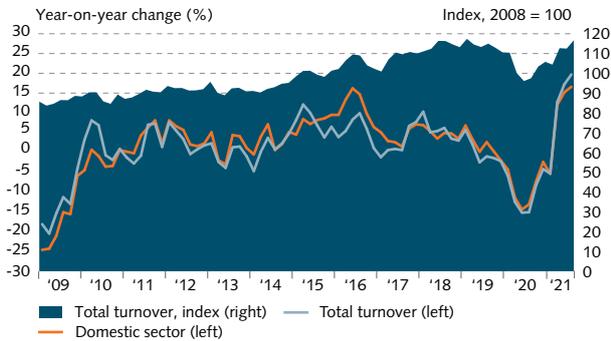
Quarterly data.

Source: Statistics Iceland.

## II Output and demand

II-7

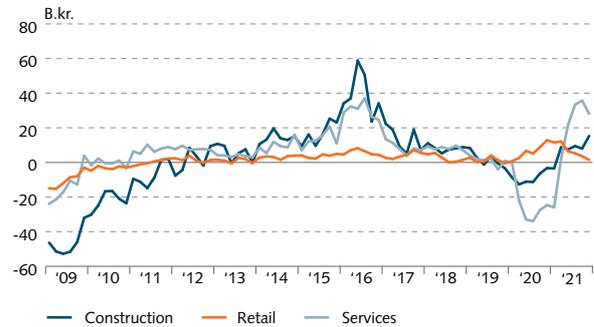
Turnover according to VAT returns



Deflated by the CPI. Seasonally adjusted data for two-month periods.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-8

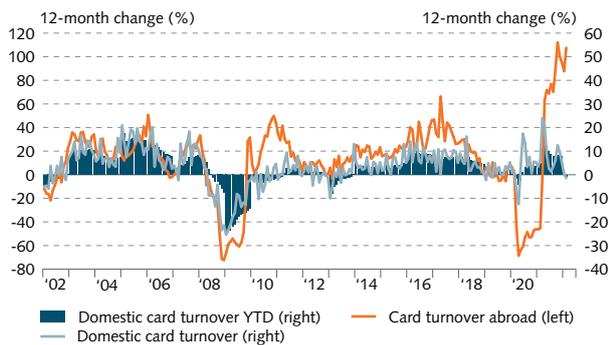
Turnover according to VAT returns



Service sector is deflated by the CPI. Retail sector is deflated by the CPI excluding housing and petrol, and construction sector is deflated by the CPI. Seasonally adjusted data for two-month periods.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-9

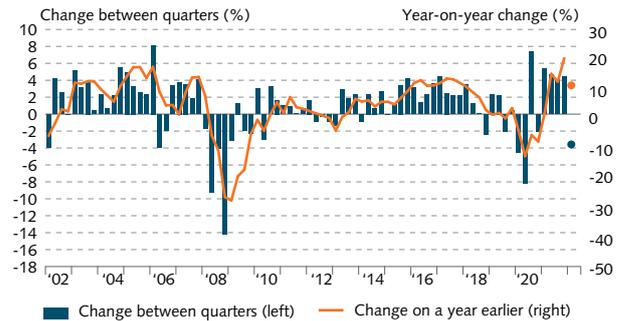
Payment card turnover



Debit and credit cards issued in Iceland. Card turnover deflated with the CPI excluding housing. Turnover abroad is deflated with the exchange rate index. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-10

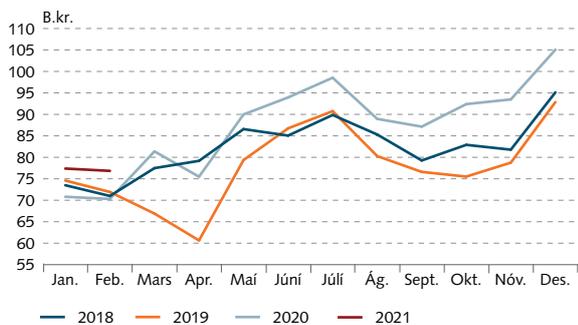
Total household payment card turnover



Debit and credit cards issued in Iceland. Seasonally adjusted debit and credit card turnover deflated by the CPI less housing costs. Turnover abroad is deflated by the exchange rate index. Points show 2-month average of values in January and February. Quarterly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-11

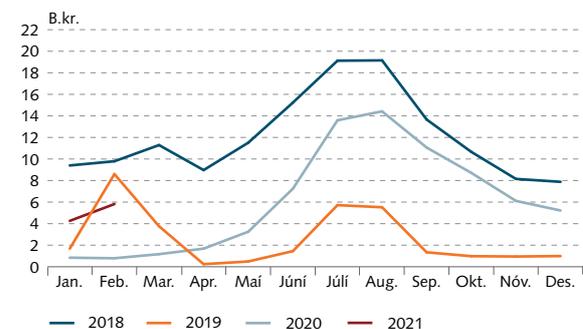
Household payment card turnover



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

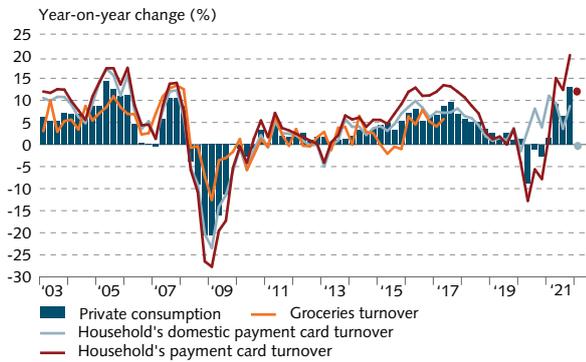


Foreign payment card turnover deflated by the CPI less housing costs. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

## II Output and demand

II-13

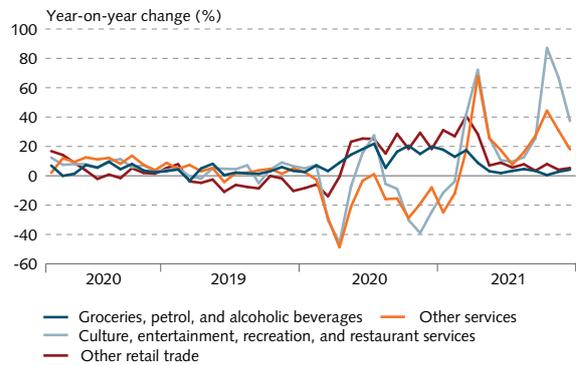
Private consumption, groceries, and payment card turnover



Points show 2-month average values in January and February. Quarterly data. Sources: Icelandic Centre for Retail Studies, Statistics Iceland, Central Bank of Iceland.

II-14

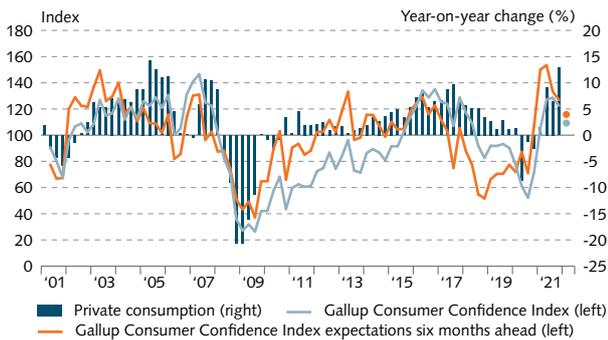
Domestic retail payment intermediation, by category



Domestic payment cards. Monthly data. Source: Icelandic Centre for Retail Studies.

II-15

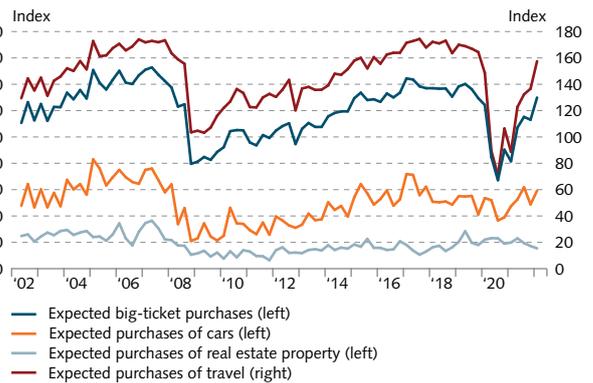
Private consumption and Gallup Consumer Confidence Index



The Gallup Consumer Confidence Index is a measure of general consumers' sentiment towards the economy and the labour market. Quarterly data. Points show 2-month average of values in January and February. Sources: Gallup, Statistics Iceland.

II-16

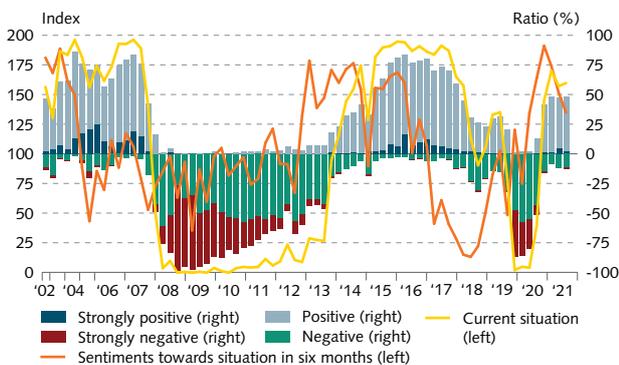
Indices of expected big-ticket purchases



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-17

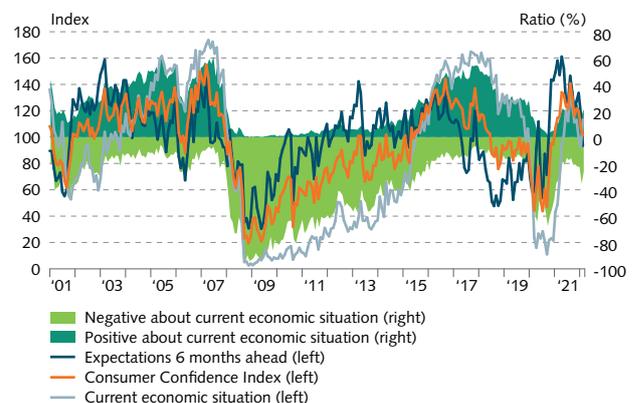
Corporation expectations towards the economic situation and outlook



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-18

Consumer sentiment (Gallup)

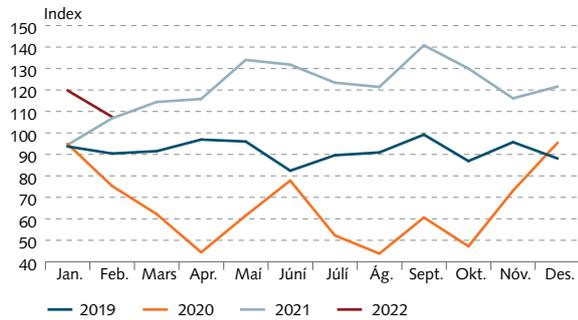


The Gallup Consumer Confidence Index is a measure of general consumers' sentiment towards the economy and the labour market. Monthly data. Source: Gallup.

## II Output and demand

II-19

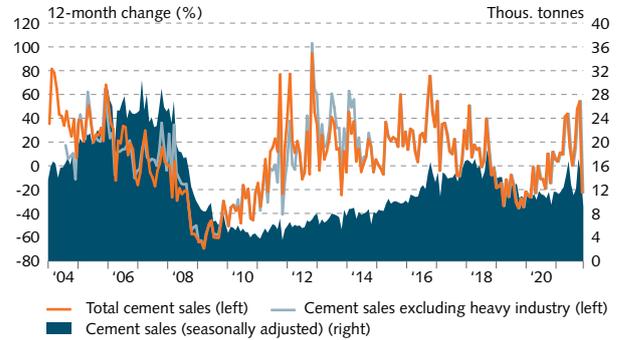
Consumer sentiment (Gallup)



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

II-20

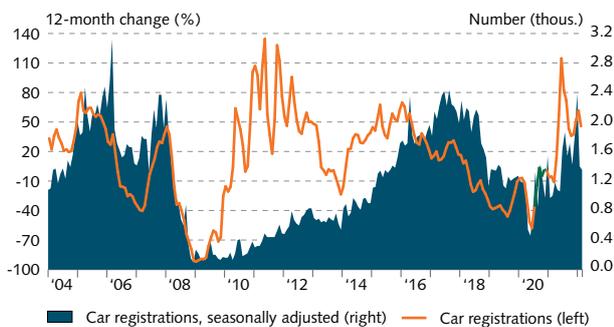
Cement sales



Monthly data.  
Sources: Aalborg Portland hf., Sementsverksmiðjan hf., Central Bank of Iceland.

II-21

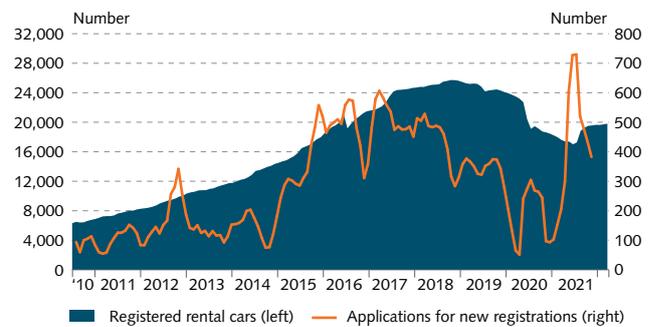
New registration of motor vehicles



New motor vehicle registrations include new and used vehicles in all categories (passenger cars, motor coaches and delivery and transport vehicles). 3-month average. Monthly data.  
Sources: The Icelandic Transport Authority, Statistics Iceland, Central Bank of Iceland.

II-22

Rental cars

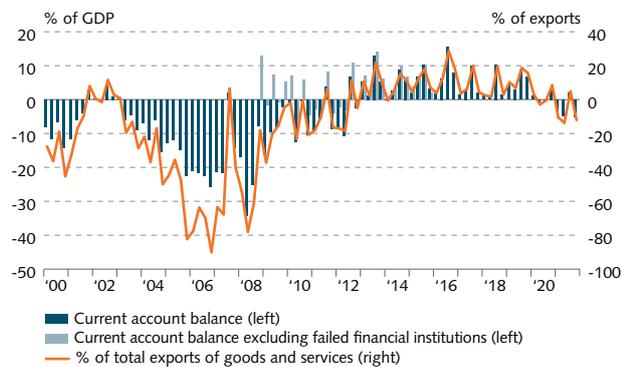


Seasonally adjusted figures. Applications for new registrations are a three-month moving average.  
Sources: Statistics Iceland, Central Bank of Iceland.

## III Foreign trade and external economic conditions

III-1

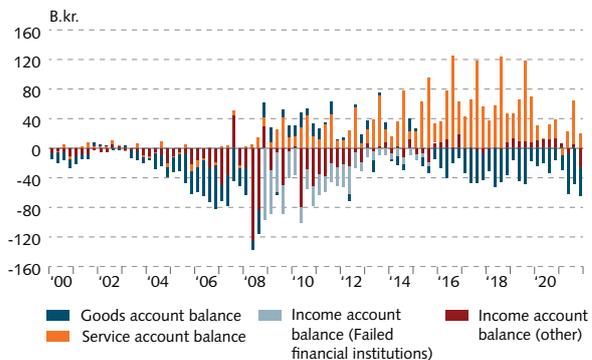
Current account balance



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

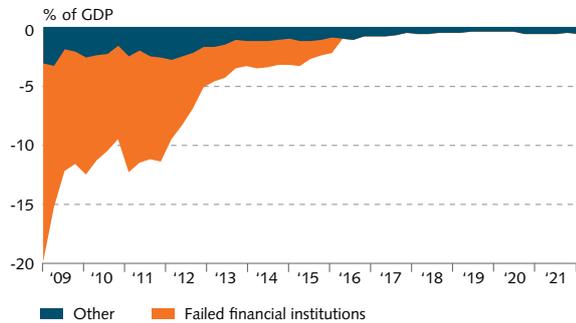


From 2016 there is no difference between income account balance (other) and income account balance total, because the share of failed financial institutions was wound up year-end 2015. Net current transfers are included in primary income. Quarterly data.  
Sources: Statistics Iceland, Central Bank of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

## III Foreign trade and external economic conditions

III-3

Net foreign interest payments

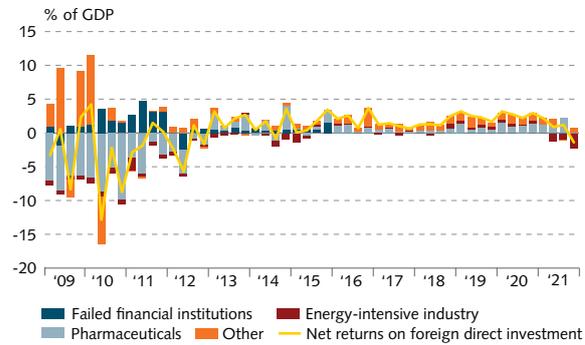


Including dividends on equity securities. The failed financial institutions were wound up at the end of 2015; therefore, their share is zero from 2016 onwards. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-4

Net returns on foreign direct investment

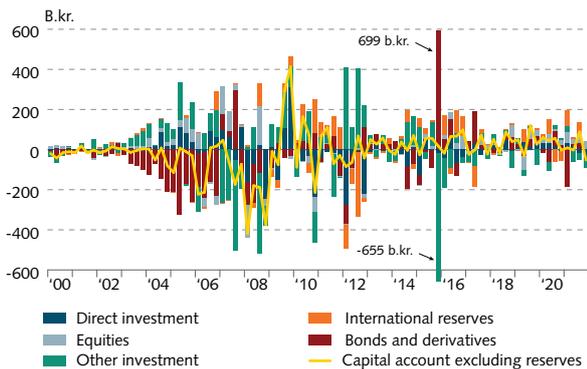


The failed financial institutions were wound up at the end of 2015; therefore, their share is zero from 2016 onwards. Holding companies that were established to hold the assets and liabilities of the former estates are now categorized as "Other". Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-5

Net capital flows

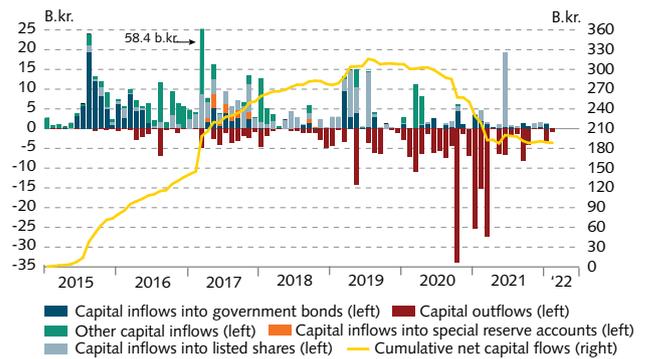


Capital account balance (net capital outflows) and net capital flows to foreign direct investment, portfolio investment (bonds, derivatives, and equities), and other investment. Positive (negative) numbers represent an increase (decrease) in resident entities' foreign assets or a decrease (increase) 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-7

Net international investment position

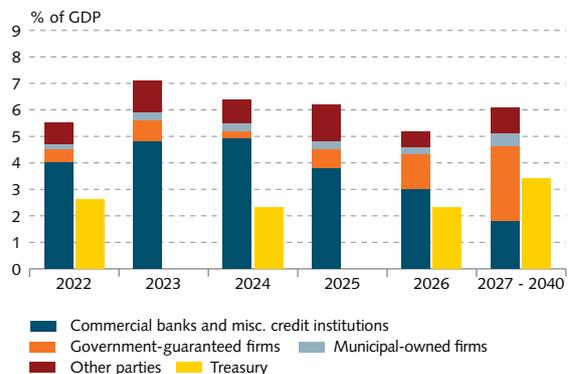


Based on underlying position from 2008 through end-2015; i.e., adjusted for the effects of settling the failed banks' estates and assuming equal distribution of assets to general creditors. At the end of 2015, the estates of the failed financial institutions reached composition agreements entailing the 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



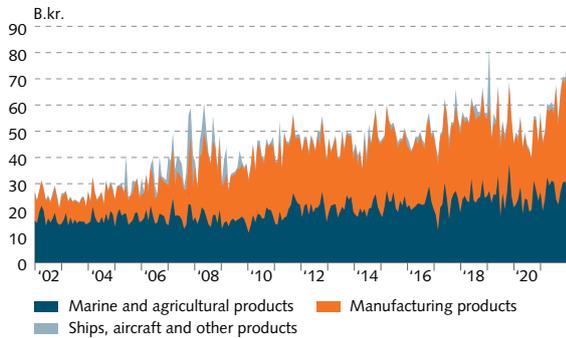
Based on year-end 2021 position.

Sources: Statistics Iceland, Central Bank of Iceland.

### III Foreign trade and external economic conditions

III-9

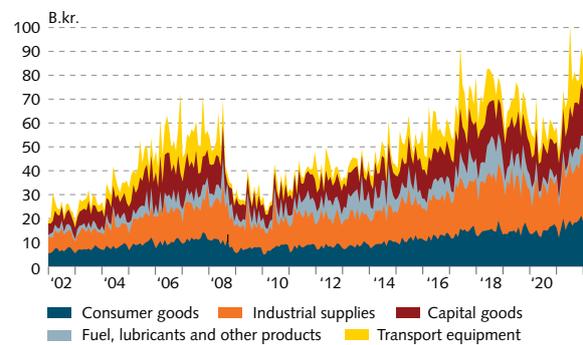
Components of merchandise exports



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

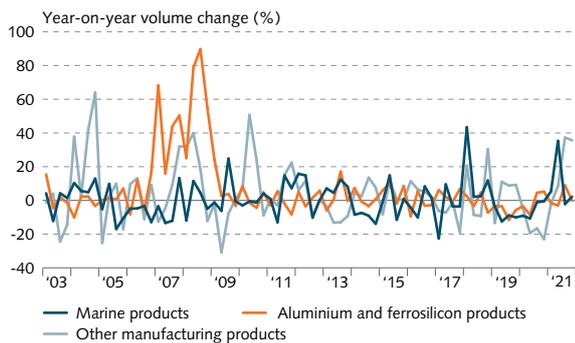
Components of merchandise imports



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

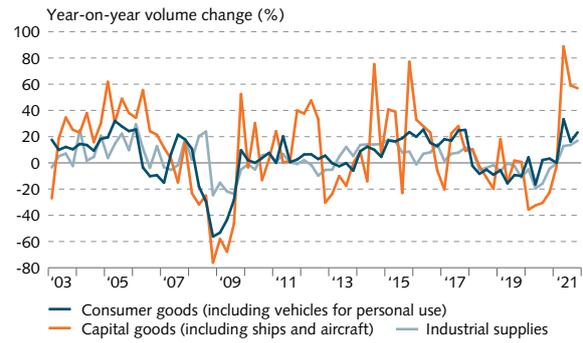
Main export products



Quarterly data.  
Source: Statistics Iceland.

III-12

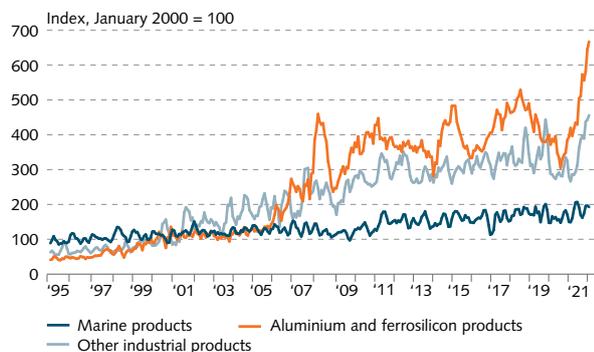
Main import products



Quarterly data.  
Source: Statistics Iceland.

III-13

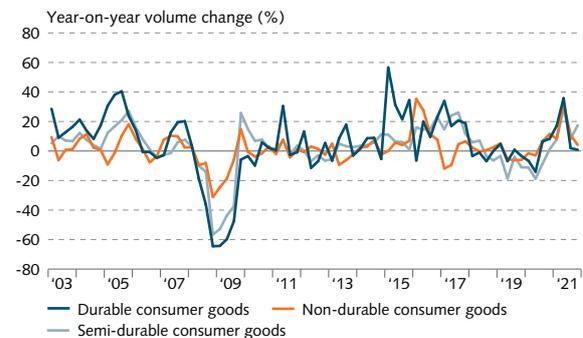
Merchandise exports by category



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

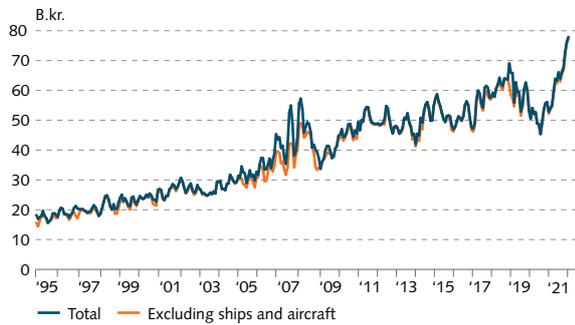


Non-durable consumer goods are disposable items such as tobacco and pharmaceuticals. Semi-durables are products that are neither disposable nor durable, such as clothing. Consumer durables are products with a long life-time, such as household appliances. Quarterly data.  
Source: Statistics Iceland.

### III Foreign trade and external economic conditions

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

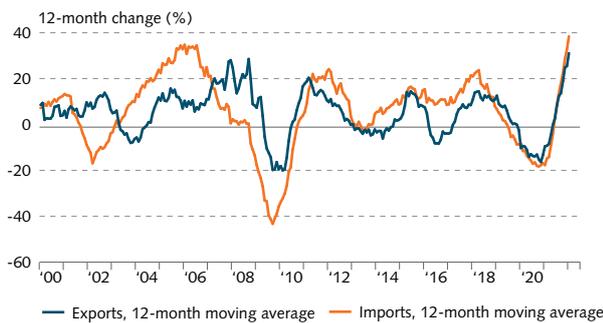


Imported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). The index of foreign price levels is calculated by weighting together the consumer price indices in main trading partner countries using a currency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

Sources: Statistics Iceland, Central Bank of Iceland.

III-17

Merchandise imports and exports

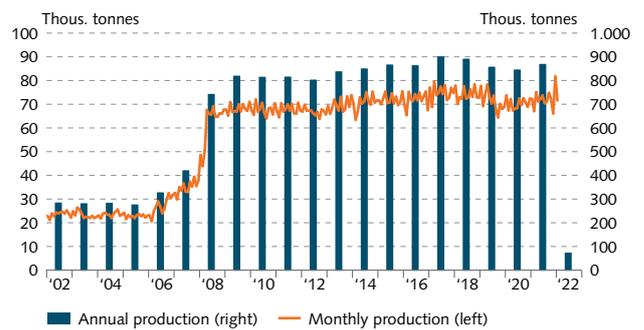


Exchange rate used consists of monthly averages of the broad trade-weighted index. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-18

Aluminium production



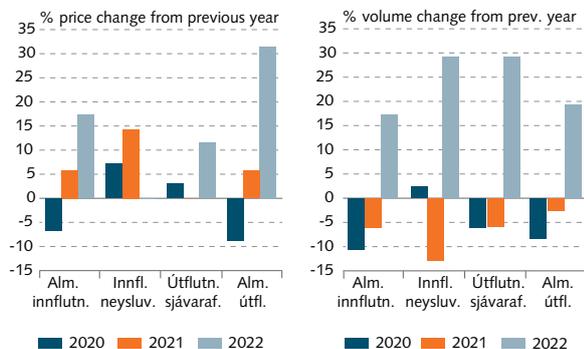
Annual aluminium production for 2021 is production for January. Monthly data.

Source: Statistics Iceland.

III-19

Merchandise trade

January



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.

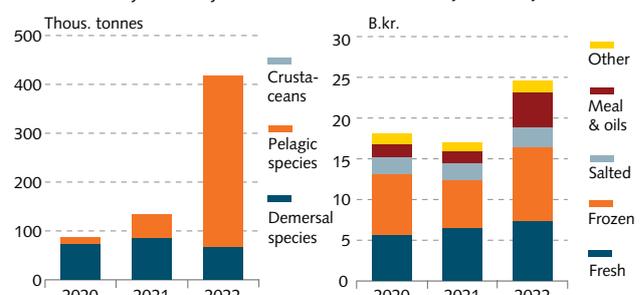
Source: Statistics Iceland.

III-20

Catch volume and export value of marine products

January-February

January-February



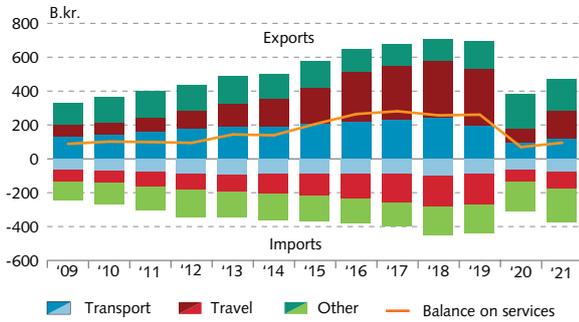
Cumulative catch volume from beginning of year. Cumulative value of marine exports from beginning of year; nominal fob value. Monthly data.

Sources: Directorate of Fisheries, Statistics Iceland.

## III Foreign trade and external economic conditions

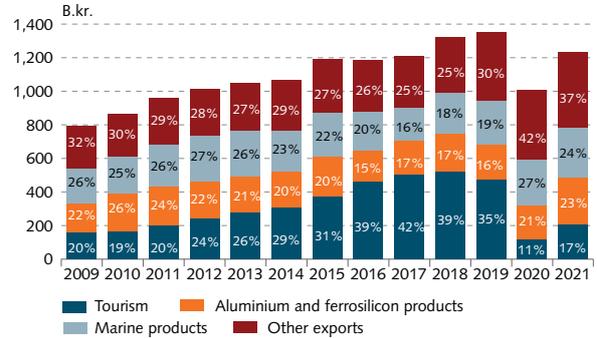
III-21

Services imports and exports



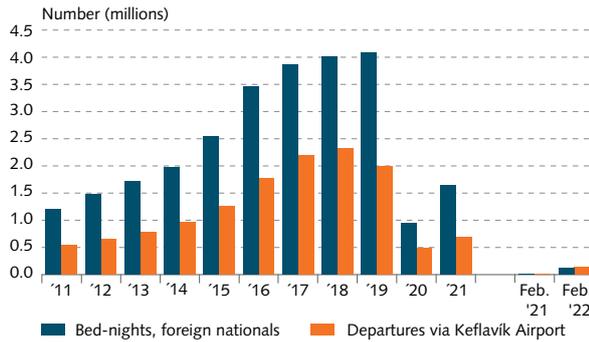
III-22

Goods and services exports



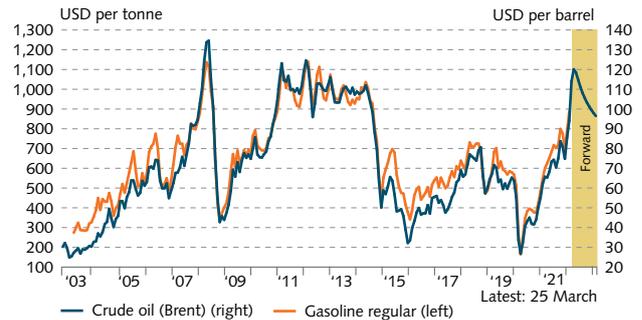
III-23

Foreign tourists and hotel bed-nights



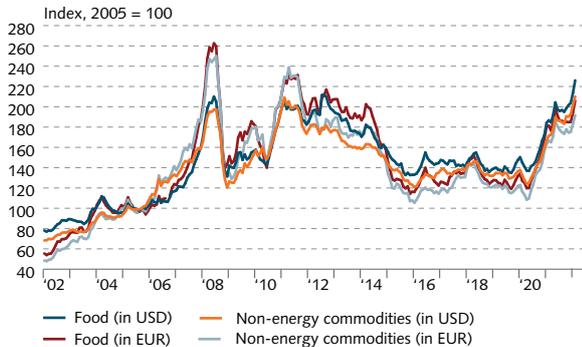
III-24

Global crude oil and gasoline prices



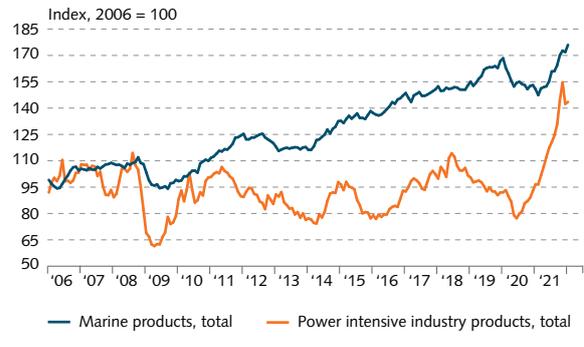
III-25

Commodity prices in international markets



III-26

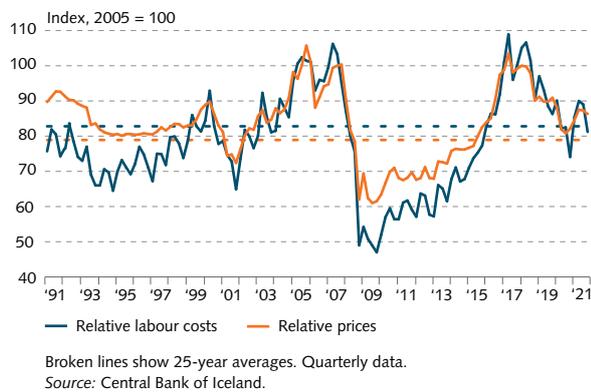
Icelandic export prices



### III Foreign trade and external economic conditions

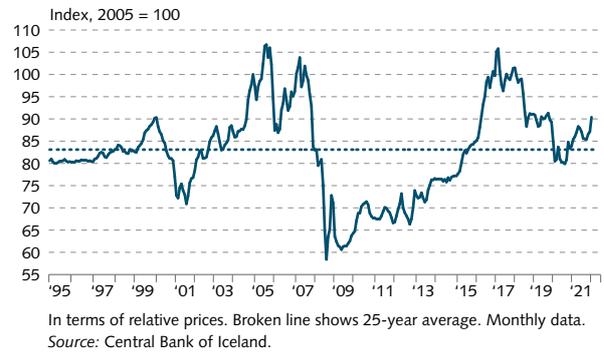
III-27

Real exchange rate



III-28

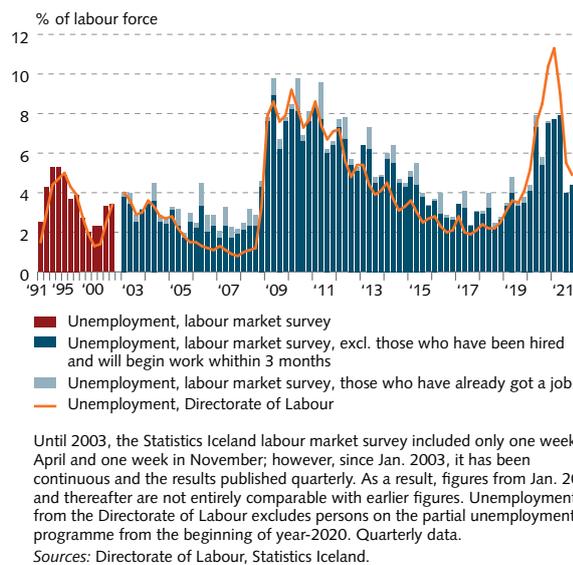
Real exchange rate



### IV Labour market and wages

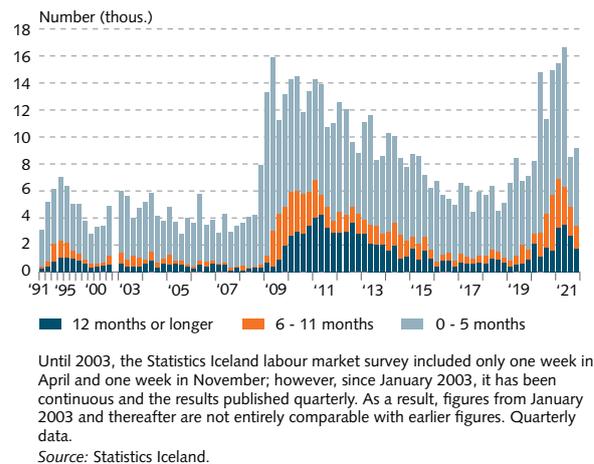
IV-1

Unemployment rate



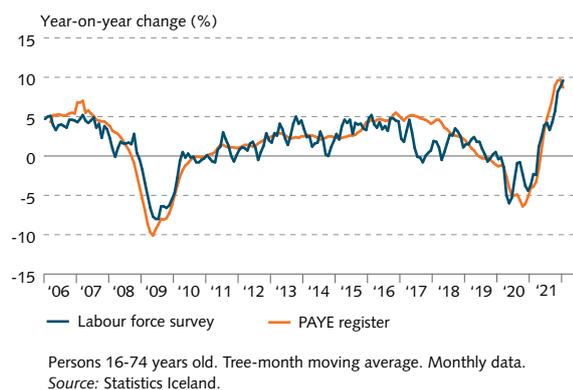
IV-2

Unemployment by duration



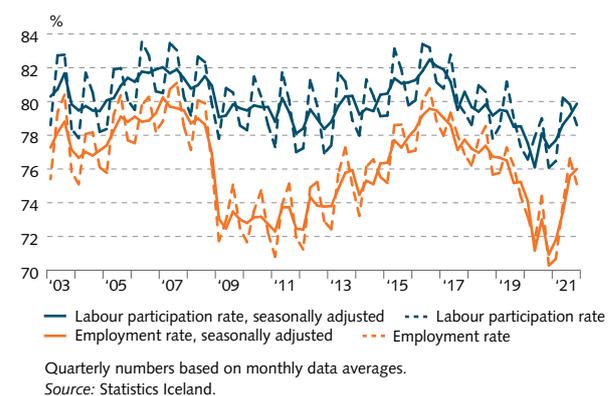
IV-3

Number of persons employed



IV-4

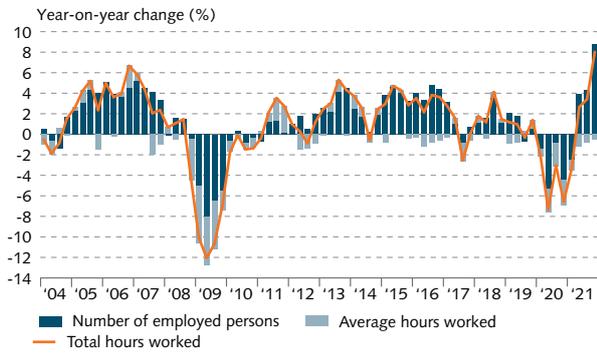
Labour participation rate and employment rate



## IV Labour market and wages

IV-5

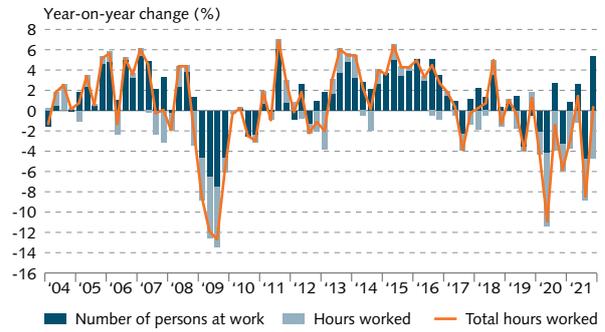
### Employment and hours worked for employed persons



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

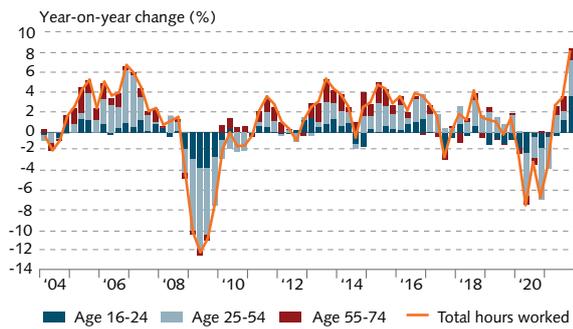
### Employment and hours worked for persons at work



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

IV-7

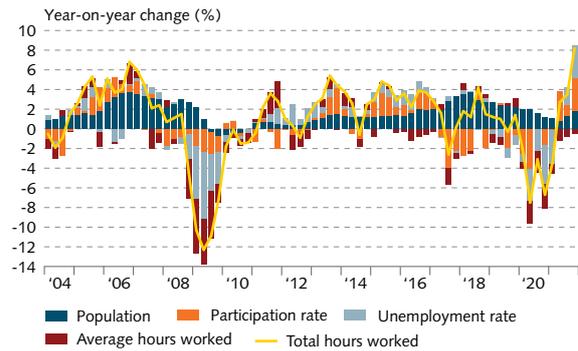
### Total working hours



Quarterly data.  
Source: Statistics Iceland.

IV-8

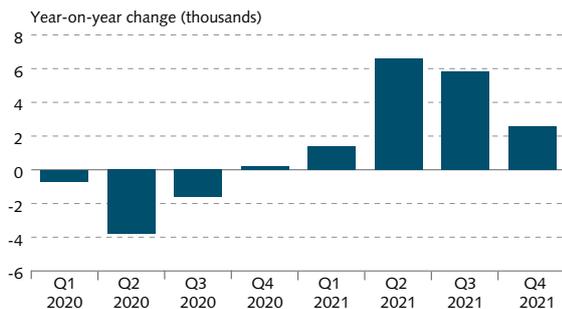
### Total working hours



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-9

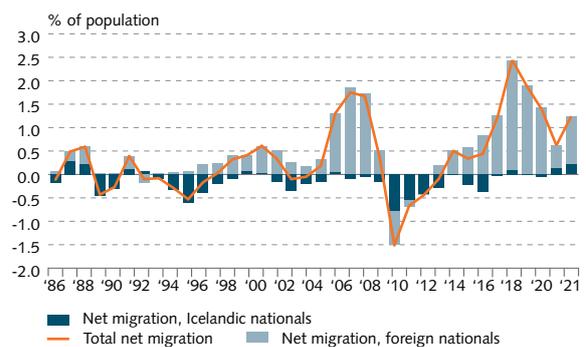
### Job vacancies



Quarterly data.  
Source: Statistics Iceland.

IV-10

### Migration



Annual data.  
Source: Statistics Iceland.

## IV Labour market and wages

IV-11

### Companies planning to change staffing levels during the next 6 months



Seasonally adjusted data based on Gallup's survey of the 400 largest companies in Iceland.

Sources: Gallup, Central Bank of Iceland.

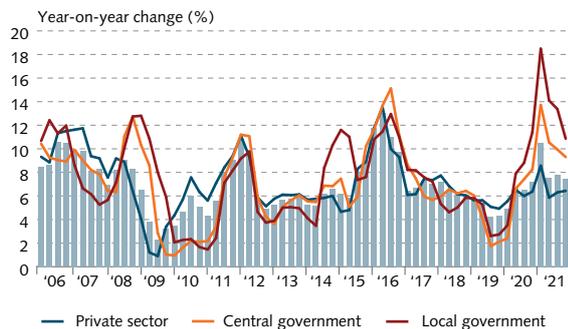
IV-12

### Labour supply



IV-13

### Wage changes by sector

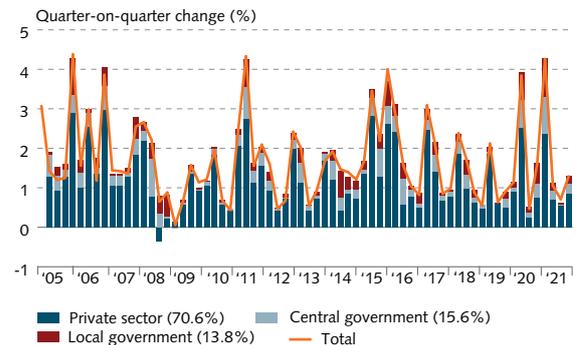


Until 2016 the quarterly wage index for the private sector is based on NACE Rev. 1.1. From 2016 and onwards the quarterly wage index for the private sector is based on NACE Rev. 2.0. Also, additional economic activities have been added. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

IV-14

### Sectoral contribution to wage growth

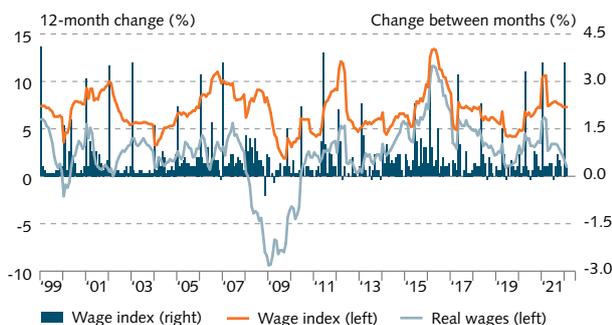


Until 2016 the quarterly wage index for the private sector is based on NACE Rev. 1.1. From 2016 and onwards the quarterly wage index for the private sector is based on NACE Rev. 2.0. Also, additional economic activities have been added. The figures in parentheses show the weight of these items in the wage index. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

IV-15

### Nominal and real wages

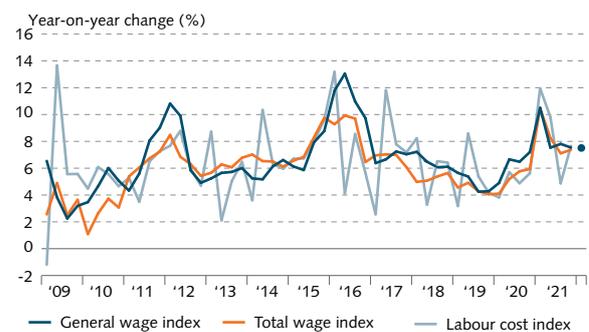


Real wages are the wage index deflated by the CPI. Monthly data.

Source: Statistics Iceland.

IV-16

### Wage indices



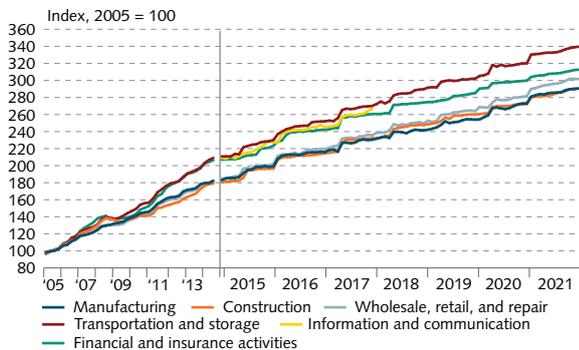
Total labour cost excluding irregular bonuses per hour. Sectors are defined according to ISAT 95 classification system. The dot shows figures based on January-February averages. Quarterly data.

Sources: Eurostat, Statistics Iceland.

## IV Labour market and wages

IV-17

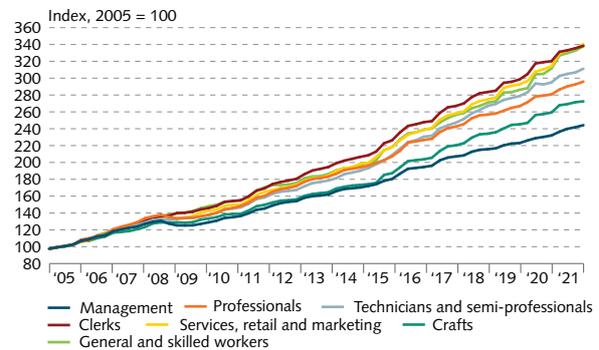
Private sector wage index by selected sectors



Quarterly data for 2005-2014 based on ISAT95 classification system, but monthly data from beginning of 2015 onwards based on ISAT2008 classification system. Due to changes in classification and sampling the data are not fully comparable between these periods.  
Source: Statistics Iceland.

IV-18

Private sector wage index by occupational group

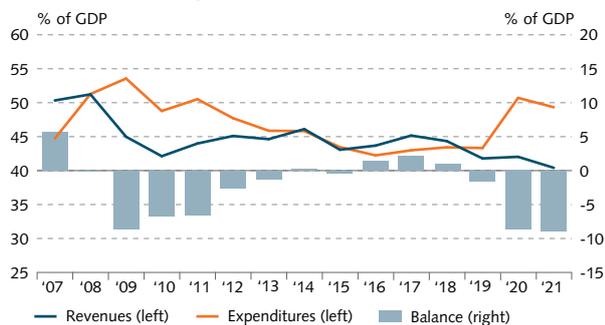


Occupational groups are defined according to ISTARF 95 classification system. Quarterly data.  
Source: Statistics Iceland.

## V Public finances

V-1

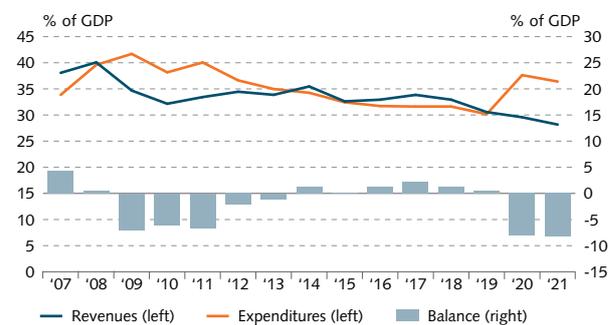
General government revenues, expenditures and balance



Treasury revenues are adjusted for 384.3 b.kr. stability contributions in Q1/2016. Treasury expenditures are adjusted for 105.1 b.kr. special payment to LSR A-division in Q4/2016. Municipal expenditures are adjusted for a 32 b.kr. special payment to the pension fund Brú in Q2/2017. Annual data.  
Source: Statistics Iceland.

V-2

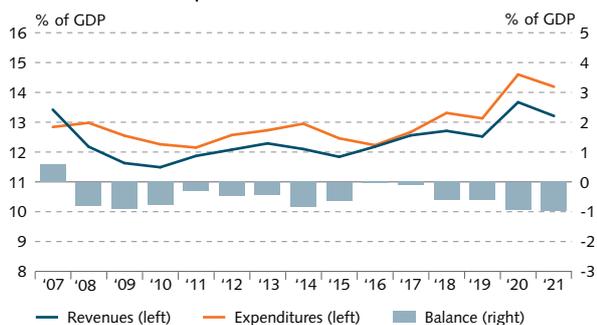
Treasury revenues, expenditures and balance



Treasury revenues are adjusted for 384.3 b.kr. stability contributions in Q1/2016. Treasury expenditures are adjusted for 105.1 b.kr. special payment to LSR A-division in Q4/2016. Annual data.  
Source: Statistics Iceland.

V-3

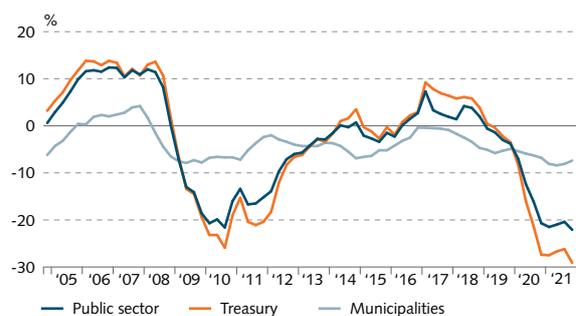
Local government revenues, expenditures and balance



Expenditures are adjusted for a 32 b.kr. special payment to the pension fund Brú in Q2/2017. Annual data.  
Source: Statistics Iceland.

V-4

Income balance as share of income

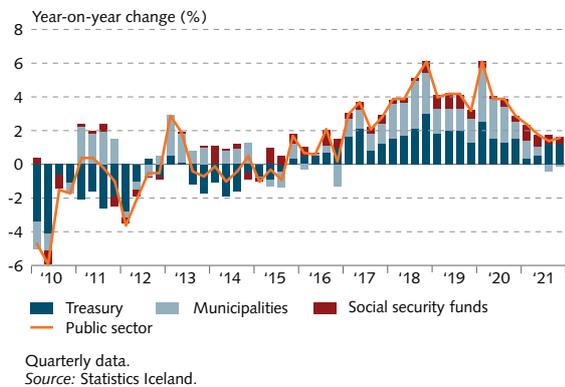


Treasury revenues are adjusted for stability contributions. Treasury expenditures are adjusted for transfers due to the Central Bank and LSR A-division and local government expenditures are adjusted for special payment to the pension fund Brú. Four quarter moving average. Quarterly data.  
Source: Statistics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

## V Public finances

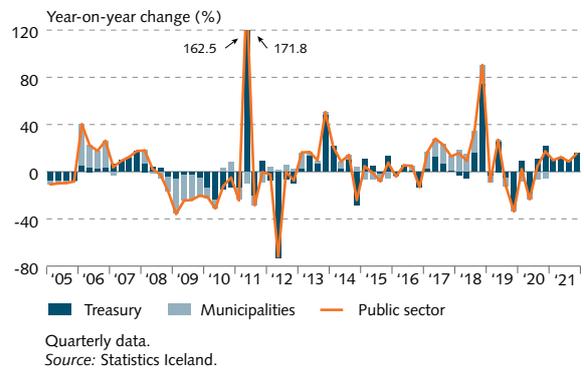
V-5

### Public consumption



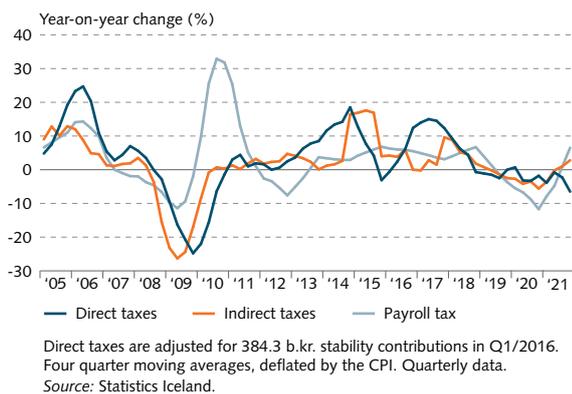
V-6

### Investment



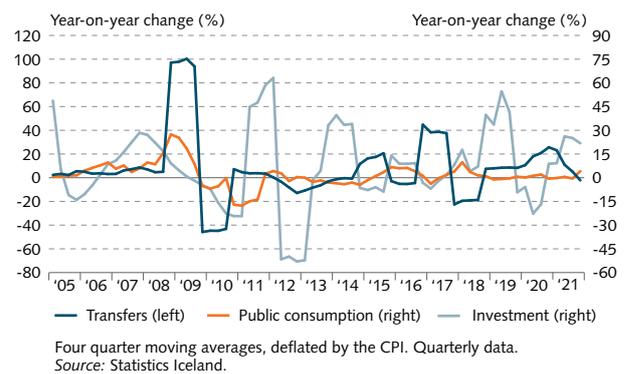
V-7

### Tax revenues



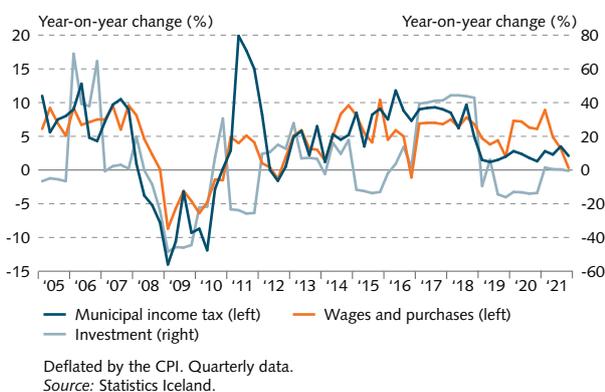
V-8

### Treasury expenditures by type



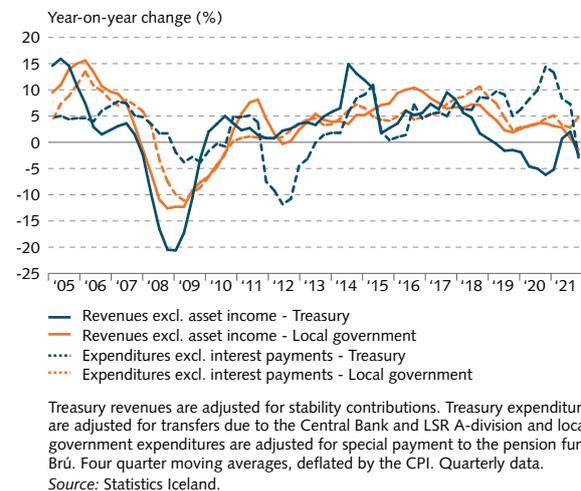
V-9

### Local government revenues and expenditures



V-10

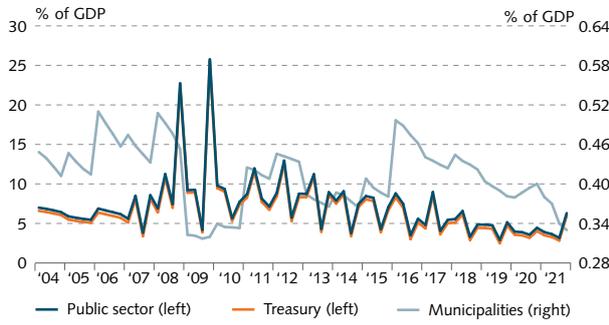
### Treasury and local government revenues and expenditures



## V Public finances

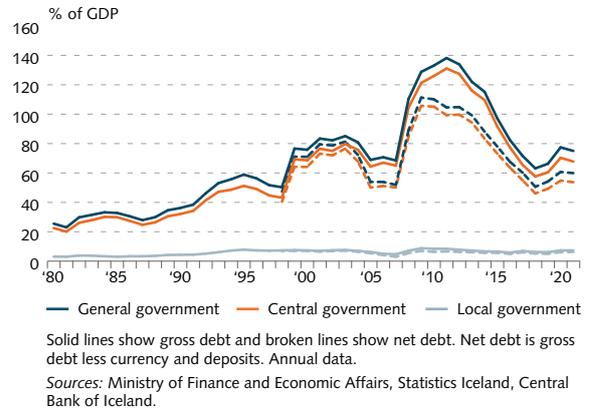
V-11

Interest expense of general, central, and local government



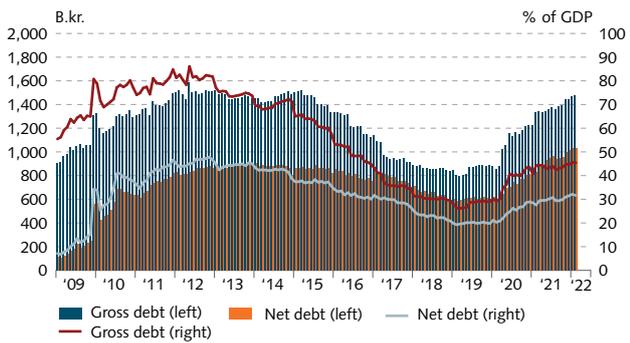
V-12

Debt of general, central, and local government



V-13

Central government debt



V-14

State guarantees and gross debt



## VI Asset markets

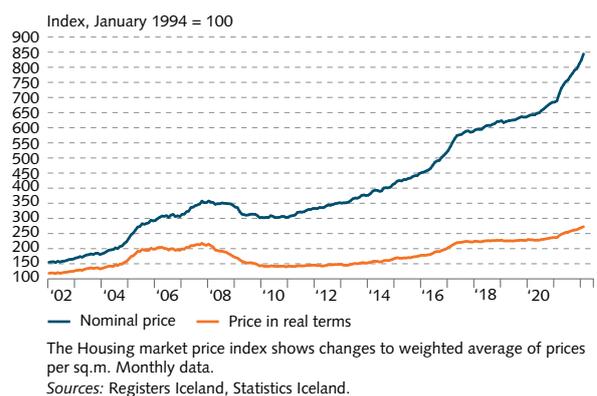
VI-1

Housing market prices and activity in greater Reykjavik



VI-2

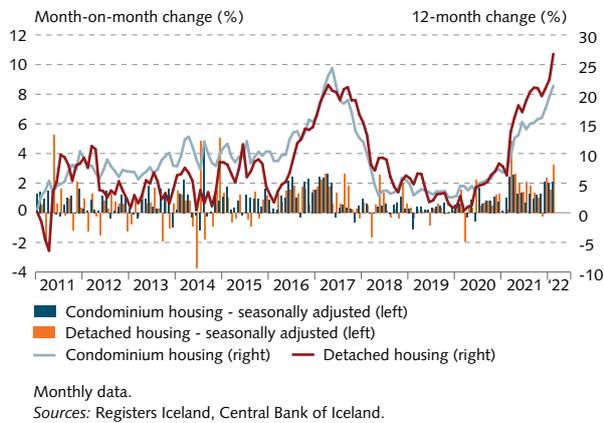
Housing market prices in greater Reykjavik



# VI Asset markets

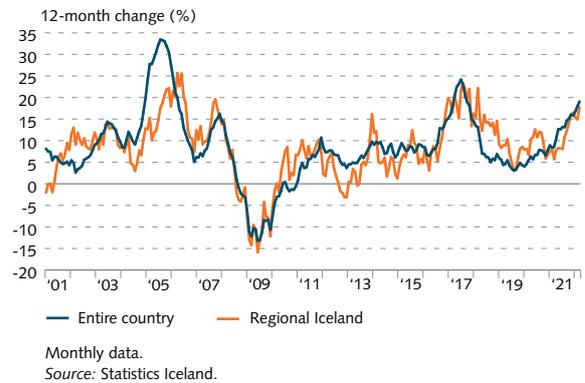
VI-3

House prices in greater Reykjavík



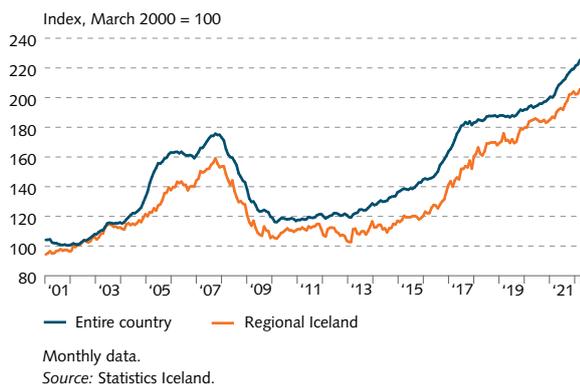
VI-4

Market price of residential housing



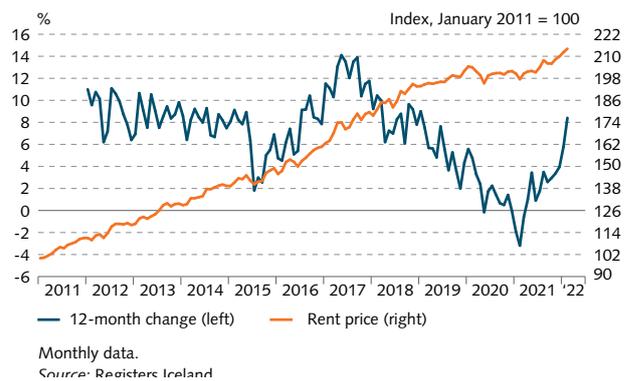
VI-5

Market price of residential housing - in real terms



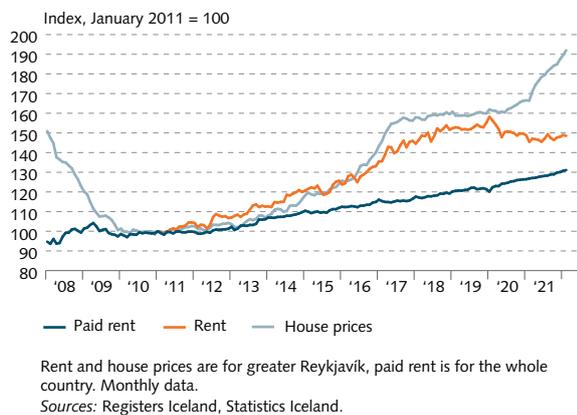
VI-6

Rent price in greater Reykjavík



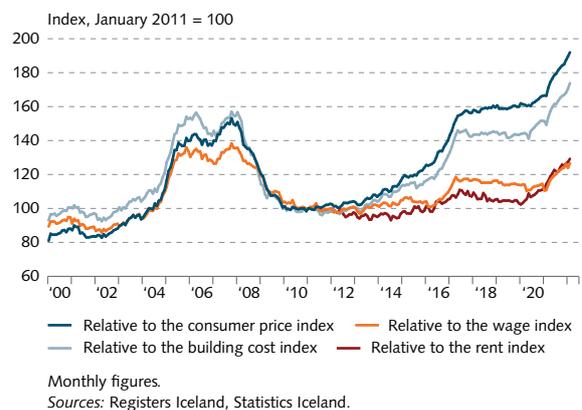
VI-7

Rent, house prices, and paid rent in real terms



VI-8

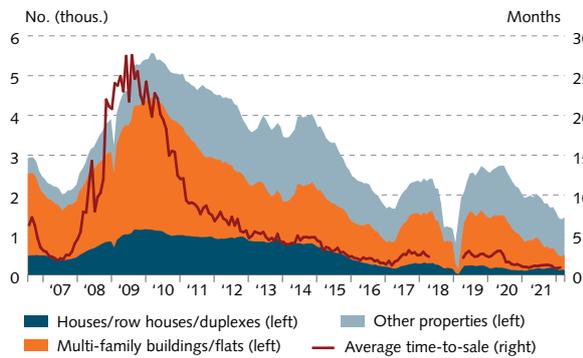
Capital area house prices relative to macroeconomic fundamentals



## VI Asset markets

VI-9

### Advertised capital area property and average time to sale

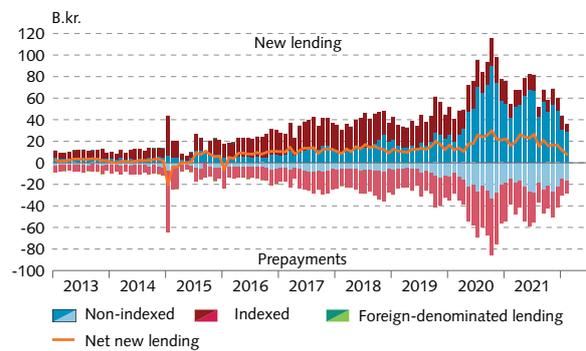


Monthly average of advertisements on Morgunbladid real estate website. The count is carried out by property code so as to avoid a repeat count of the same property. Monthly seasonally adjusted turnover is according to the number of officially registered purchase agreements. The average time to sale is 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

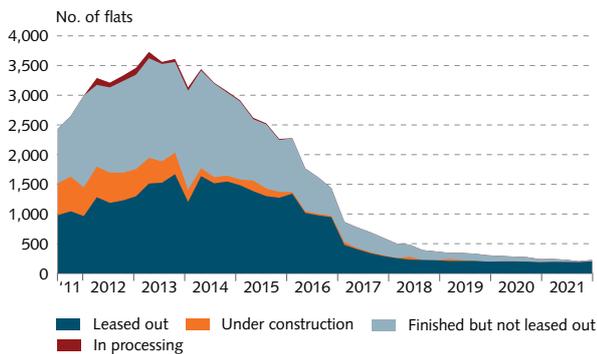


Net new lending consist of new lending net of prepayments of older loans. Figures for new mortgage lending of pension funds are from September 2015. Most recent figures are preliminary. Monthly data.

Source: Central Bank of Iceland.

VI-11

### Residential housing owned by financial institutions nationwide

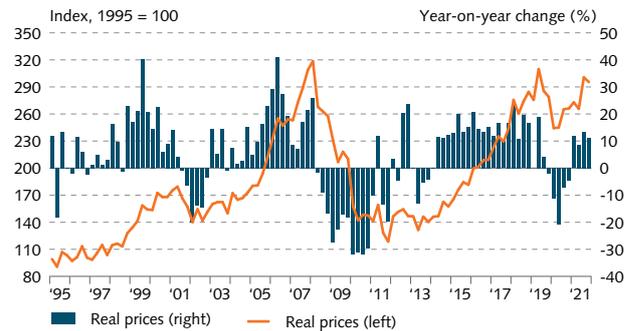


Classified by status. The financial institutions are: Arion Bank, Hilda, Hömlur, Íslandsbanki, Housing Financing Fund, Klettur, Landey, and Kvika Bank. Quarterly data.

Source: Central Bank of Iceland.

VI-12

### Commercial property real prices in greater Reykjavik

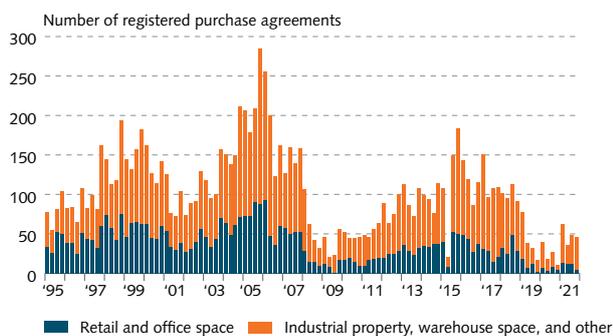


Weighted average of industrial, retail, and office housing. Data are subject to uncertainty due to sparsity and divergence of measurements. Latest figures are preliminary. Quarterly data.

Sources: Registers Iceland, Central Bank of Iceland.

VI-13

### Commercial real estate market activity

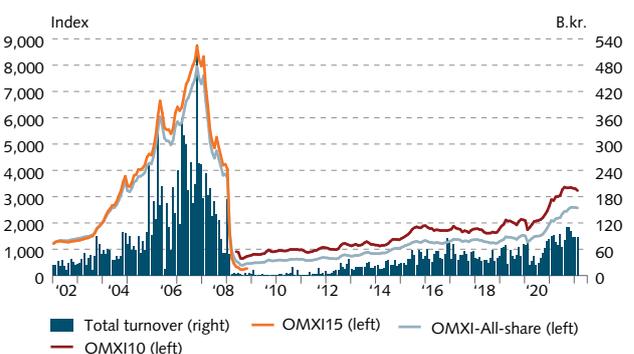


Before June 2006, the total is based on the date of purchase. From June 2006 onwards, it is based on the date the purchase agreement was registered. Quarterly data.

Sources: Registers Iceland, Central Bank of Iceland.

VI-14

### Equity market



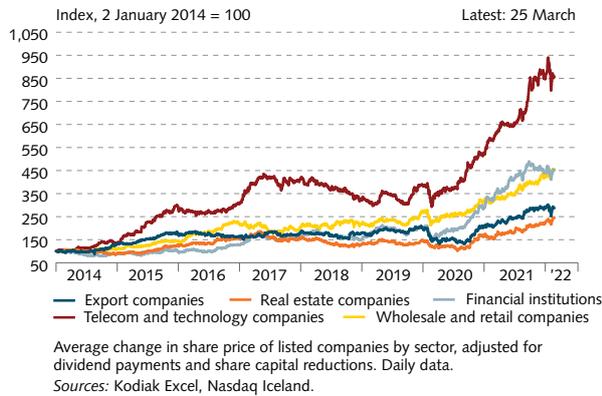
Total monthly volume of listed shares and monthly average of main stock indices.

Source: Nasdaq Iceland.

## VI Asset markets

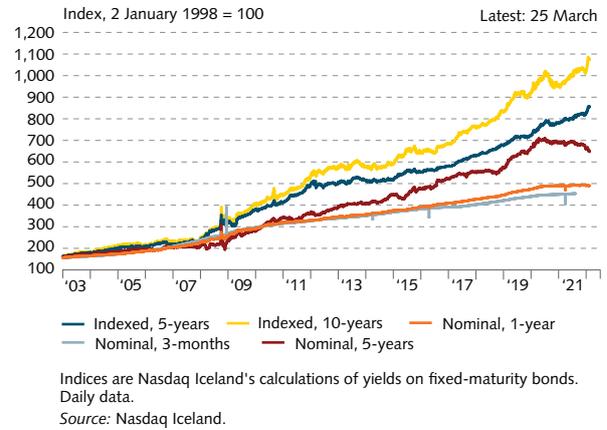
VI-15

Share prices by sector



VI-16

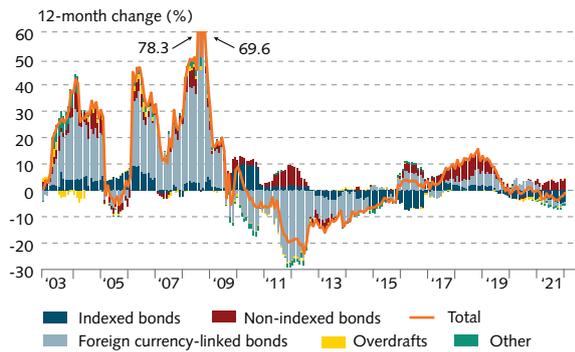
Bond indices



## VII Households and businesses

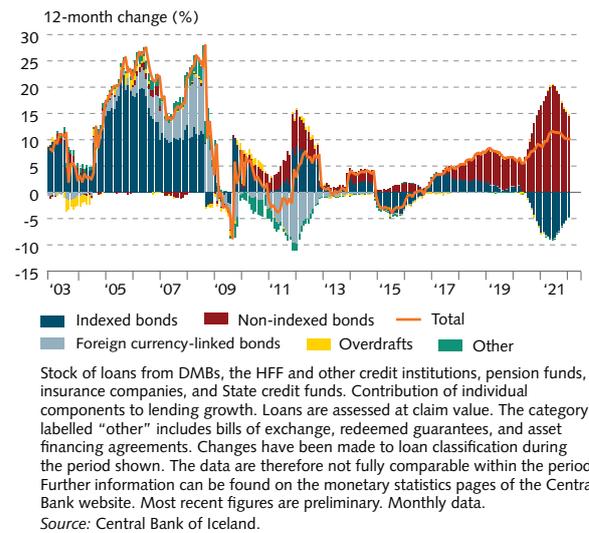
VII-1

Credit system lending to businesses



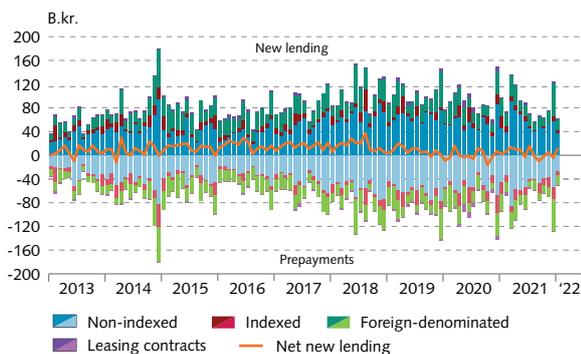
VII-2

Credit system lending to households



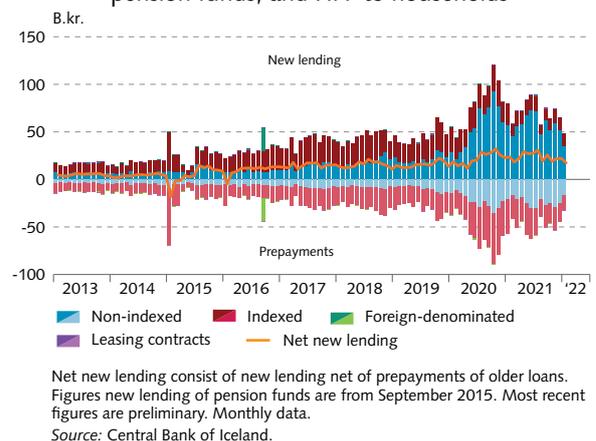
VII-3

Net new lending from DMBs and HFF to firms



VII-4

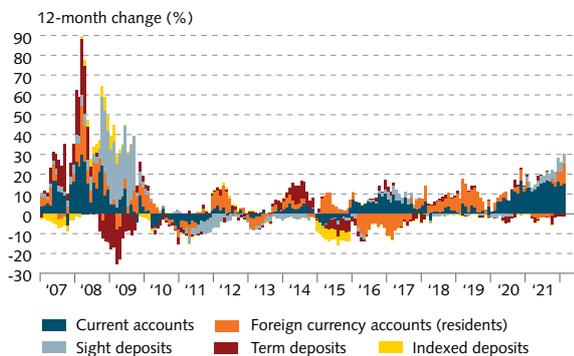
Net new lending from DMBs, pension funds, and HFF to households



## VII Households and businesses

VII-5

### Companies' deposits

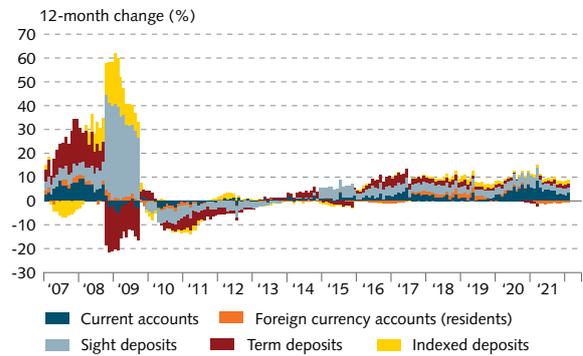


Contribution of individual components to deposit growth. Term deposits include money market accounts and other non-sight deposits. Further information can be found on the monetary statistics pages of the Central Bank website. Most recent figures are preliminary. Monthly data.

Source: Central Bank of Iceland.

VII-6

### Household deposits

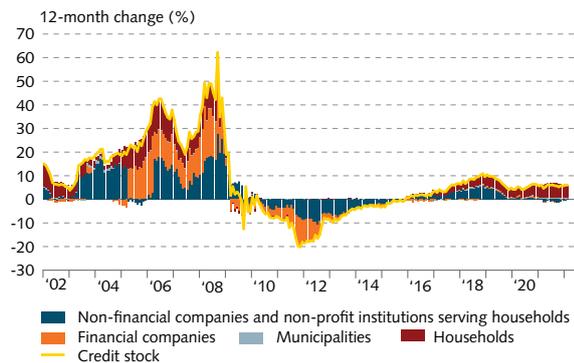


Contribution of individual components to deposit growth. Term deposits include money market accounts and other non-sight deposits. Indexed deposits include pension savings, indexed vacation allowance accounts, and other indexed savings. Further information can be found on the monetary statistics pages of the Central Bank website. Most recent figures are preliminary. Monthly data.

Source: Central Bank of Iceland.

VII-7

### Credit system lending to resident borrowers

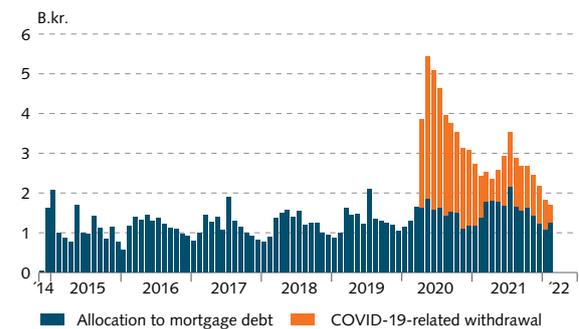


Financial companies excluding loans to deposit institutions and failed financial institutions. Monthly data.

Source: Central Bank of Iceland.

VII-8

### Third-pillar pension savings withdrawals

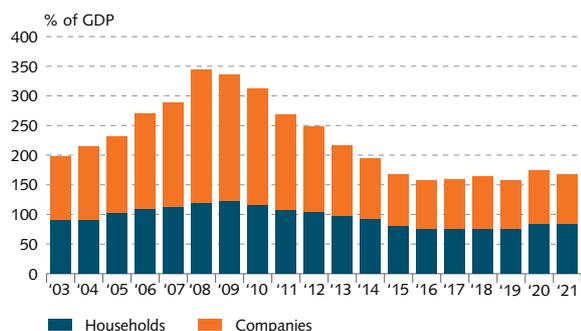


Tax-free allocation of third-pillar pension savings to mortgage loans has been authorised since 1 July 2014. A temporary authorisation for third-pillar pension savings withdrawals because of COVID-19 is in effect from 1 April 2020 until 1 January 2022. Monthly figures.

Source: Iceland Revenue and Customs.

VII-9

### Household and non-financial corporate debt

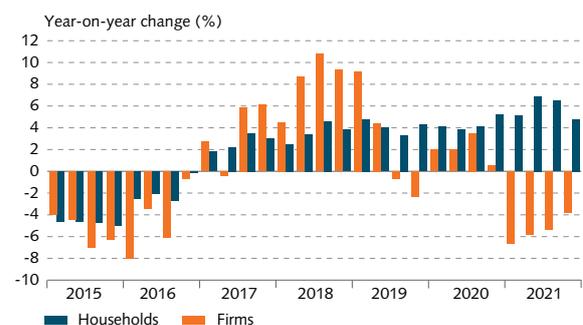


Debt owed to financial undertakings and market bonds issued. Companies excl. financial institutions (which includes holding companies). Annual data.

Sources: Statistics Iceland, Central Bank of Iceland.

VII-10

### Real credit growth to households and firms



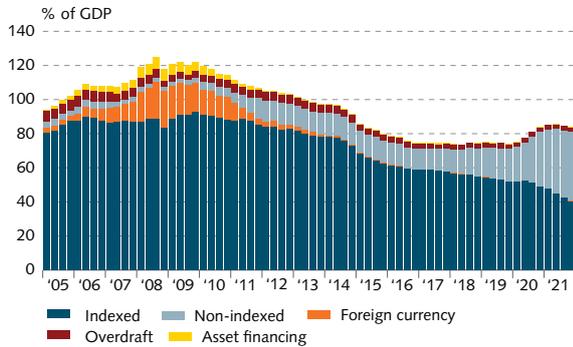
Year-on-year change in total credit to households and non-financial firms, excluding holding companies, deflated with the consumer price index. Claim value. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

# VII Households and businesses

VII-11

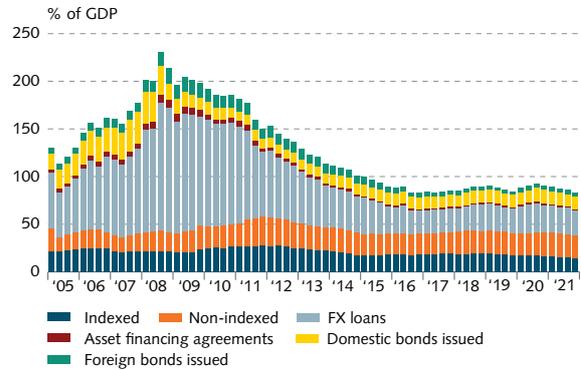
Household debt



GDP is annualised by calculating the sum of the last four quarters. Quarterly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

VII-12

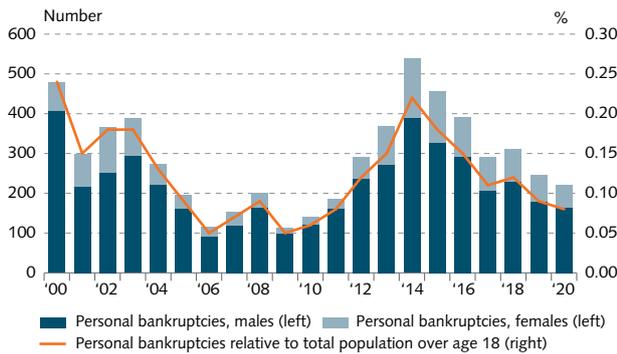
Companies debt



Debt owed to domestic and foreign financial undertakings and market bonds issued. GDP is annualised by calculating the sum of the last four quarters. Quarterly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

VII-13

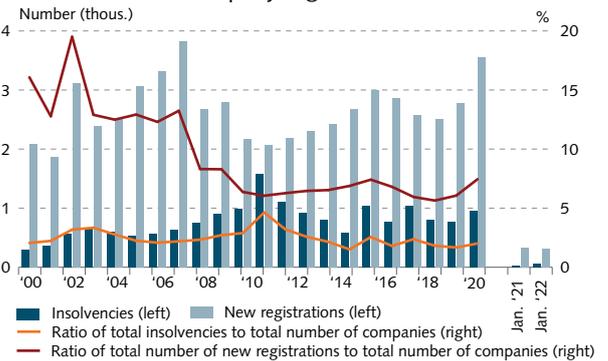
Personal bankruptcies



Total for entire year.  
Sources: Judicial Administration, Statistics Iceland.

VII-14

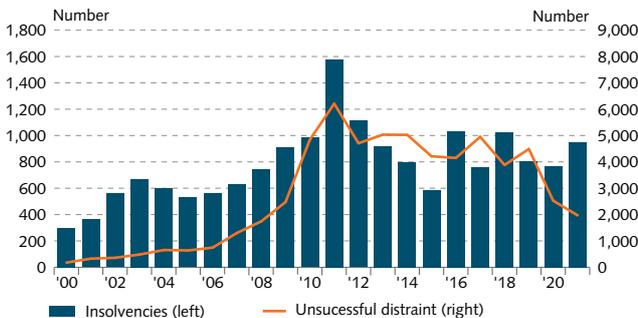
Corporate insolvencies and new company registrations



Annual and cumulative monthly data.  
Source: Statistics Iceland.

VII-15

Companies insolvencies and unsuccessful distraint actions

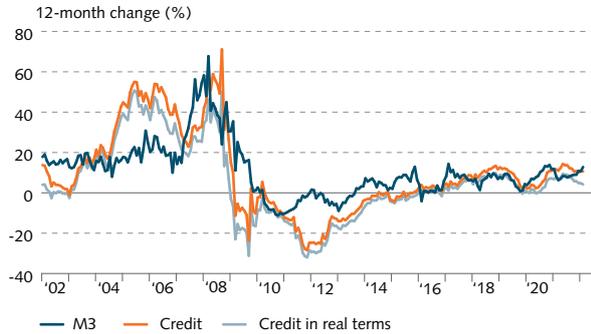


Sources: Registers Iceland, Statistics Iceland, Central Bank of Iceland.

## VIII Financial markets

VIII-1

M3 and domestic bank credit

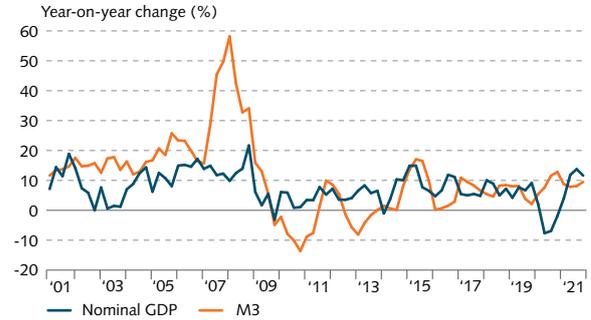


M3 is adjusted for deposits of failed financial institutions from December 2008 onwards. Loans are assessed at claim value. The series "credit in real terms" represents loans deflated by the CPI. Changes have been made to loan classification during the period shown. The data are therefore not fully comparable 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

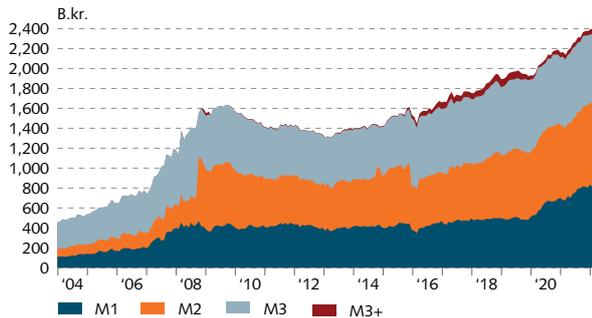


M3 is adjusted for deposits of failed financial institutions from December 2008 onwards. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

VIII-3

Money holdings

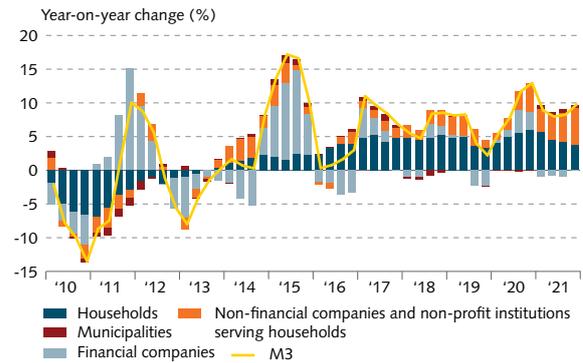


Money holdings are adjusted for deposits of failed financial institutions from December 2008 onwards. Most recent figures are preliminary. Monthly data.

Source: Central Bank of Iceland.

VIII-4

Money holdings by parties

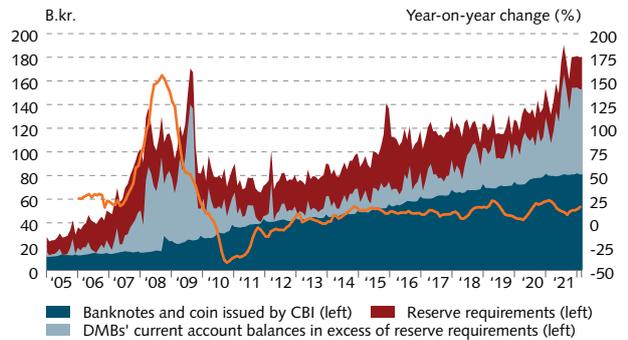


M3 is adjusted for deposits of failed financial institutions. Quarterly data.

Source: Central Bank of Iceland.

VIII-5

Components of Central Bank base money (M0)

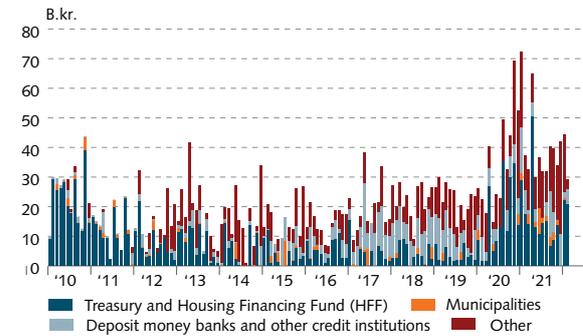


Monthly average.

Source: Central Bank of Iceland.

VIII-6

Bond auctions



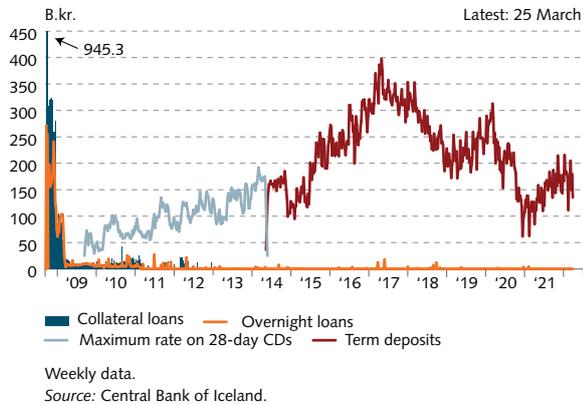
Information on auctions of other issuers' marketable bonds does not necessarily include all of their issued bonds. Monthly data.

Sources: Icelandic Securities Depository, Central Bank of Iceland.

## VIII Financial markets

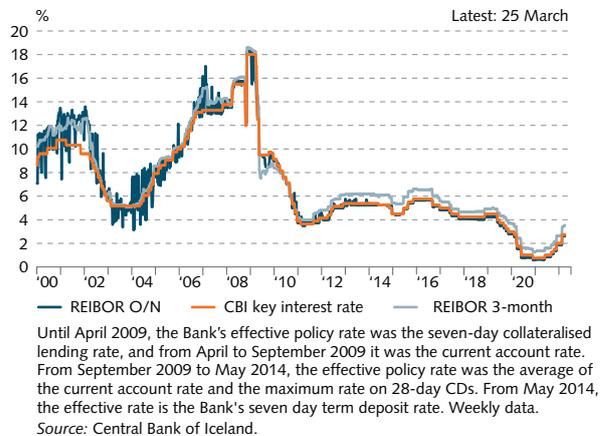
VIII-7

Transactions between financial institutions and the Central Bank



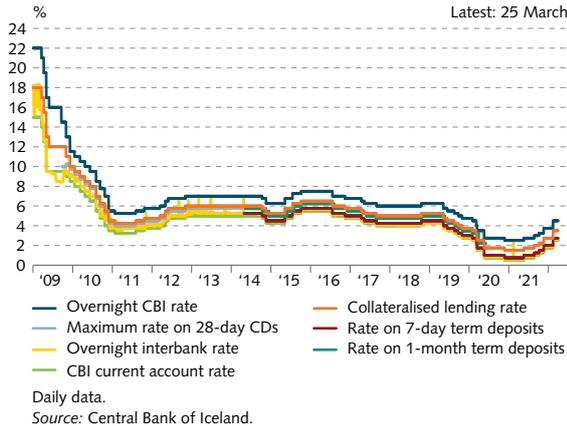
VIII-8

Central Bank key interest rate and money market interest rates



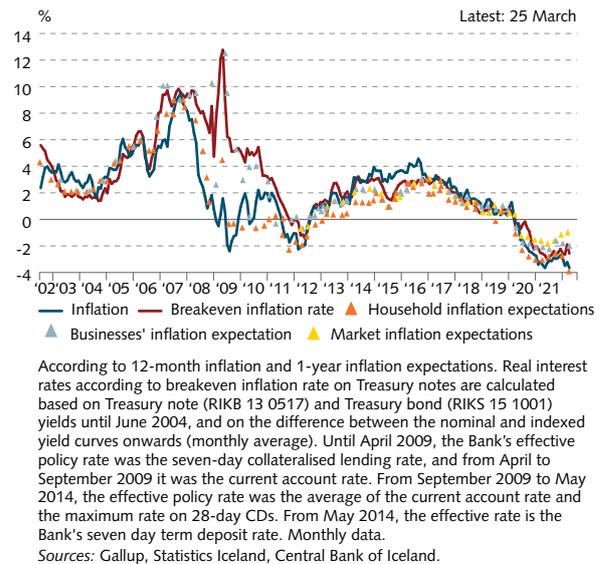
VIII-9

Central Bank of Iceland and short-term market interest rates



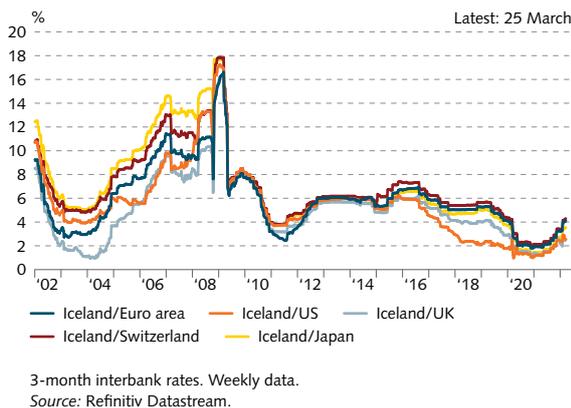
VIII-10

Central Bank of Iceland real interest rates



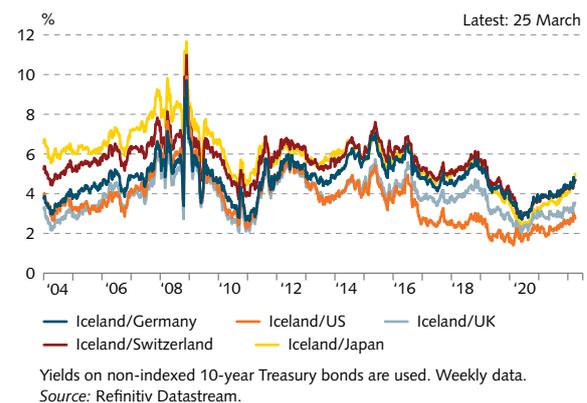
VIII-11

Short-term interest rate differential



VIII-12

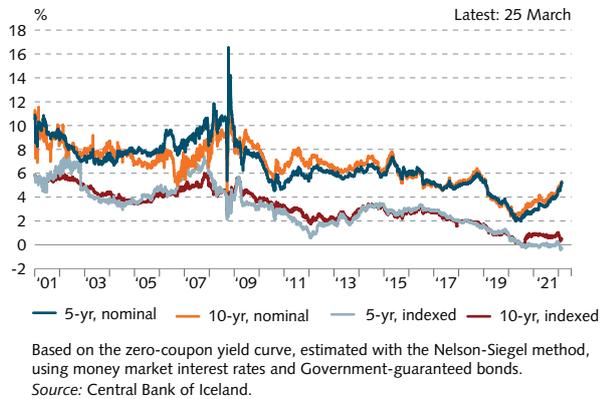
Long-term interest rate differential



## VIII Financial markets

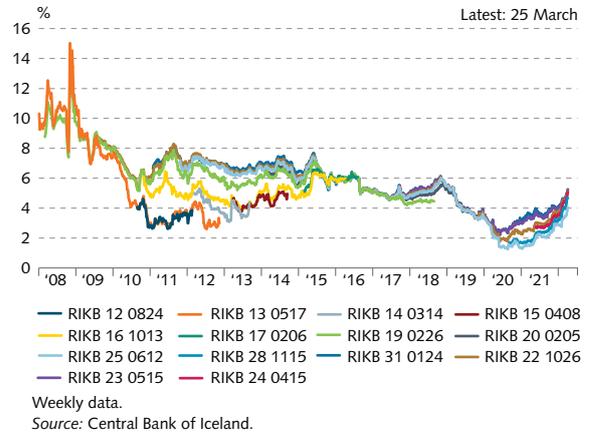
VIII-13

Government-guaranteed bond yields



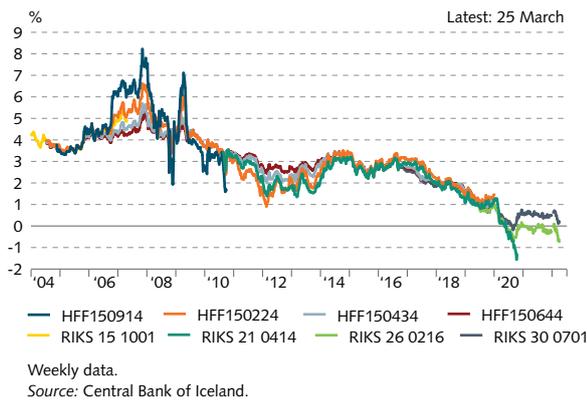
VIII-14

Yields on nominal Treasury bonds



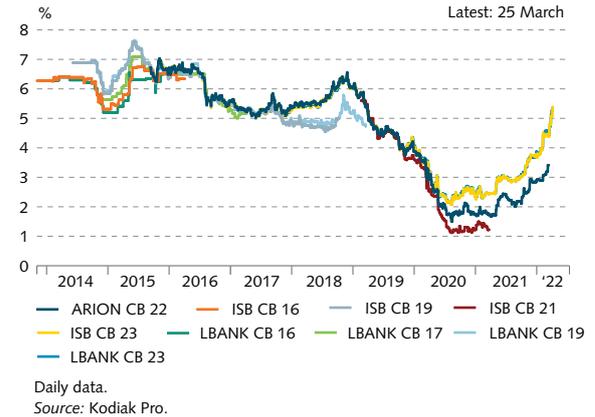
VIII-15

Yields on indexed Treasury and HFF bonds



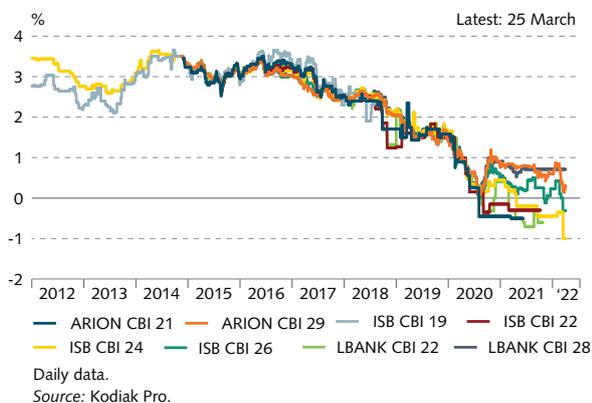
VIII-16

Yields on DMB nominal covered bonds



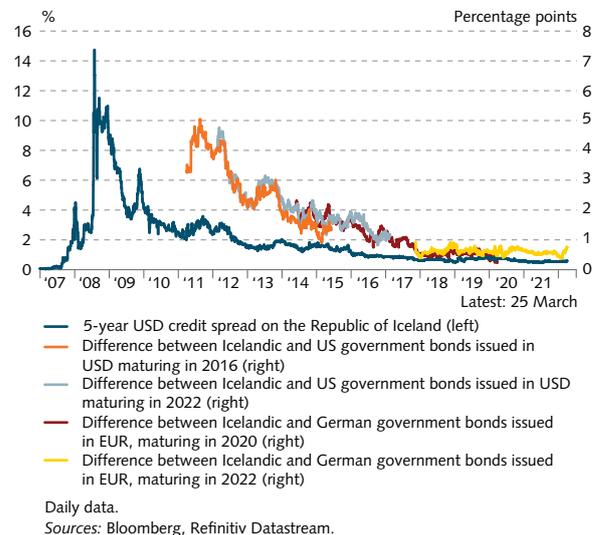
VIII-17

Yields on DMB indexed covered bonds



VIII-18

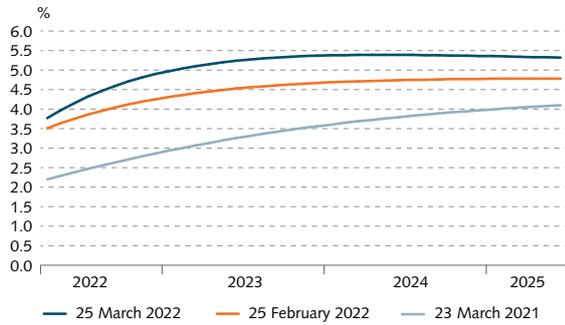
Risk premia on the Icelandic Treasury



## VIII Financial markets

VIII-19

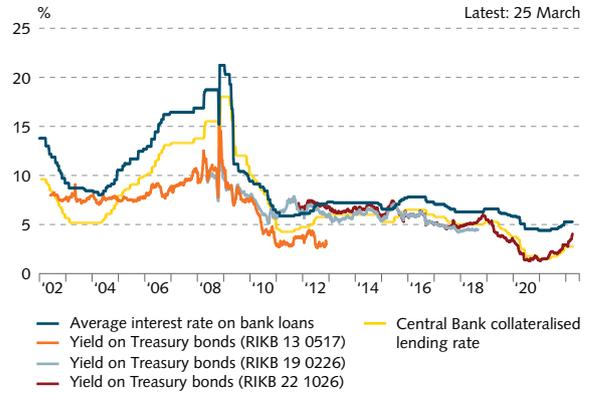
Forward market interest rates



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

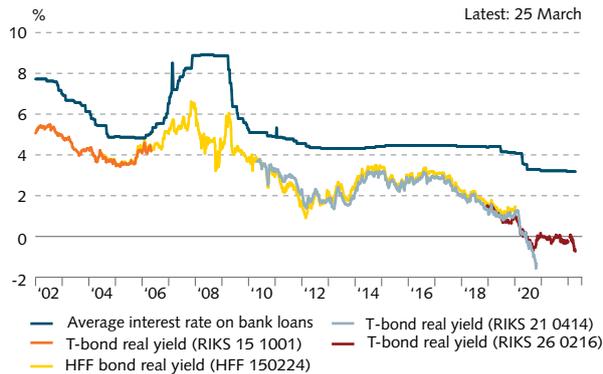
Nominal interest rates



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

VIII-21

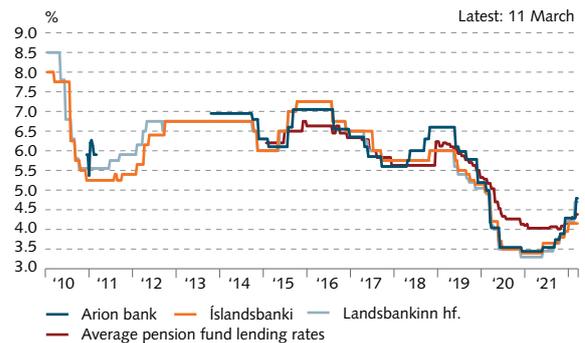
Indexed interest rates



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

VIII-22

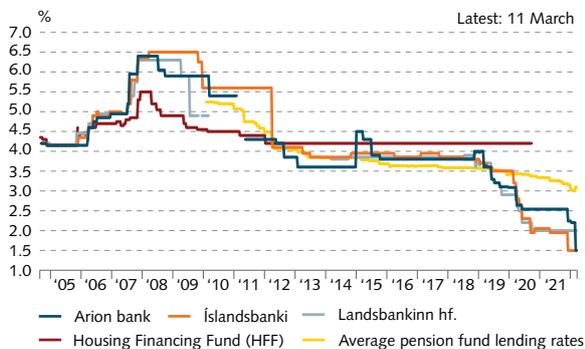
Interest rates on nominal housing loans



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, Lífsværk and LSR. 10-day data except for pension fund data, which are monthly.  
Source: Central Bank of Iceland.

VIII-23

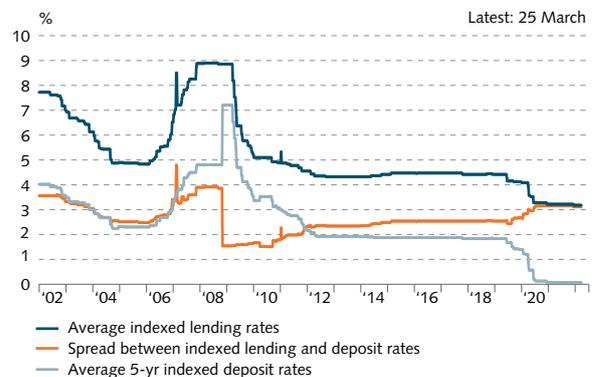
Interest rates on indexed housing loans



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, Lífsværk, 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

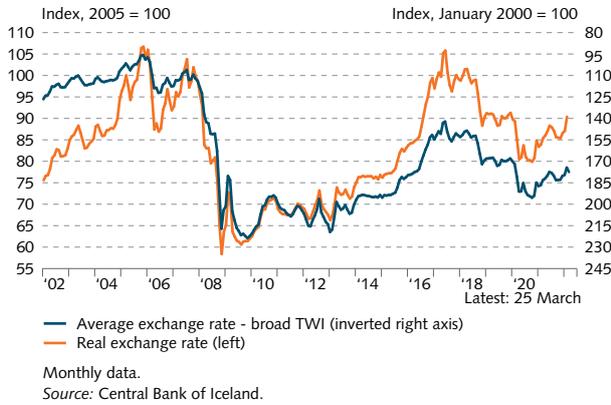


Average interest rates: Arion Bank, Íslandsbanki, Landsbankinn. Weekly data.  
Source: Central Bank of Iceland.

## VIII Financial markets

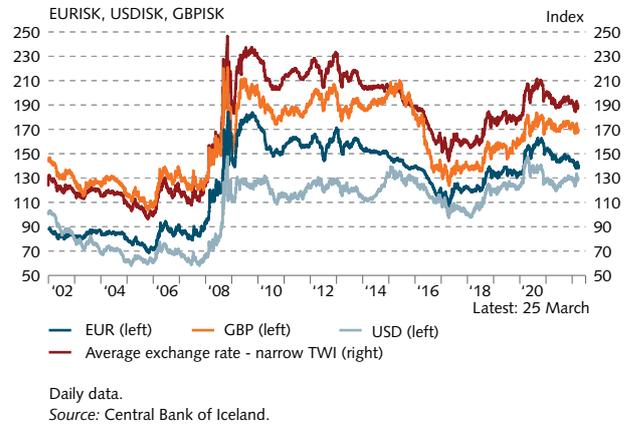
VIII-25

Nominal and real effective exchange rate of the króna



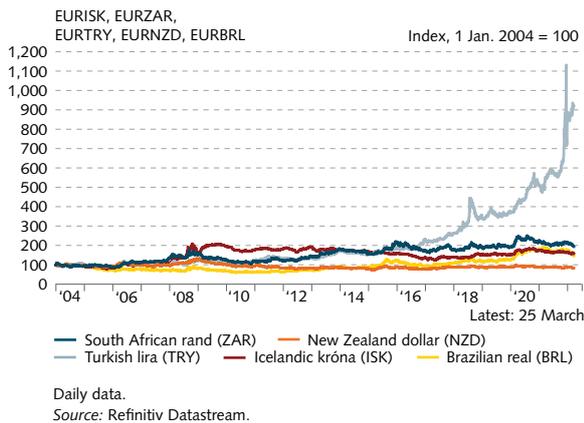
VIII-26

Exchange rate of foreign currencies against the króna



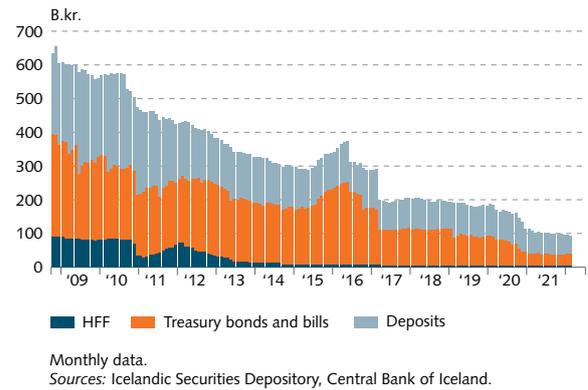
VIII-27

Exchange rate of the euro against other currencies



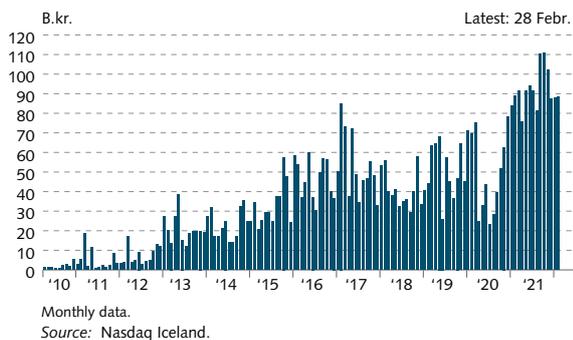
VIII-28

Non-residents' króna assets



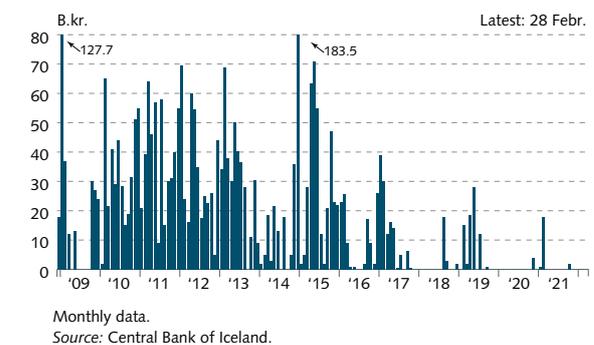
VIII-29

Equity market turnover



VIII-30

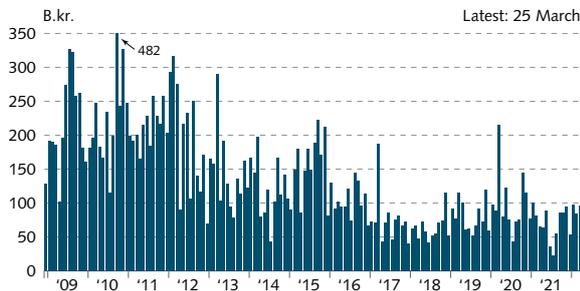
Turnover on the interbank market for krónur



## VIII Financial markets

VIII-31

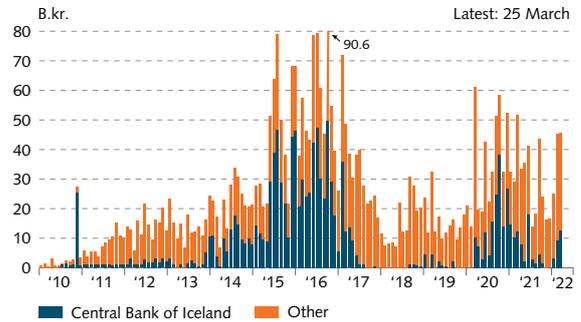
Bond market turnover



Monthly data.  
Source: Nasdaq Iceland.

VIII-32

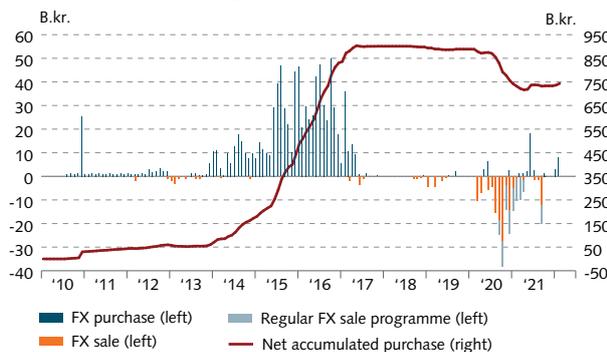
Foreign exchange market turnover



Monthly data.  
Source: Central Bank of Iceland.

VIII-33

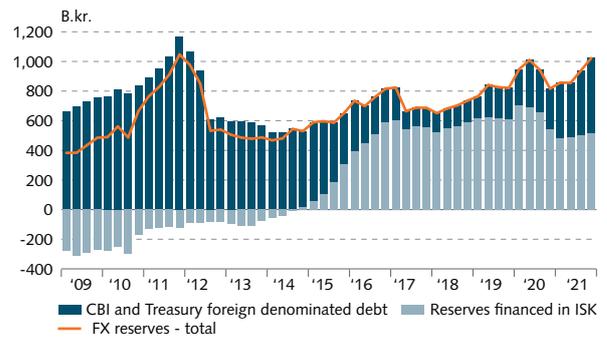
Central Bank intervention in foreign exchange market



Monthly data.  
Source: Central Bank of Iceland.

VIII-34

Central Bank of Iceland foreign exchange reserves

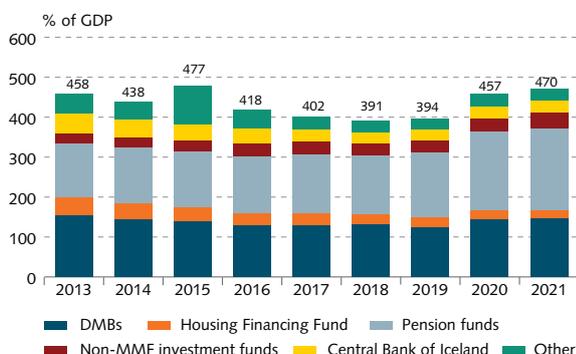


Reserves financed in ISK are foreign exchange reserves net of Central Bank and Treasury foreign-denominated debt. Quarterly data.  
Source: Central Bank of Iceland.

## IX The financial system

IX-1

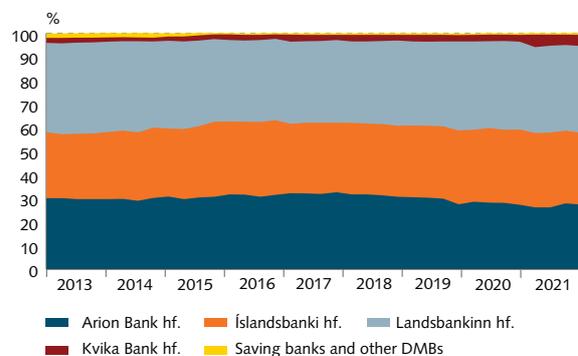
Financial system assets relative to GDP



Parent companies. Other: Failed financial institutions that have undergone composition are included with other financial institutions as of the time their composition agreements were approved. The Central Bank of Iceland Holding Company ehf. (ESI) is also included with other financial institutions from its establishment in December 2009 until its dissolution in February 2019. The Housing Financing Fund (HFF) merged with the Iceland Construction Authority on 1 January 2020. HFF assets 2020 and 2021 are the assets of the ÍL Fund, which took over the processing of the HFF's assets and liabilities at the beginning of 2020. Annual data.  
Sources: Statistics Iceland, Central Bank of Iceland.

IX-2

DMBs share of total assets

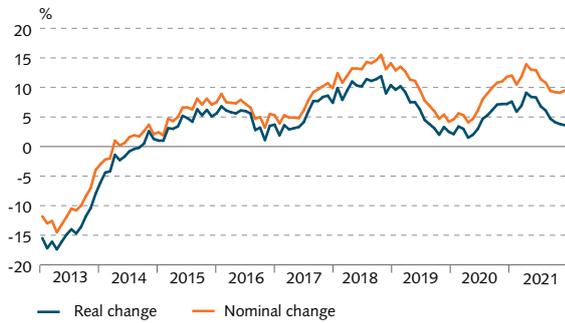


Parent companies. Quarterly data.  
Source: Central Bank of Iceland.

# IX The financial system

IX-3

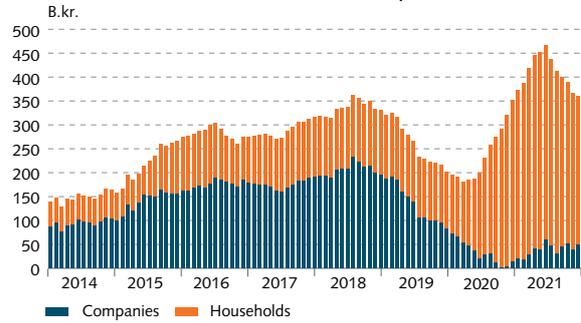
D-SIB lending to households and companies



Annualised changes. Adjusted for Government debt relief measures.  
Source: Central Bank of Iceland.

IX-4

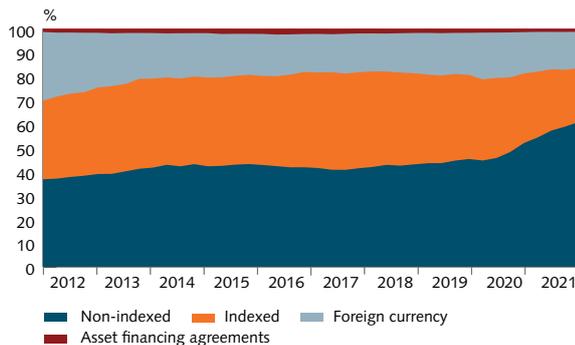
D-SIB net new lending to households and companies



12-month moving total. New loans less loan retirement and loan prepayments in excess of contractual requirements.  
Source: Central Bank of Iceland.

IX-5

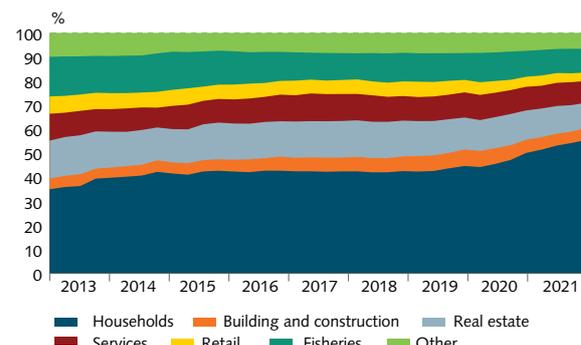
DMB distribution of loans by type



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

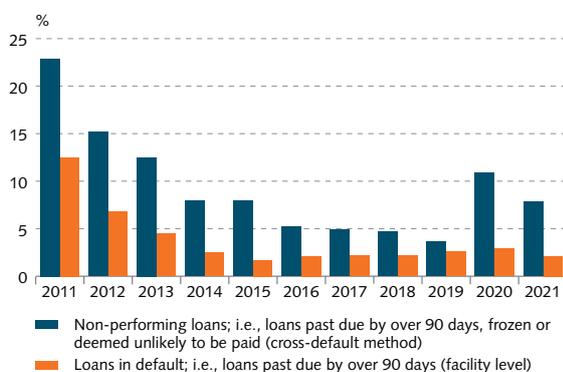
D-SIB lending classified by borrower



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

IX-7

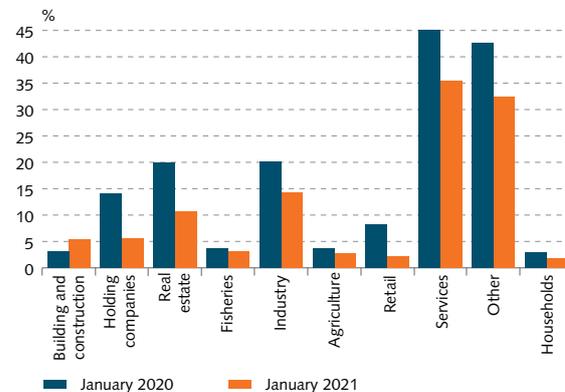
D-SIB default ratios



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.  
Source: Central Bank of Iceland.

IX-8

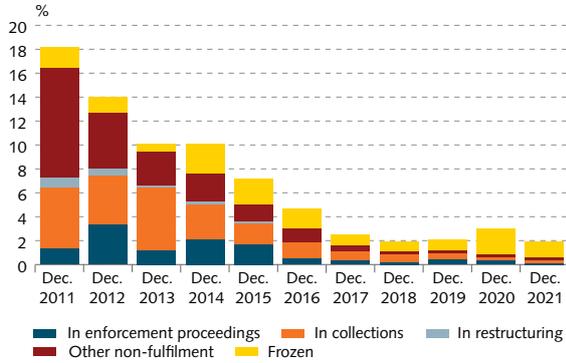
D-SIB non-performing loan ratios



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

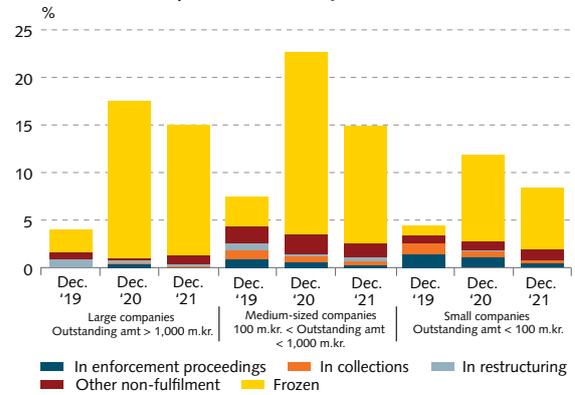
Status of D-SIBs non-performing loans to households



Parent companies, book value. 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-10

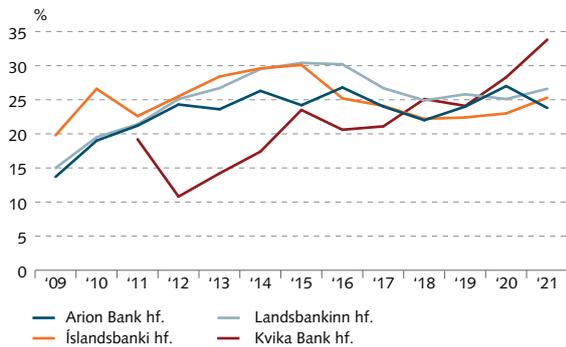
Status of D-SIBs non-performing corporate loans, by claim amount



Percentage of total loans in each size category. 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-11

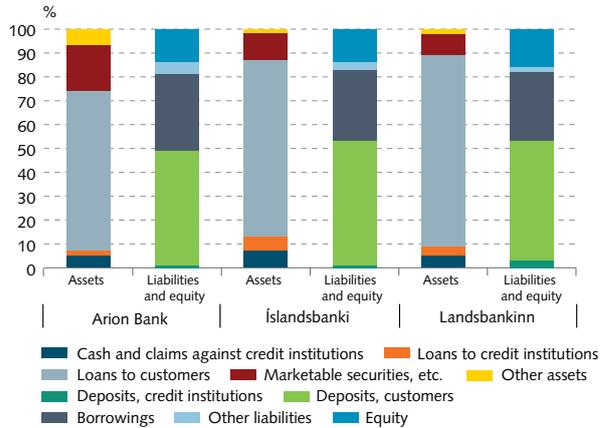
Commercial bank's capital adequacy ratios



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

IX-12

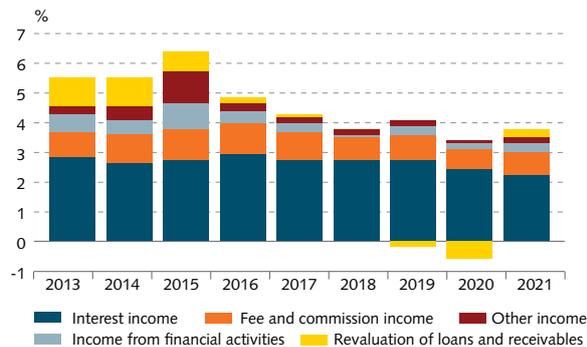
D-SIB assets and liabilities



Consolidated figures. End of Q4 2021.  
Sources: Commercial banks' financial statements, Central Bank of Iceland.

IX-13

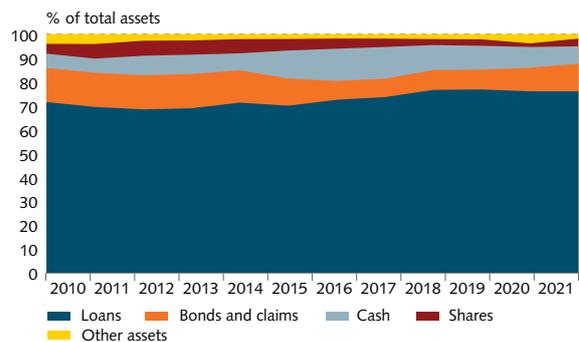
Ratio of D-SIB operating income to total assets



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

IX-14

D-SIB assets

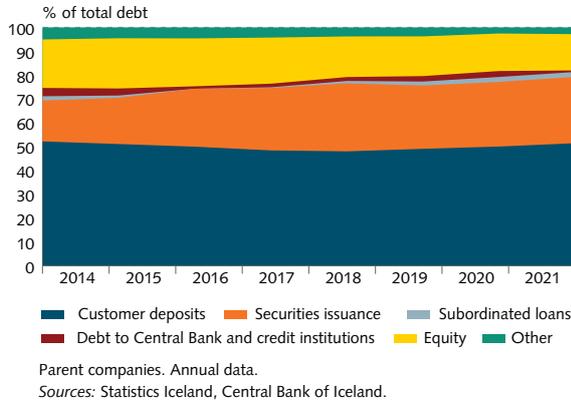


Parent companies. Annual data.  
Source: Central Bank of Iceland.

# IX The financial system

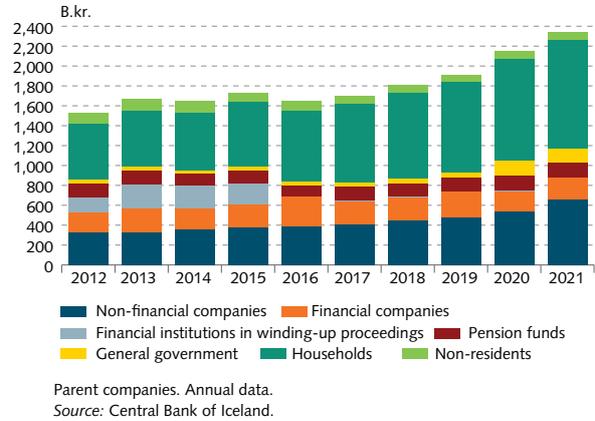
IX-15

D-SIB funding



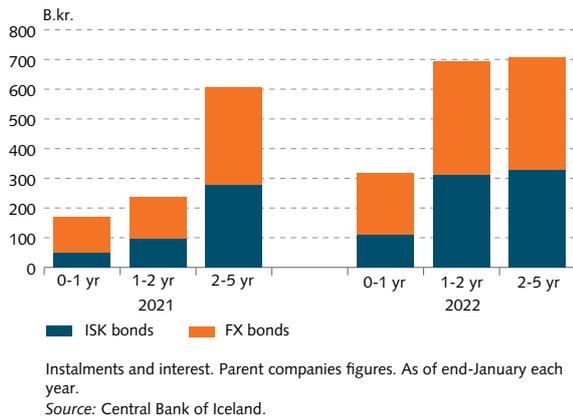
IX-16

D-SIB depositors



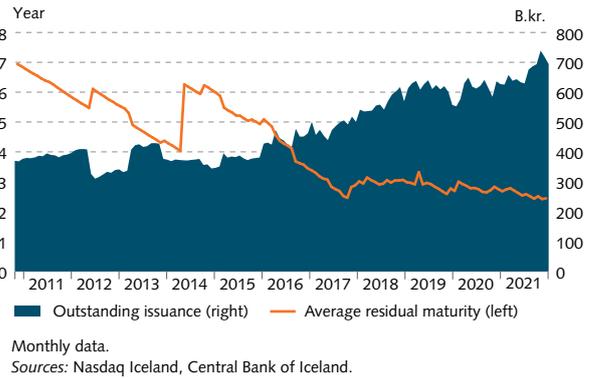
IX-17

D-SIB bond maturities



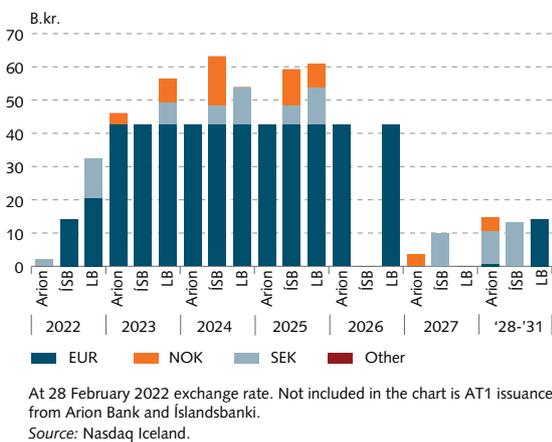
IX-18

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



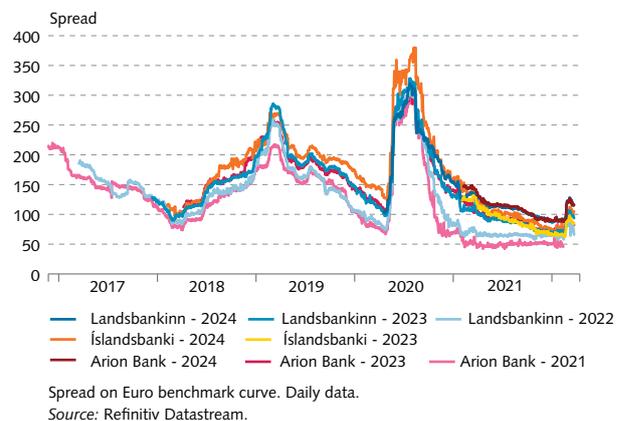
IX-19

D-SIB foreign bonds by maturity and currency



IX-20

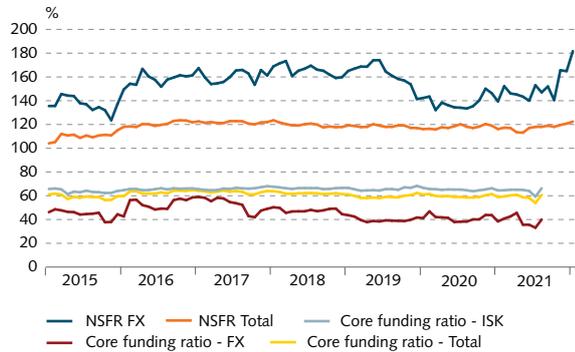
D-SIB spread on listed foreign bonds, EUR



## IX The financial system

IX-21

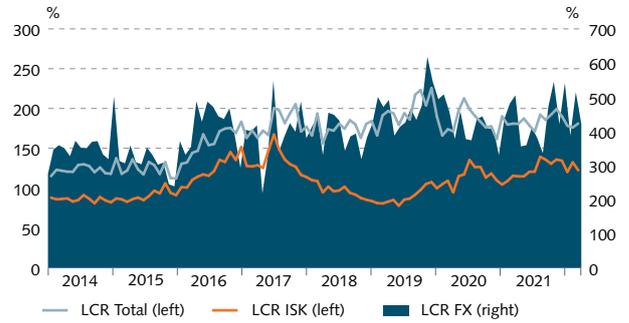
D-SIB NSFR ratio and ratio of core funding to total funding



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. New NSFR rules were implemented in June 2021. Monthly data.  
Source: Central Bank of Iceland.

IX-22

D-SIB liquidity coverage ratio



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

IX-23

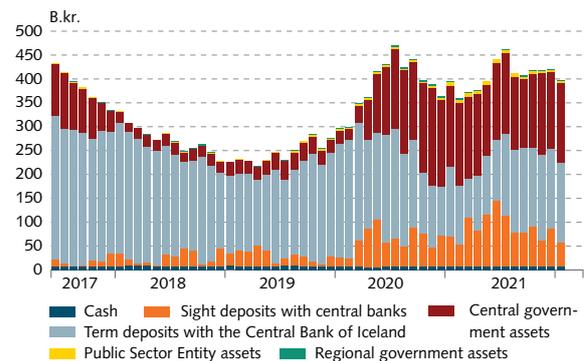
DMB's ratio of liquid assets to total assets



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

IX-24

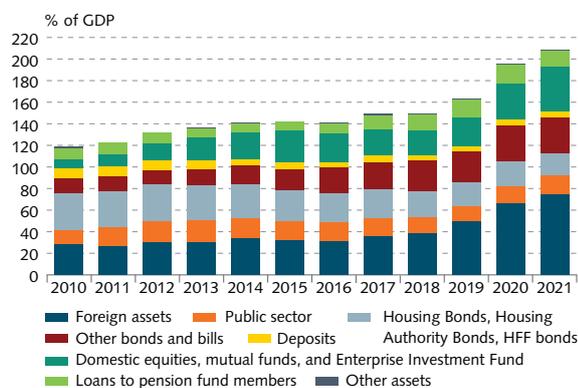
D-SIB liquid assets



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

IX-25

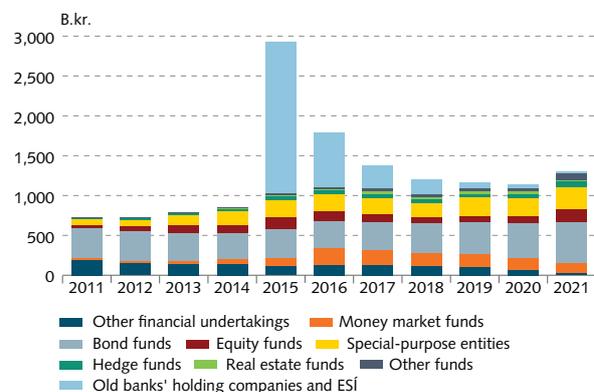
Pension funds' distribution of assets



2021 based on preliminary figures. Annual data.  
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. September data for 2021.  
Source: Central Bank of Iceland.

