



# ECONOMIC INDICATORS

## CENTRAL BANK OF ICELAND

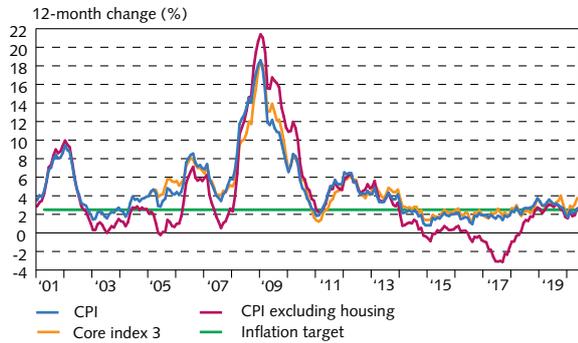
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# I Inflation and inflation expectations

I-1

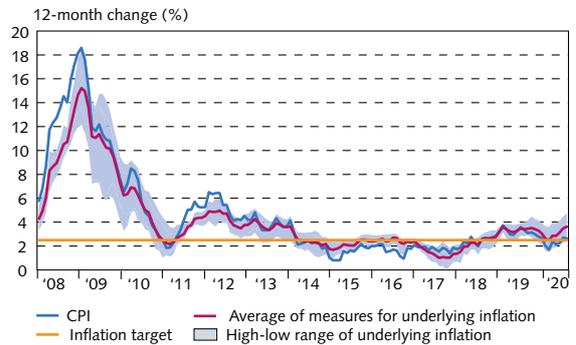
Inflation



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

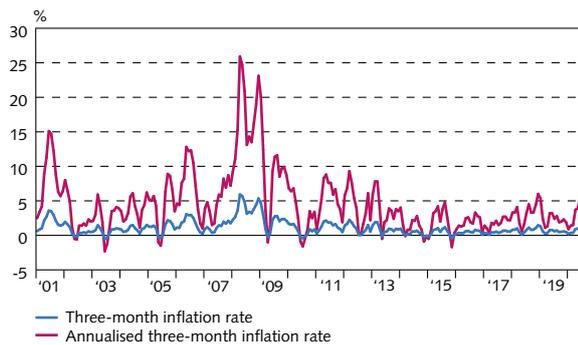
Inflation and underlying inflation



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

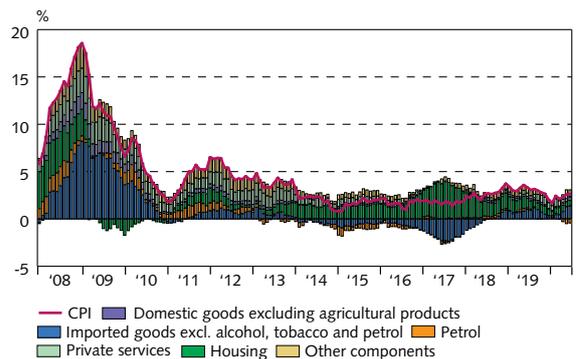
Seasonally adjusted inflation



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

I-4

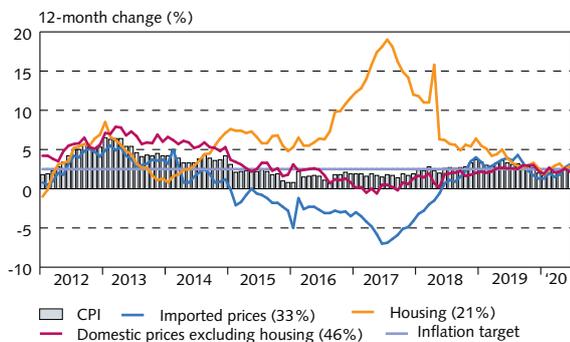
Components of CPI inflation



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

I-5

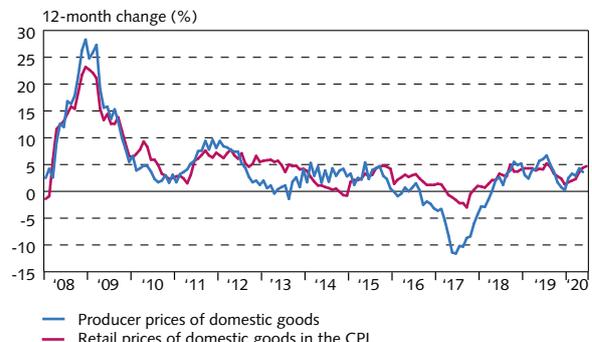
Imported and domestic inflation



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

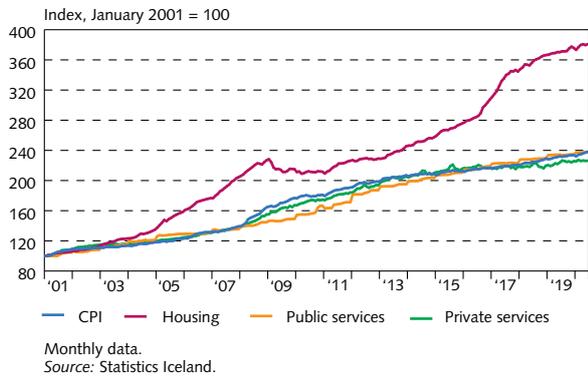


Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

# I Inflation and inflation expectations

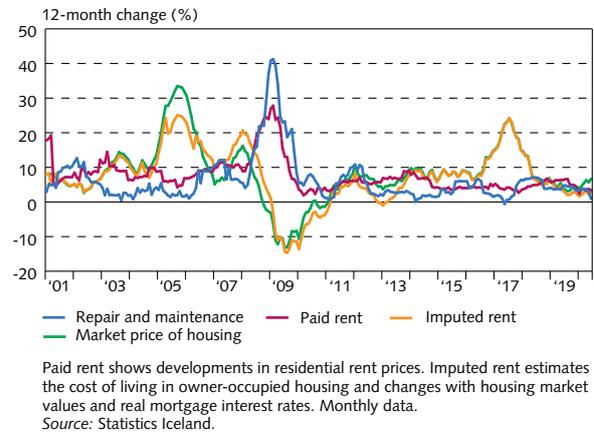
I-7

Price developments: housing and services



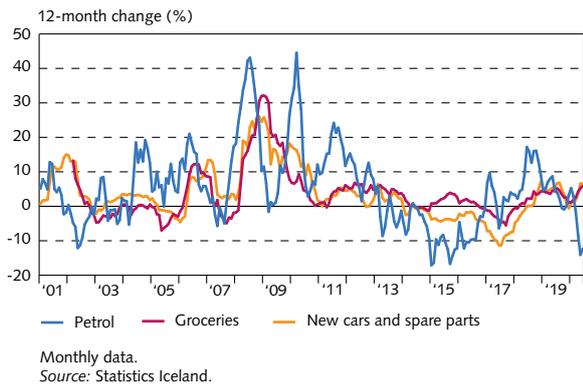
I-8

Price developments: housing



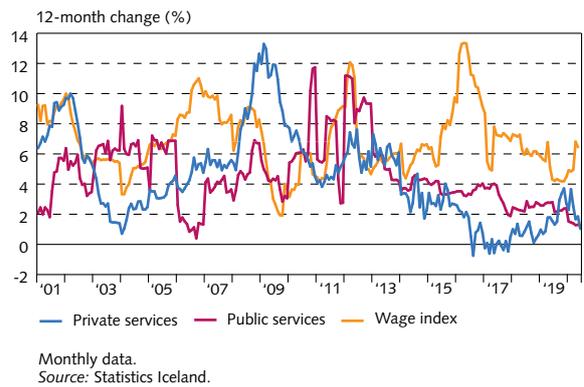
I-9

Price developments: various components



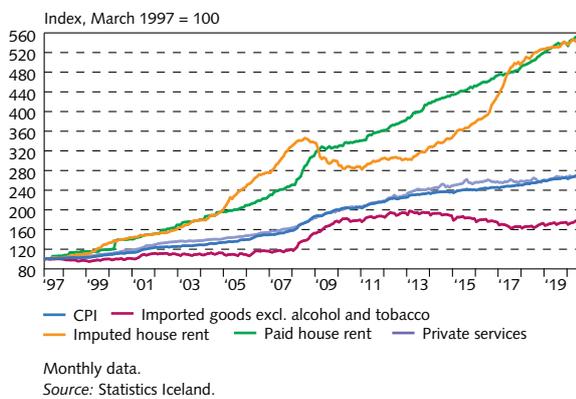
I-10

Price developments: wages and services



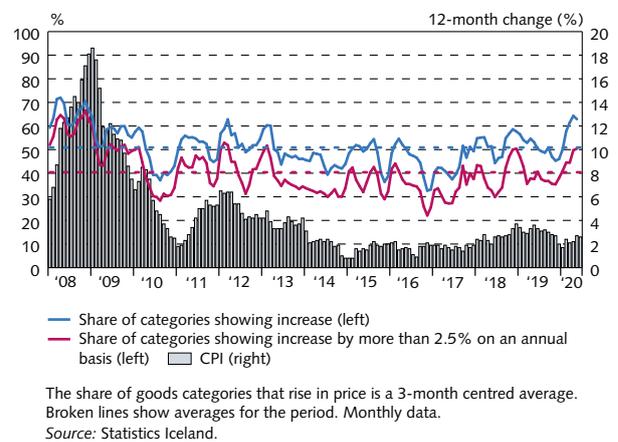
I-11

Price developments: goods, housing and services



I-12

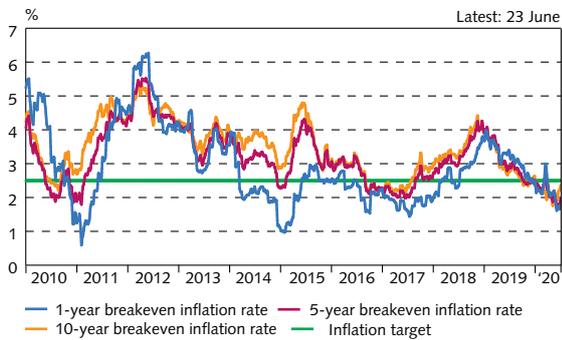
Distribution of price increases in the CPI



# I Inflation and inflation expectations

I-13

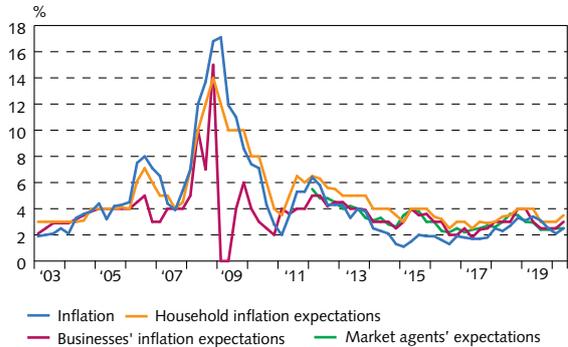
Breakeven inflation rates



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

I-14

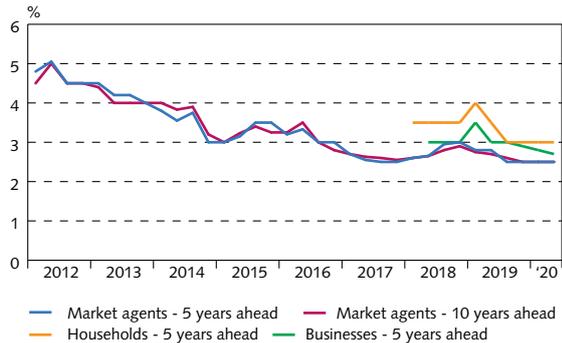
Inflation expectations of businesses, households, and market agents one year ahead and current inflation



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

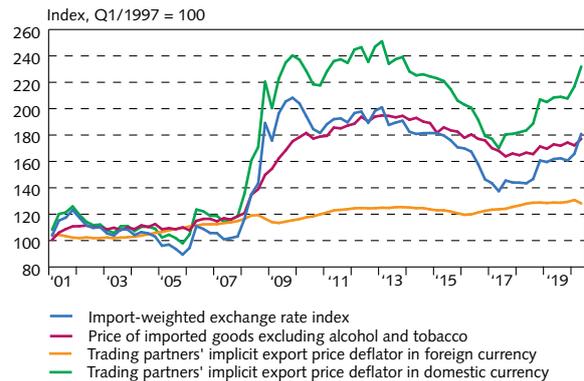
Long-term inflation expectations of businesses, households, and market agents



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

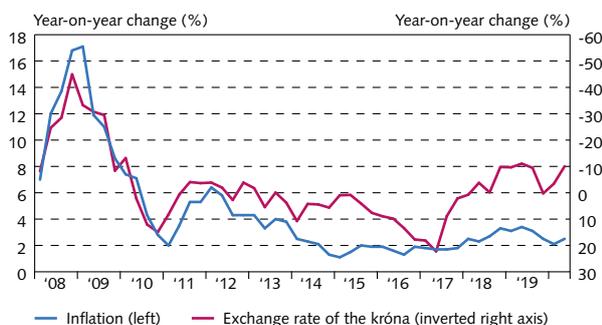
Import price levels and exchange rate developments



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

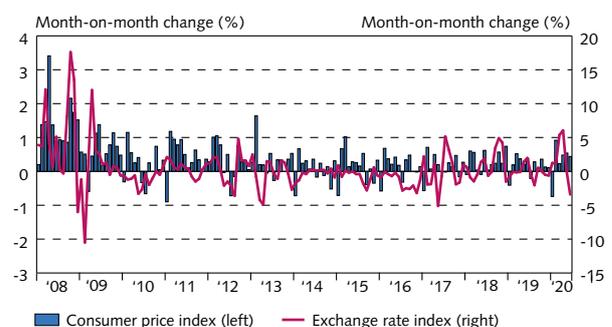
Inflation and exchange rate of the króna



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

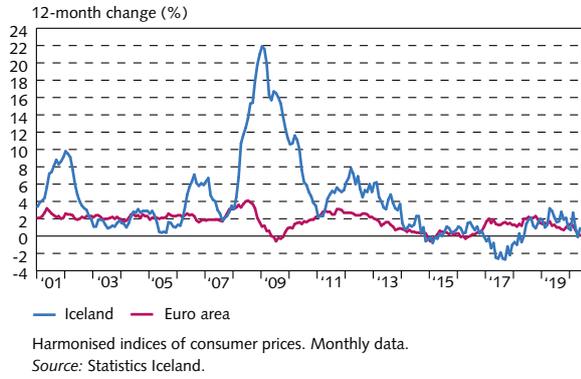


Based on the narrow trade-weighted exchange rate of the króna. Monthly data.  
 Sources: Statistics Iceland, Central Bank of Iceland.

# I Inflation and inflation expectations

I-19

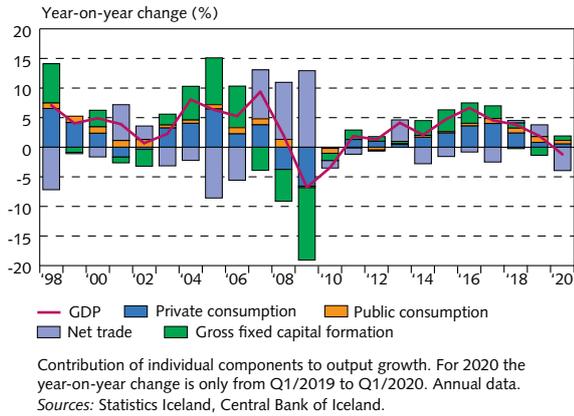
Inflation in Iceland and Europe



# II Output and demand

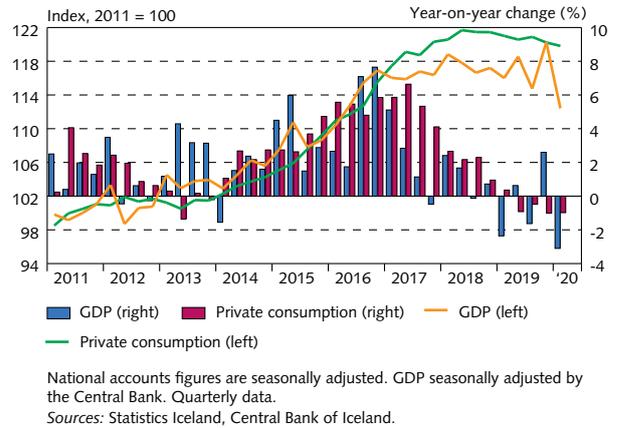
II-1

Contribution of individual components to output growth



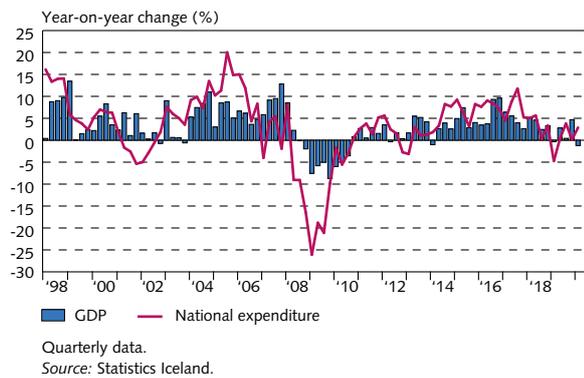
II-2

GDP and private consumption per capita



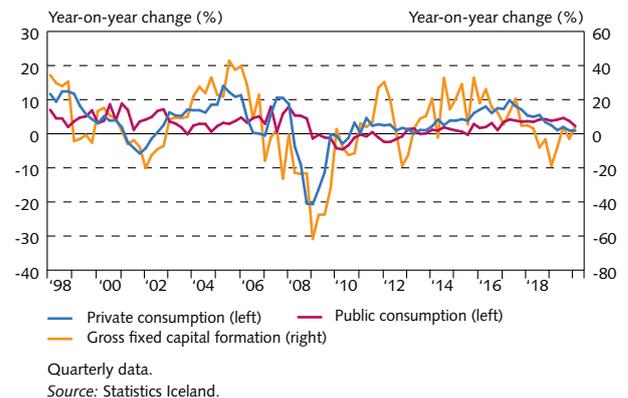
II-3

Output growth and national expenditure



II-4

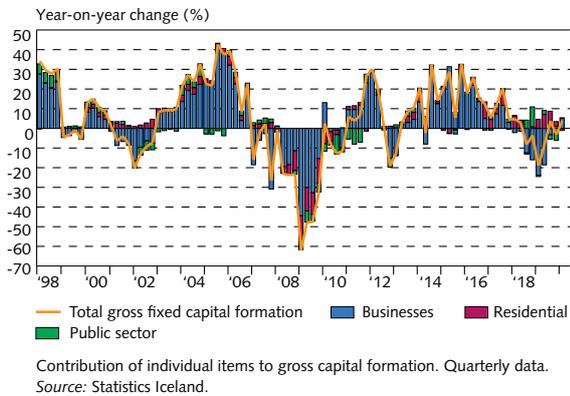
Private consumption, public consumption and gross fixed capital formation



## II Output and demand

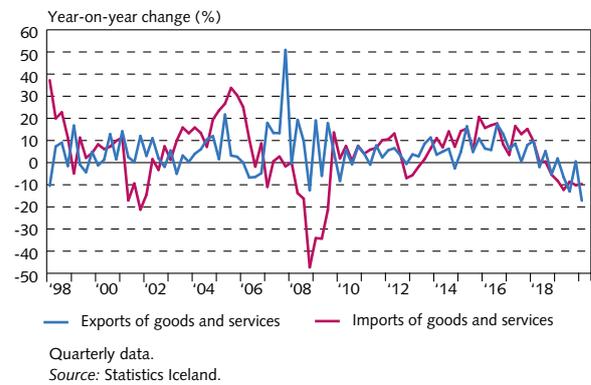
II-5

Gross fixed capital formation



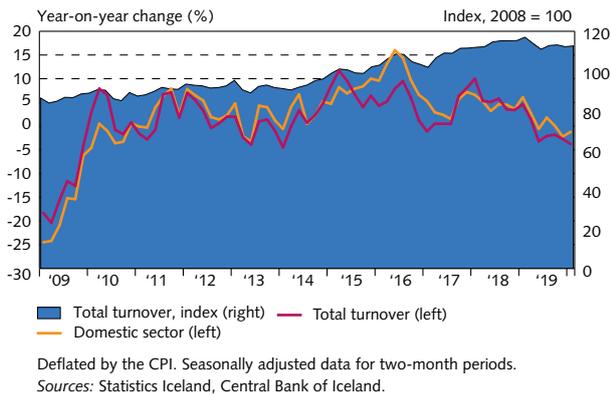
II-6

Foreign trade



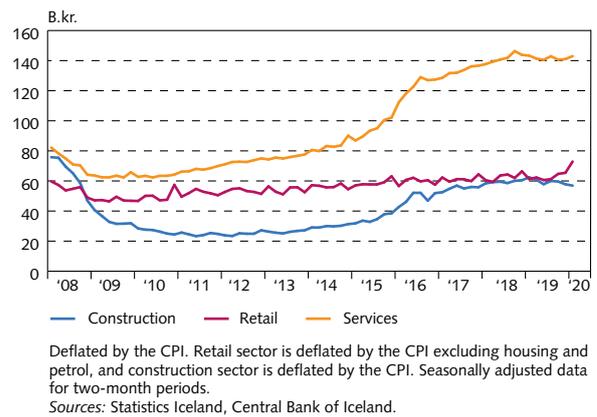
II-7

Turnover according to VAT returns



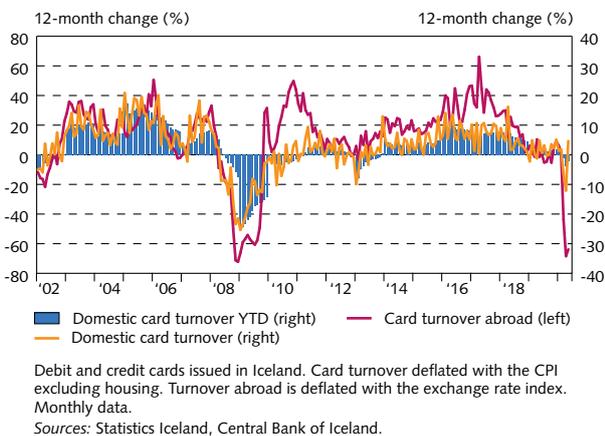
II-8

Turnover according to VAT returns



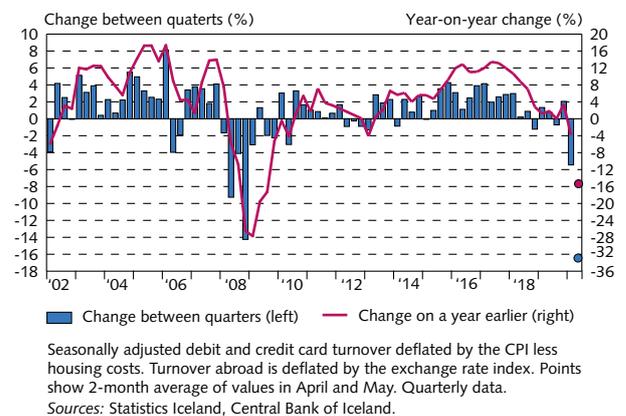
II-9

Payment card turnover



II-10

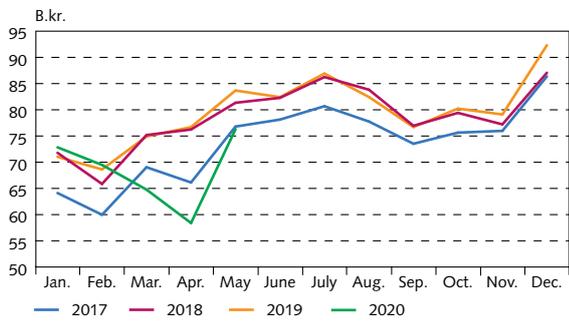
Total household payment card turnover



## II Output and demand

II-11

Household payment card turnover

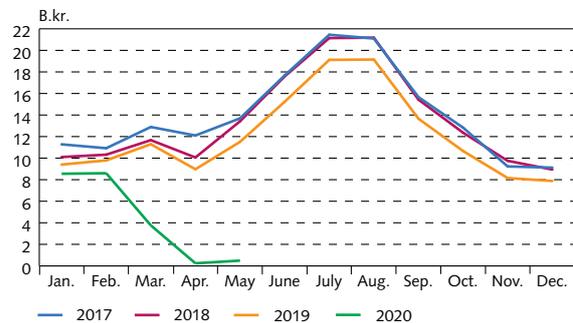


Debit and credit cards issued in Iceland. Domestic card turnover is deflated with the CPI excluding housing. Foreign turnover is deflated with the import-weighted exchange rate index. Based on latest monthly prices and exchange rates. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-12

Foreign payment card turnover in Iceland

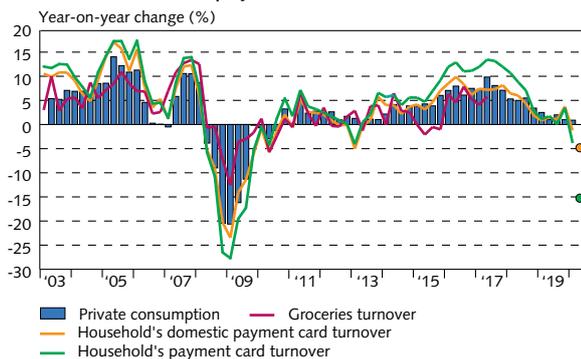


Foreign payment card turnover deflated by the CPI less housing costs. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-13

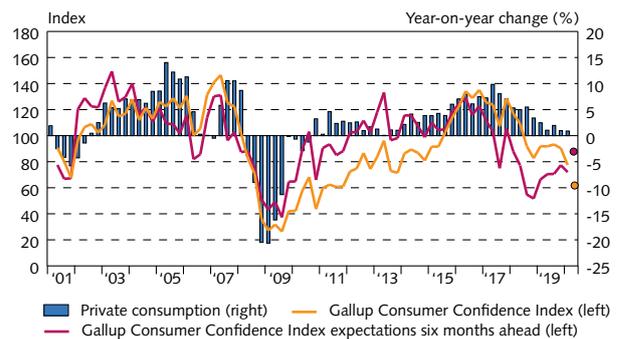
Private consumption, groceries, and payment card turnover



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

II-14

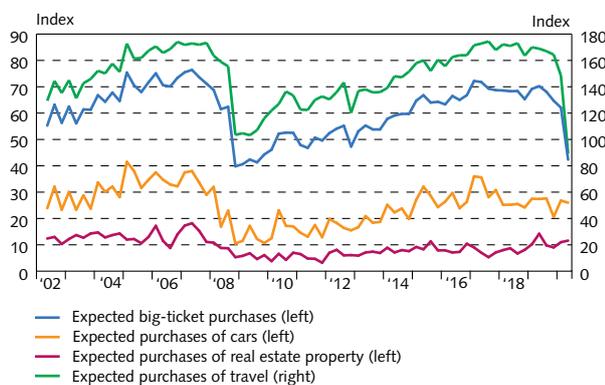
Private consumption and Gallup Consumer Confidence Index



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

II-15

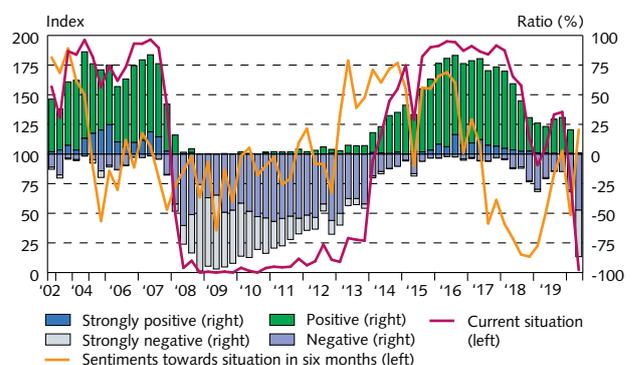
Indices of expected big-ticket purchases



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

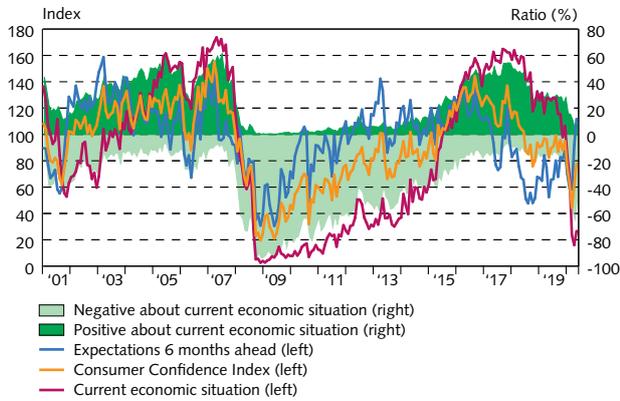


The Business sentiment indices are based upon Gallup's survey of the largest companies in Iceland, conducted 4 times a year. The columns show the sentiments towards the current situation of the economy. Source: Gallup.

## II Output and demand

II-17

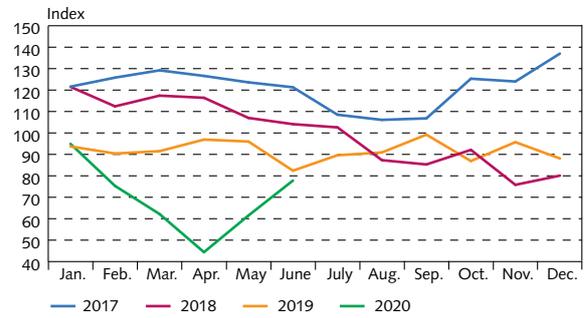
Consumer sentiment (Gallup)



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

II-18

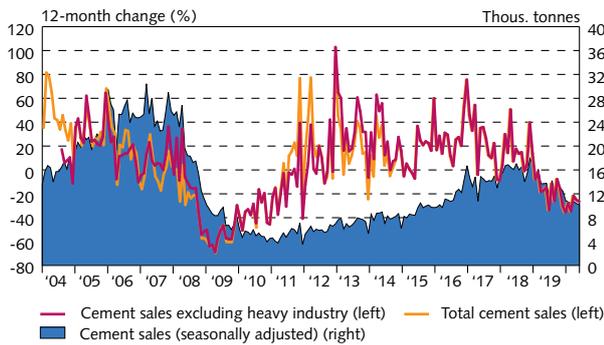
Consumer sentiment (Gallup)



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

II-19

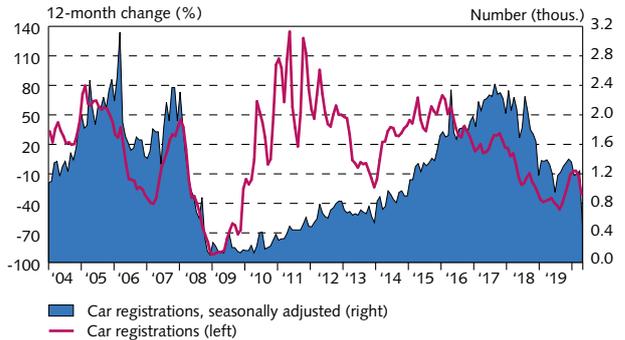
Cement sales



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

II-20

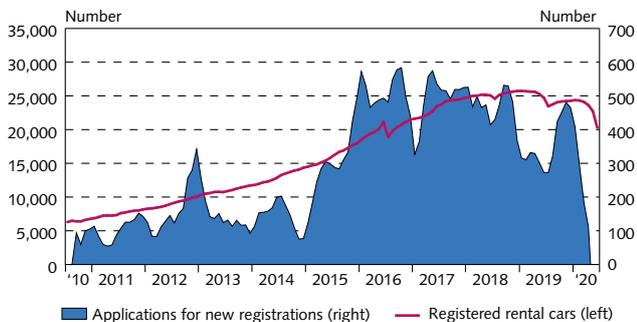
New registration of motor vehicles



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-21

Rental cars

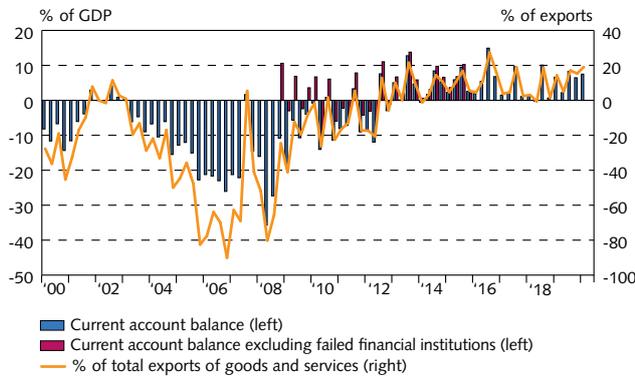


Seasonally adjusted figures. Applications for new registrations are a three-month moving average.  
Sources: Statistics Iceland, Central Bank of Iceland.

### III Foreign trade and external economic conditions

III-1

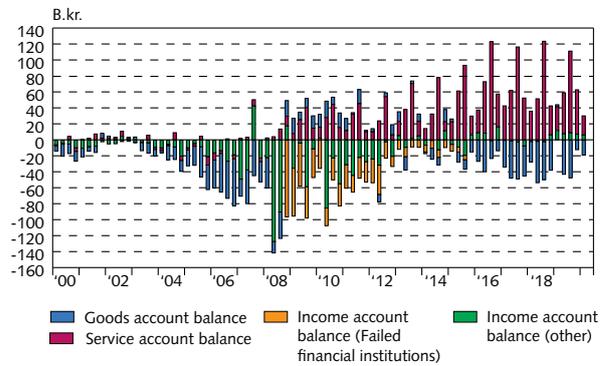
Current account balance



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

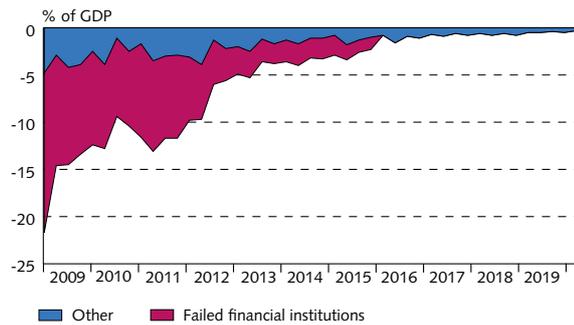
Components of current account



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-3

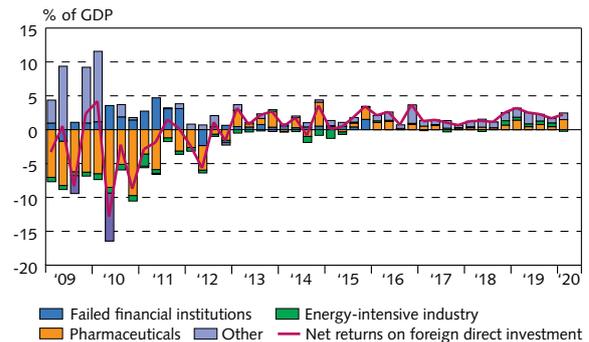
Net foreign interest payments



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

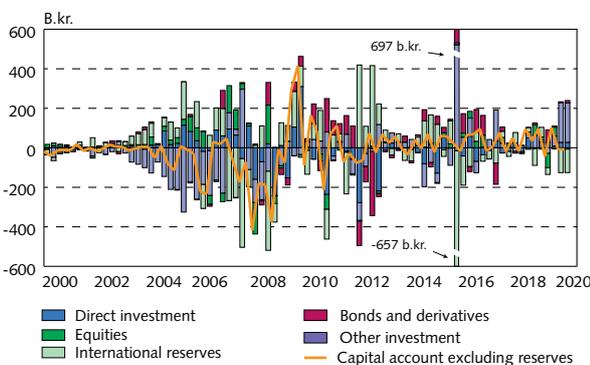
Net returns on foreign direct investment



Failed financial institutions were wound up year-end 2015. Their share is therefore zero from 2016. 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

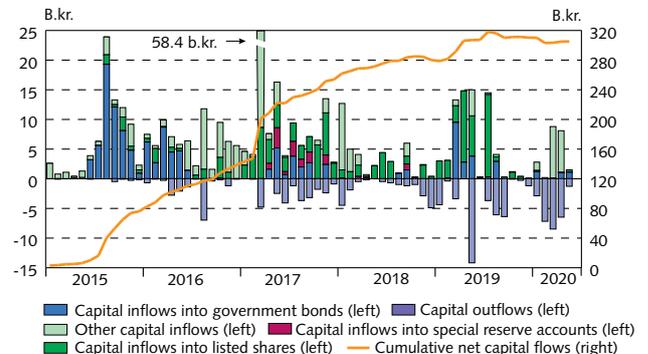
Net capital flows



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

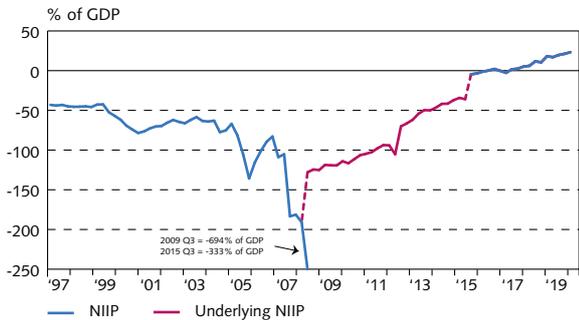


Other inflows in March 2017 derived almost entirely from non-residents' acquisition of a holding in a domestic commercial bank. Monthly data.  
 Source: Central Bank of Iceland.

### III Foreign trade and external economic conditions

III-7

Net international investment position

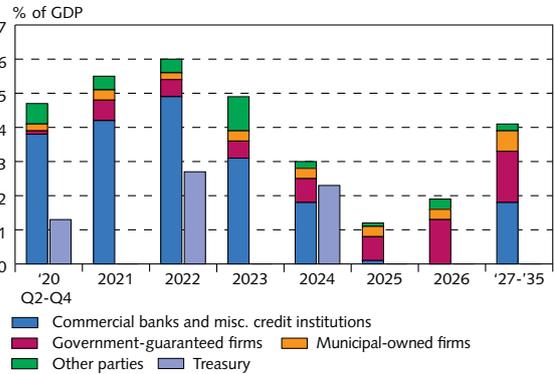


Based on underlying position from 2008 through end-2015; i.e., adjusted for the effects of settling the failed banks' estates and assuming equal distribution of assets to general creditors. At the end of 2015, the estates of the failed financial institutions reached composition agreements entailing the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

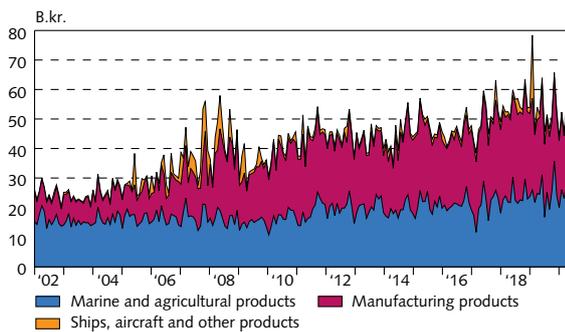


Based on Q1 2020 position and 25 May 2020 exchange rate.

Sources: Statistics Iceland, Central Bank of Iceland.

III-9

Components of merchandise exports

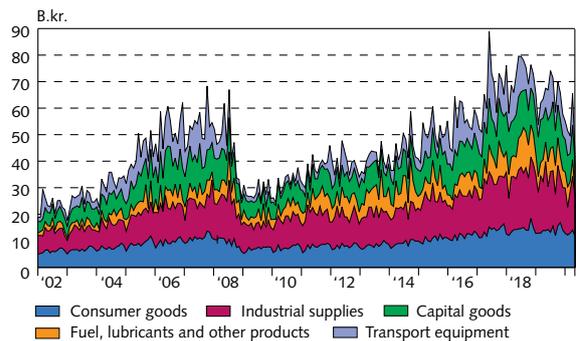


Merchandise export values at constant exchange rates based on monthly average export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-10

Components of merchandise imports

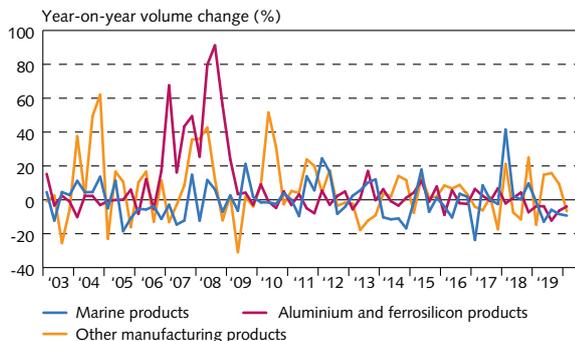


Merchandise import values at constant exchange rates based on import-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-11

Main export products

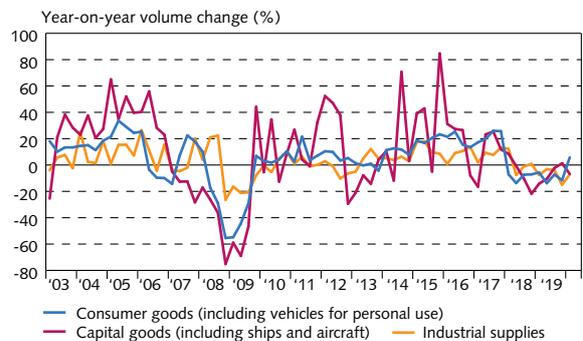


Quarterly data.

Source: Statistics Iceland.

III-12

Main import products



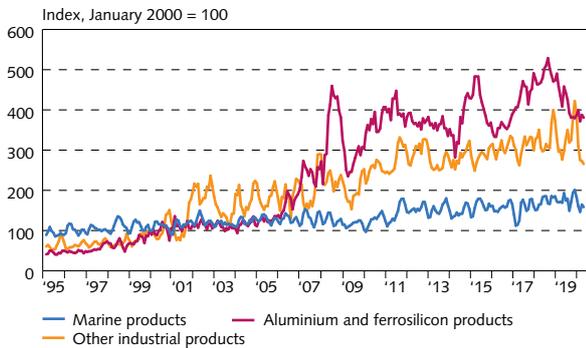
Quarterly data.

Source: Statistics Iceland.

### III Foreign trade and external economic conditions

III-13

Merchandise exports by category

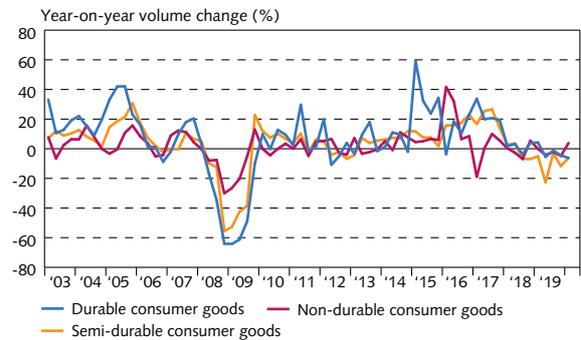


Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-14

Imported consumer goods

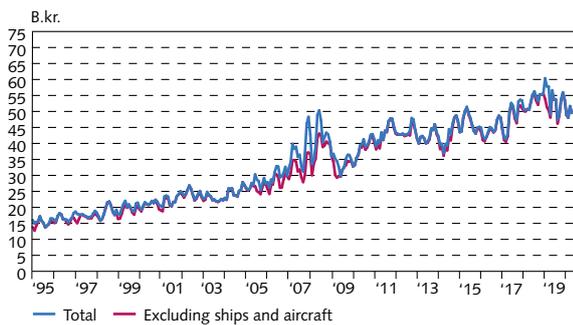


Non-durable consumer goods are disposable items such as tobacco and pharmaceuticals. Semi-durables are products that are neither disposable nor durable, such as clothing. Consumer durables are products with a long life-time, such as household appliances. Quarterly data.

Source: Statistics Iceland.

III-15

Merchandise exports

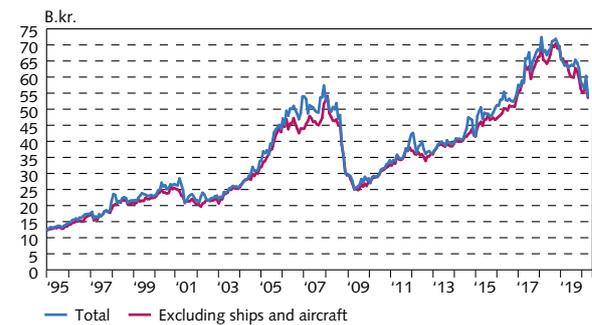


Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-16

Seasonally adjusted merchandise imports

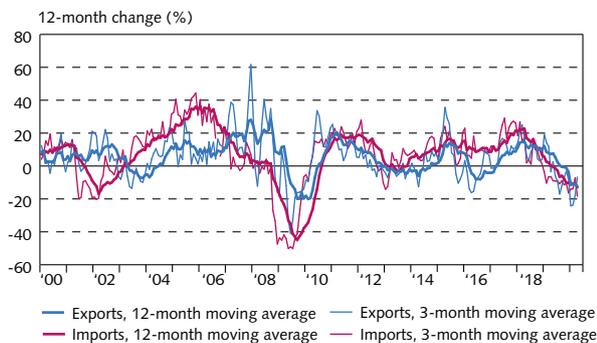


Imported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). The index of foreign price levels is calculated by weighting together the consumer price indices in main trading partner countries using a currency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

Sources: Statistics Iceland, Central Bank of Iceland.

III-17

Merchandise imports and exports

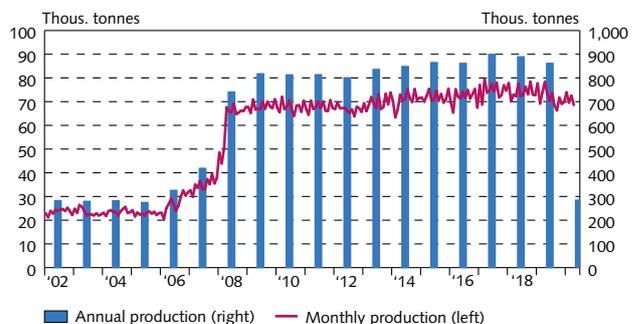


Exchange rate used consists of monthly averages of the broad trade-weighted index. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-18

Aluminium production



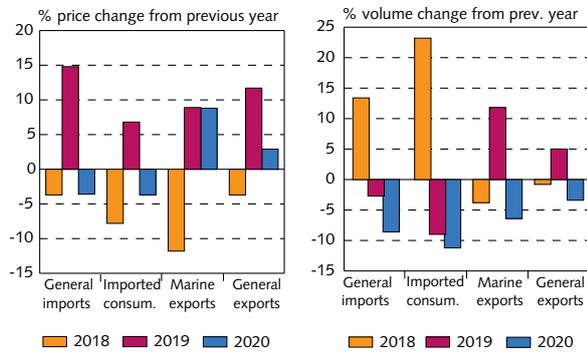
Annual aluminium production for 2020 is production for January-April. Monthly data.

Source: Statistics Iceland.

### III Foreign trade and external economic conditions

III-19

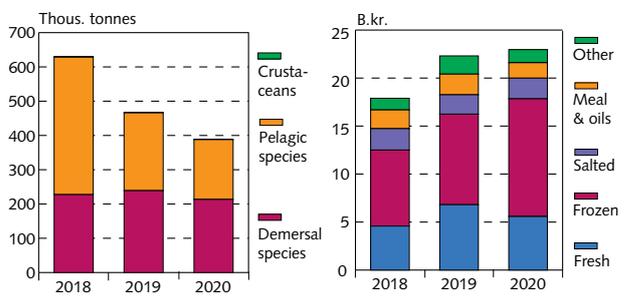
Merchandise trade  
January-April



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

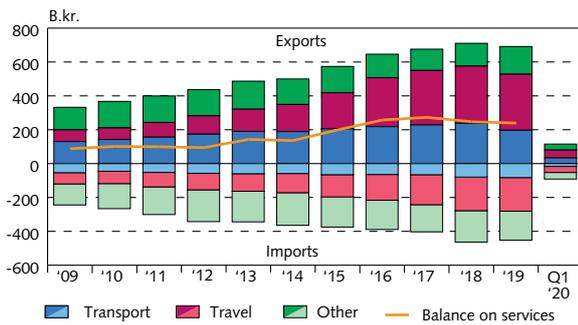
Catch volume and export value of marine products  
January-May



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

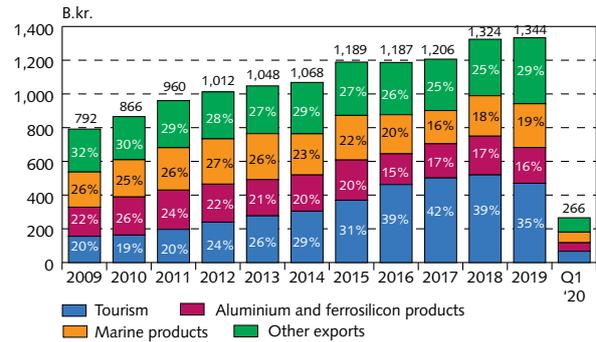
Services imports and exports



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

III-22

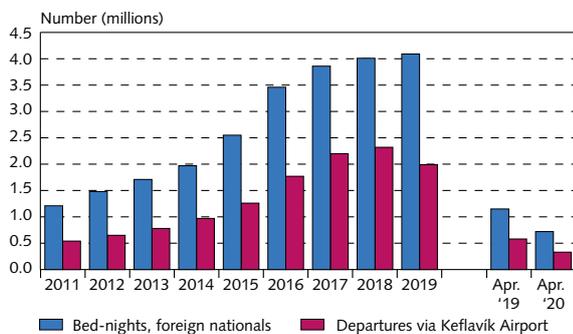
Goods and services exports



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

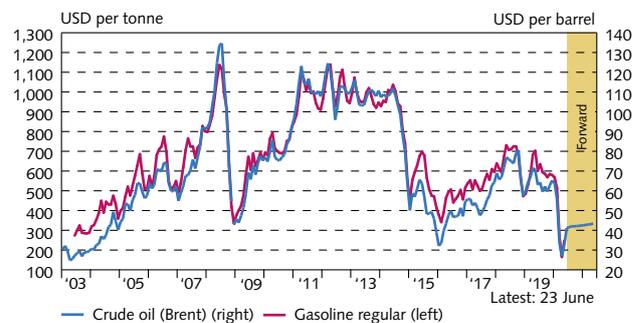
Foreign tourists and hotel bed-nights



Cumulative monthly figures are for January-April. Annual and cumulative monthly figures.  
Sources: Icelandic Tourist Board, Isavia, Statistics Iceland.

III-24

Global crude oil and gasoline prices

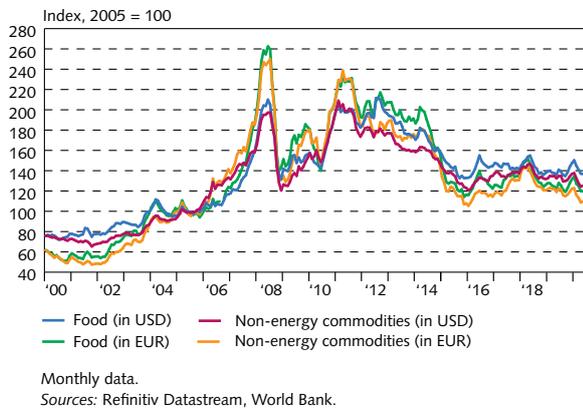


Monthly averages and forward prices 12 months ahead.  
Source: Refinitiv.

### III Foreign trade and external economic conditions

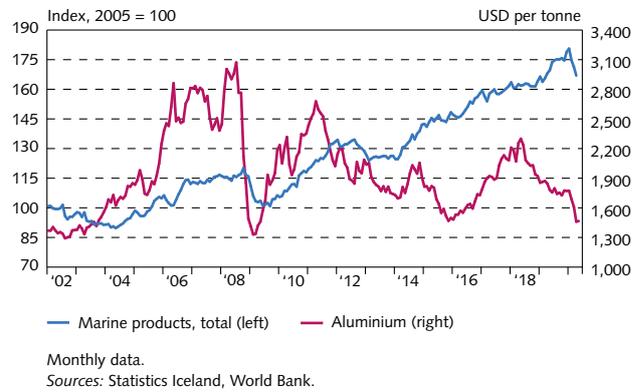
III-25

Commodity prices in international markets



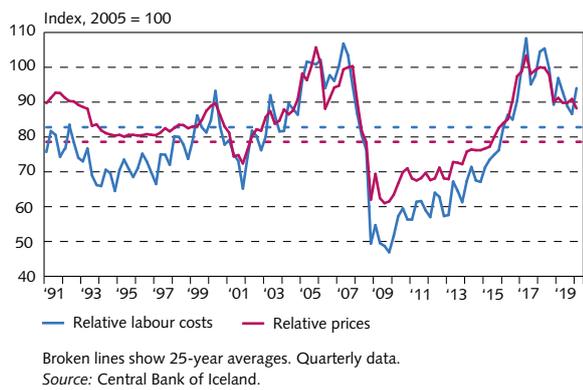
III-26

Icelandic export prices



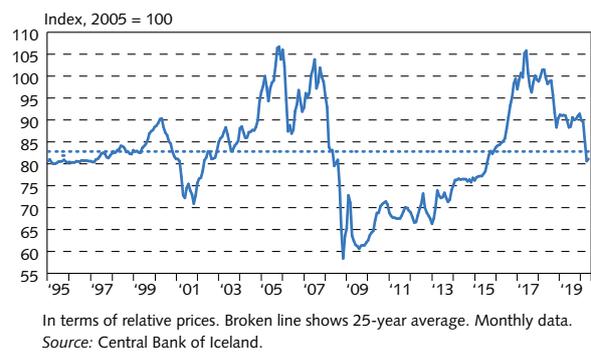
III-27

Real exchange rate



III-28

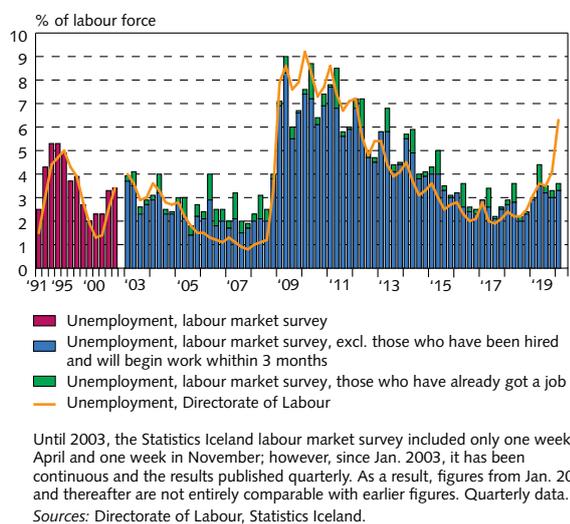
Real exchange rate



### IV Labour market and wages

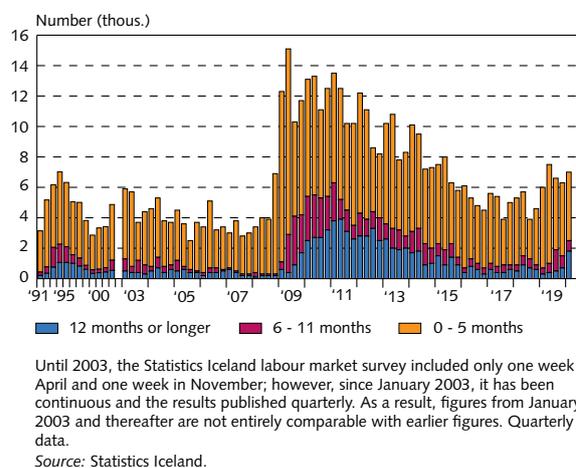
IV-1

Unemployment rate



IV-2

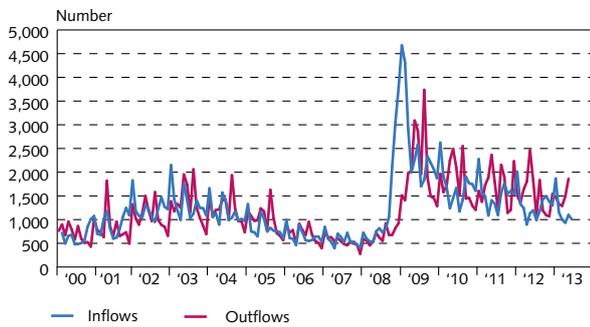
Unemployment by duration



## IV Labour market and wages

IV-3

Unemployment register: Inflows and outflows

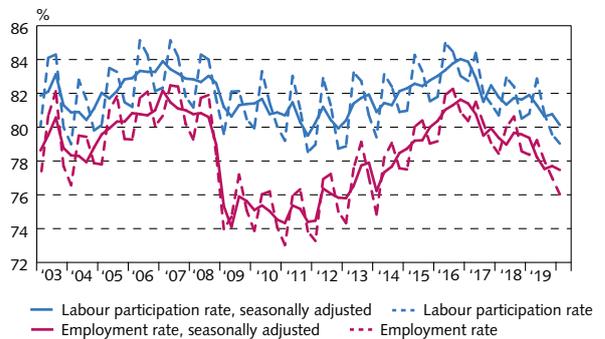


Monthly data.

Source: Directorate of Labour.

IV-4

Labour participation rate and employment rate

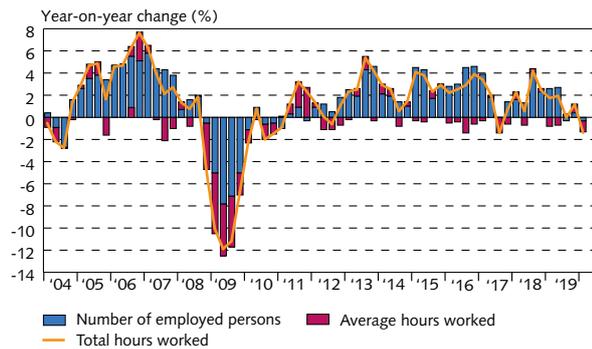


Quarterly numbers based on monthly data averages.

Source: Statistics Iceland.

IV-5

Employment and hours worked for employed persons

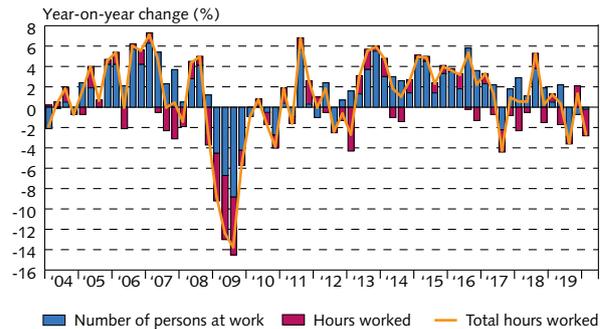


Employed persons are those who worked at least one hour during the reference week or were absent from work that they were hired to carry out. Quarterly numbers based on monthly data averages.

Source: Statistics Iceland.

IV-6

Employment and hours worked for persons at work

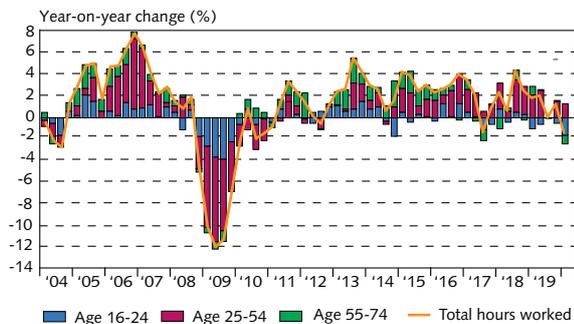


Persons at work are those who worked one hour or more during the reference week. Quarterly data.

Source: Statistics Iceland.

IV-7

Total working hours

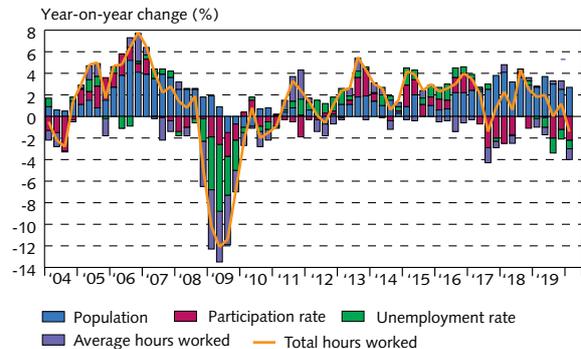


Quarterly data.

Source: Statistics Iceland.

IV-8

Total working hours



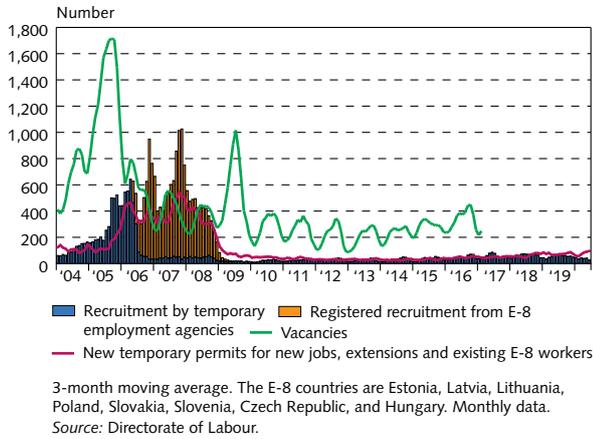
Increase in unemployment shows as a negative contribution to an increase in total working hours. Quarterly numbers based on monthly data averages.

Sources: Statistics Iceland, Central Bank of Iceland.

## IV Labour market and wages

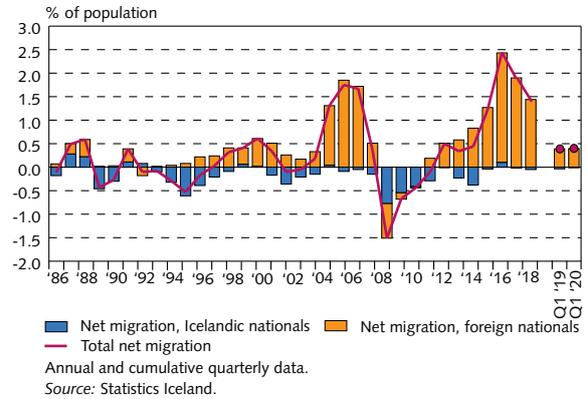
IV-9

Vacancies and foreign labour



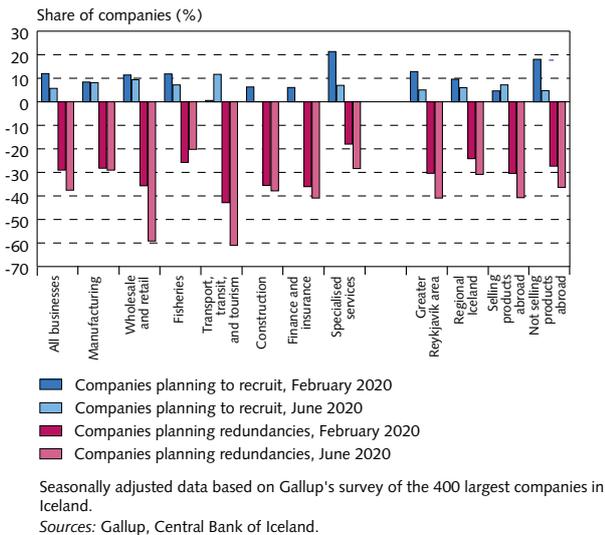
IV-10

Migration



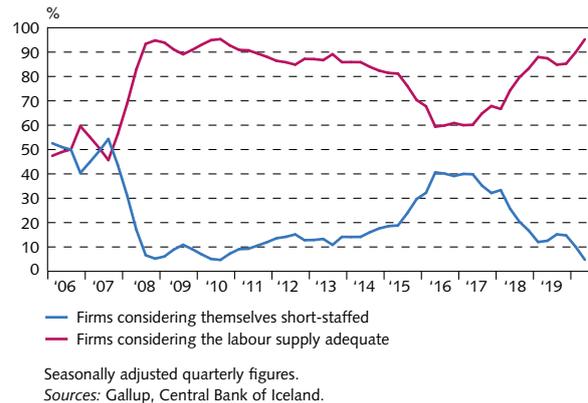
IV-11

Companies planning to change staffing levels during the next 6 months



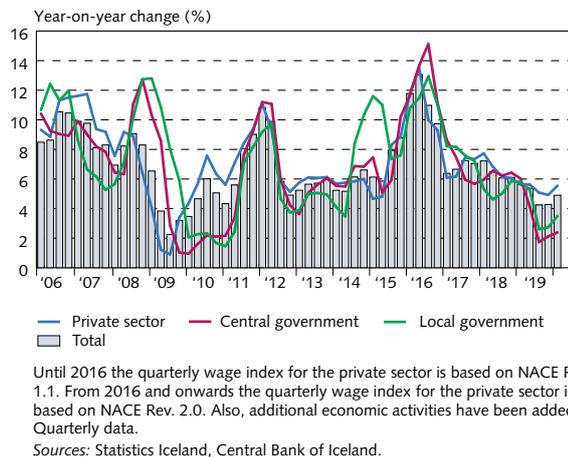
IV-12

Labour supply



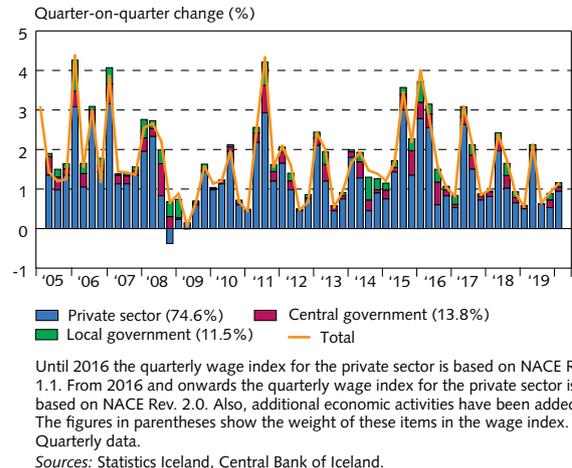
IV-13

Wage changes by sector



IV-14

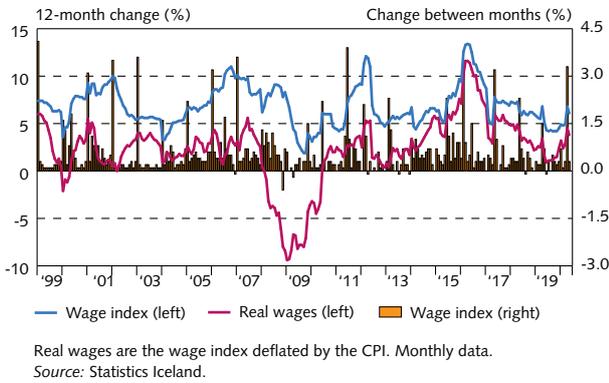
Sectoral contribution to wage growth



## IV Labour market and wages

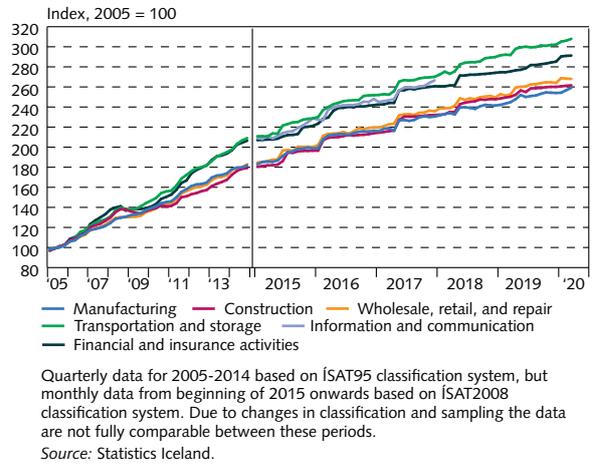
IV-15

Nominal and real wages



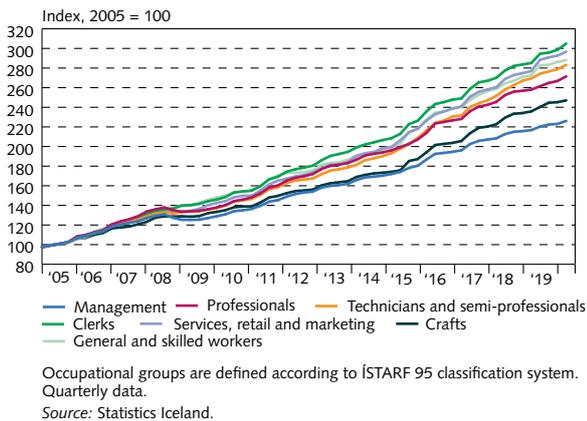
IV-16

Private sector wage index by selected sectors



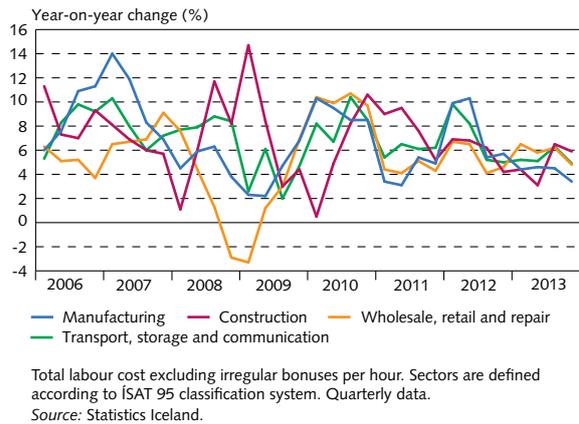
IV-17

Private sector wage index by occupational group



IV-18

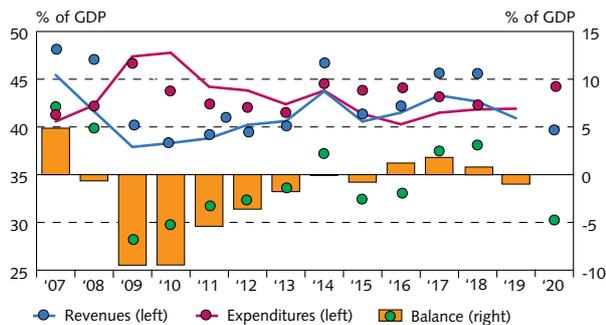
Private sector labour cost index by sector



## V Public finances

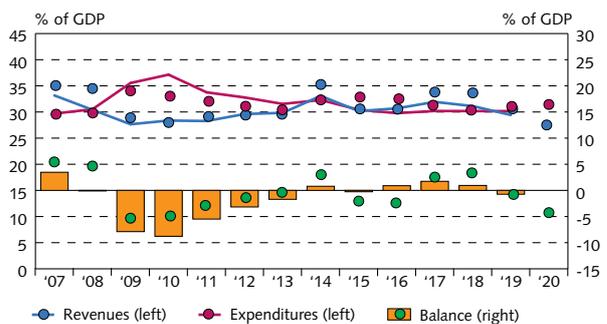
V-1

General government revenues, expenditures and balance



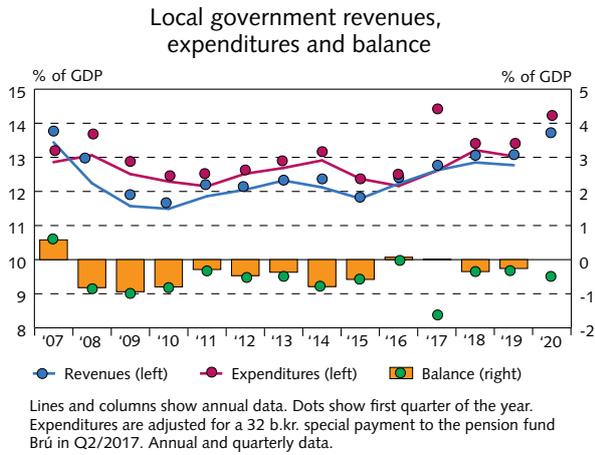
V-2

Treasury revenues, expenditures and balance

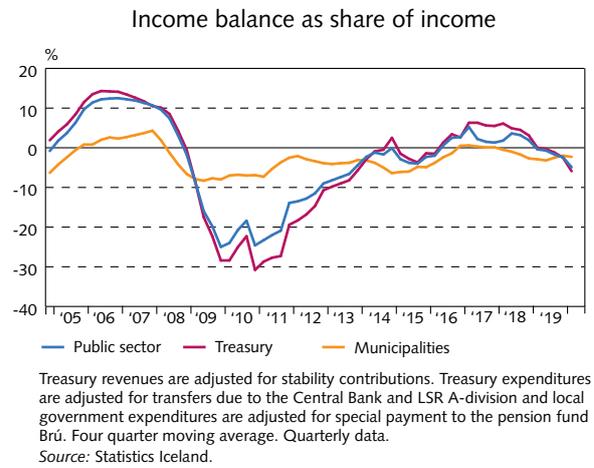


## V Public finances

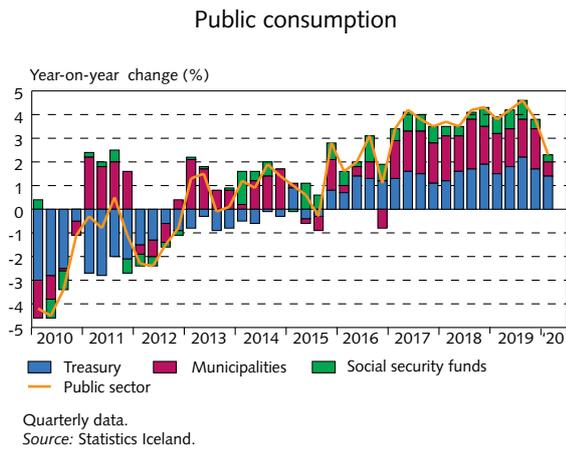
V-3



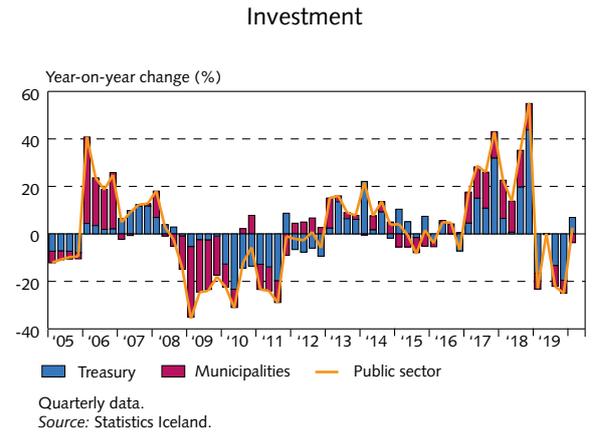
V-4



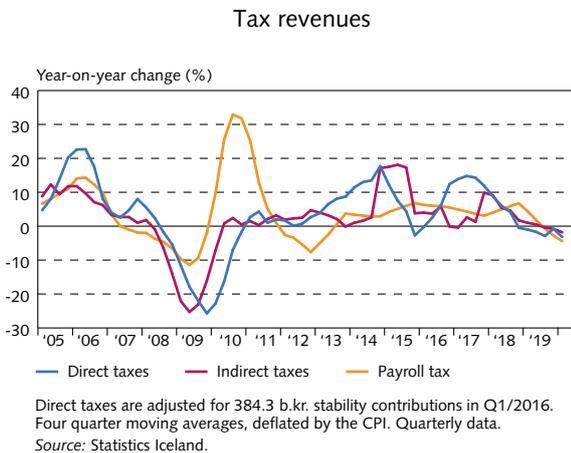
V-5



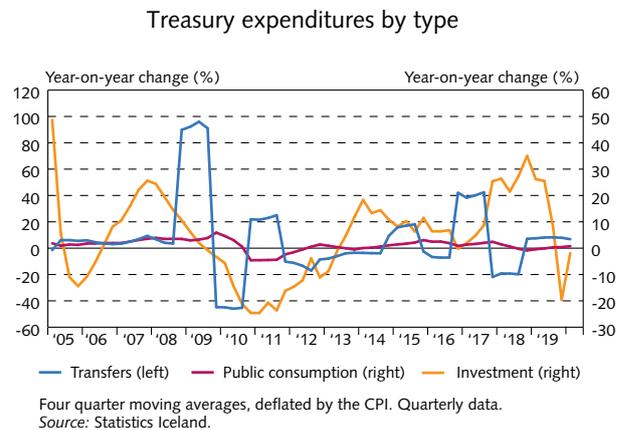
V-6



V-7



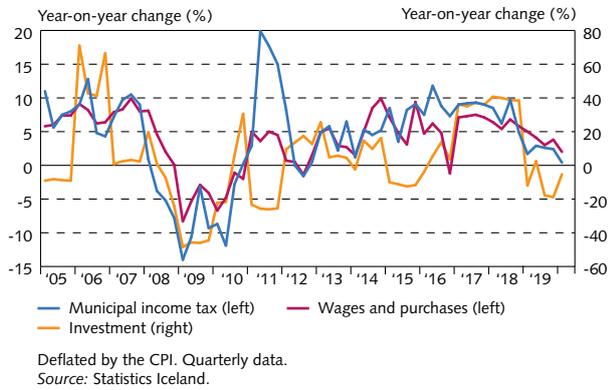
V-8



## V Public finances

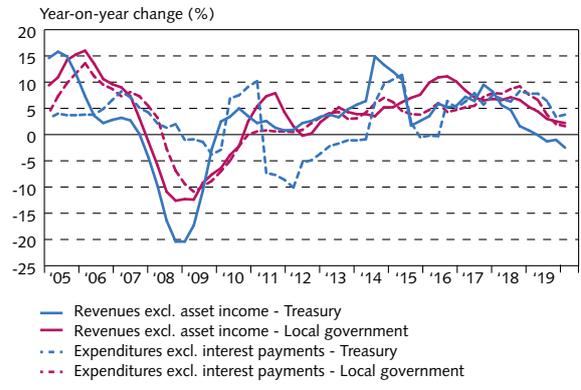
V-9

Local government revenues and expenditures



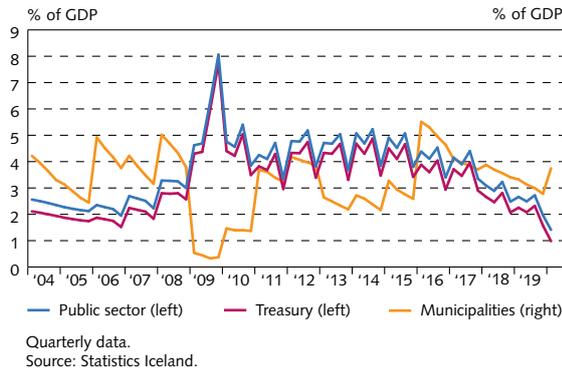
V-10

Treasury and local government revenues and expenditures



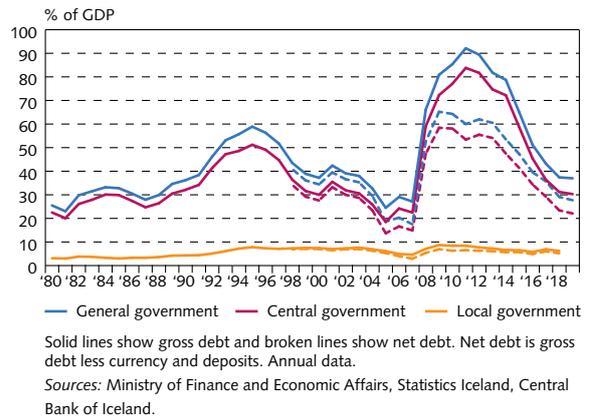
V-11

Interest expense of general, central, and local government



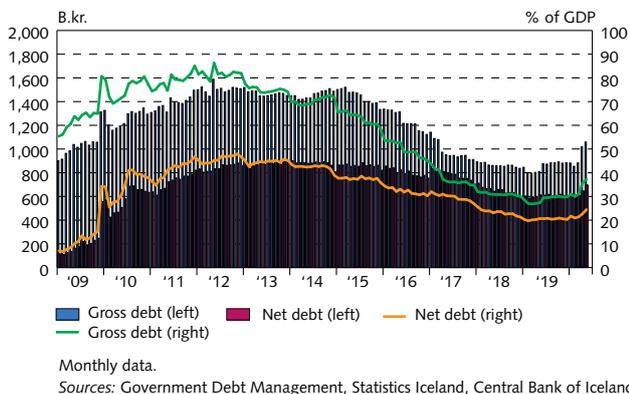
V-12

Debt of general, central, and local government



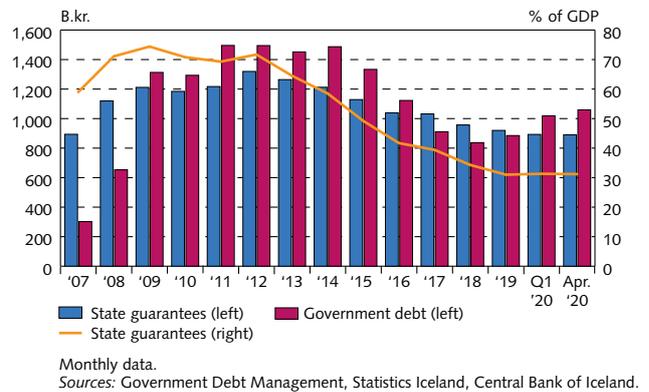
V-13

Central government debt



V-14

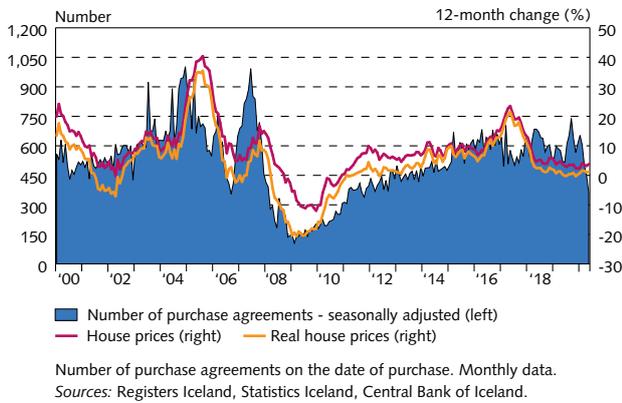
State guarantees and gross debt



# VI Asset markets

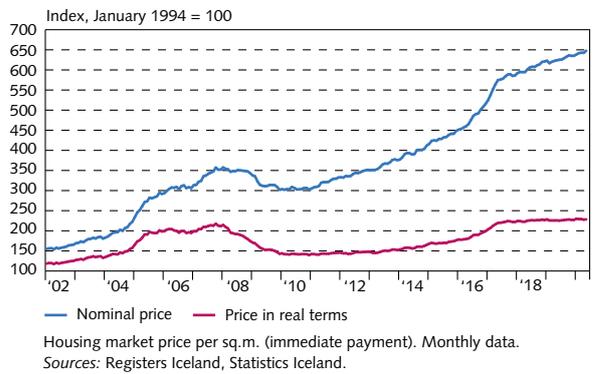
VI-1

Housing market prices and activity in greater Reykjavík



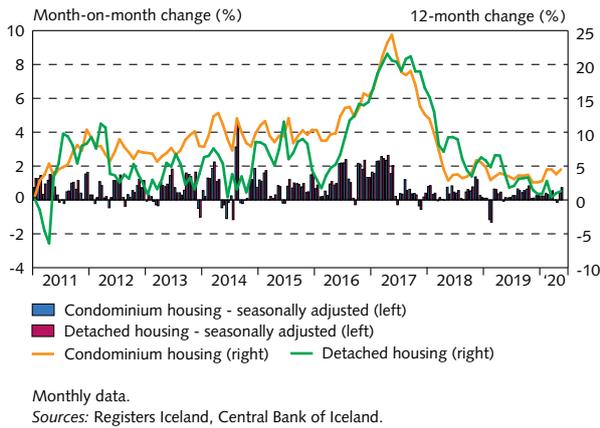
VI-2

Housing market prices in greater Reykjavík



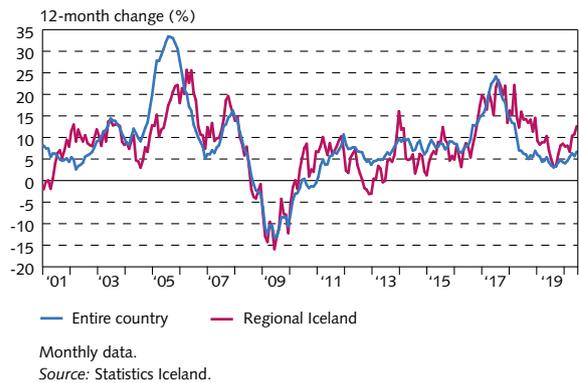
VI-3

House prices in greater Reykjavík



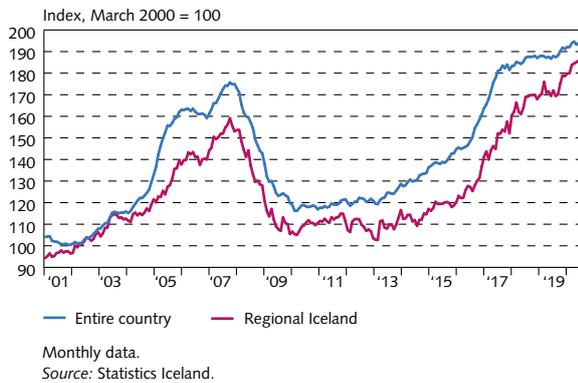
VI-4

Market price of residential housing



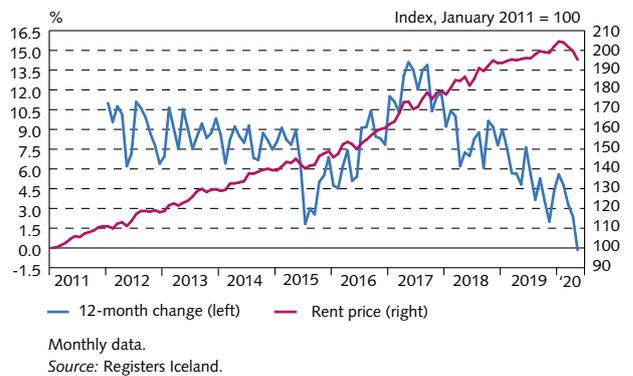
VI-5

Market price of residential housing - in real terms



VI-6

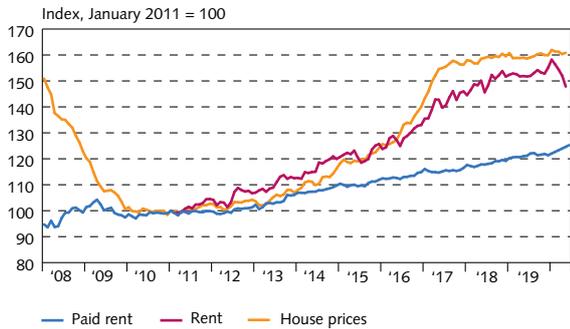
Rent price in greater Reykjavík



# VI Asset markets

VI-7

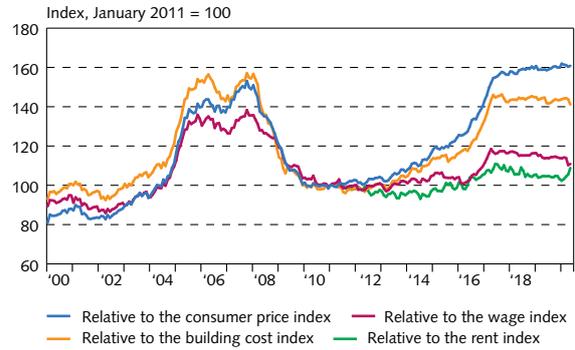
Rent, house prices, and paid rent in real terms



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

VI-8

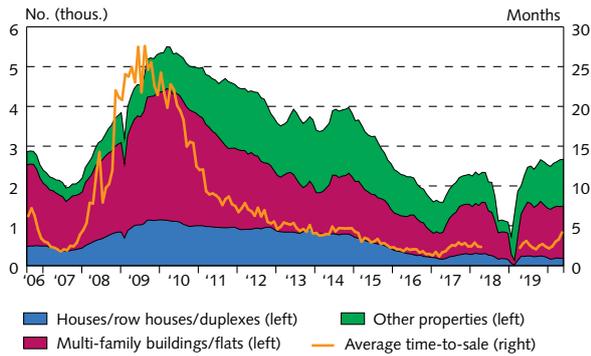
Capital area house prices relative to macroeconomic fundamentals



Sources: Registers Iceland, Statistics Iceland.

VI-9

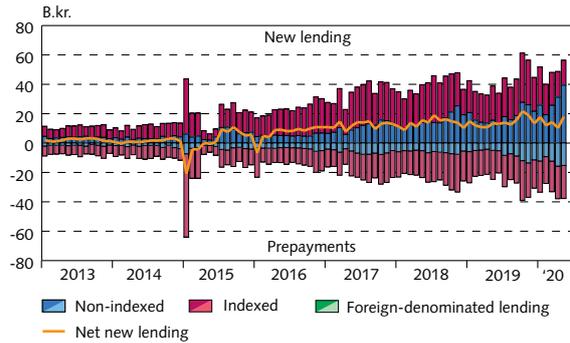
Advertised capital area property and average time to sale



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

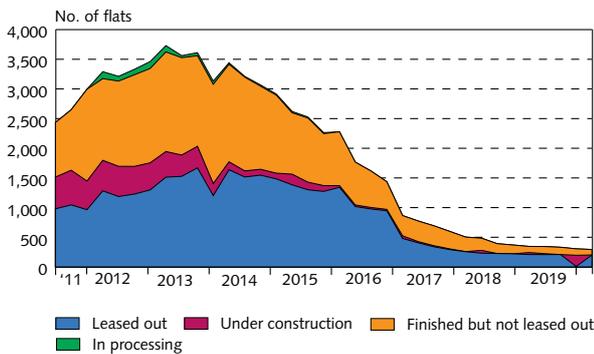
New DMB, pension funds, and HFF mortgage lending to households and prepayments of older loans



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

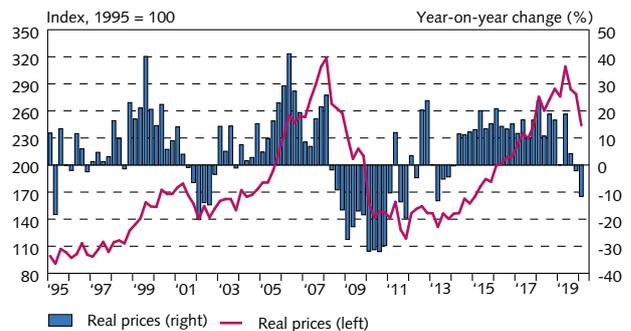
Residential housing owned by financial institutions nationwide



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

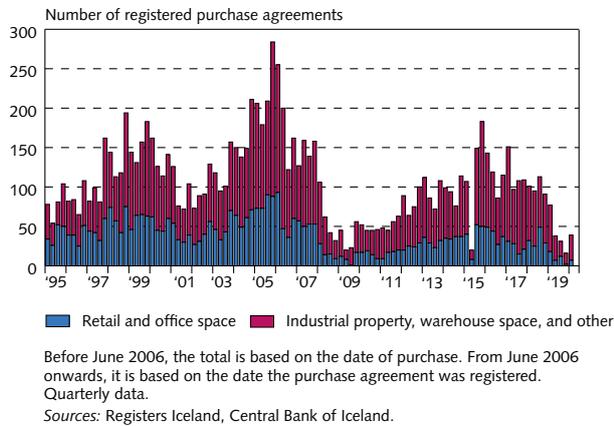


Weighted average of industrial, retail, and office housing. Data are subject to uncertainty due to sparsity and divergence of measurements. Latest figures are preliminary. Quarterly data.  
Sources: Registers Iceland, Central Bank of Iceland.

## VI Asset markets

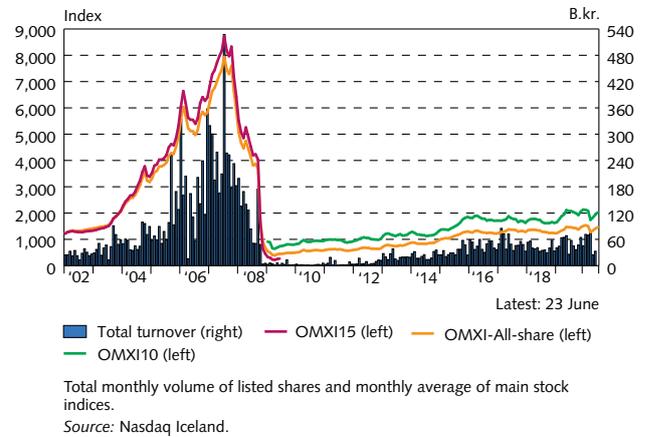
VI-13

Commercial real estate market activity



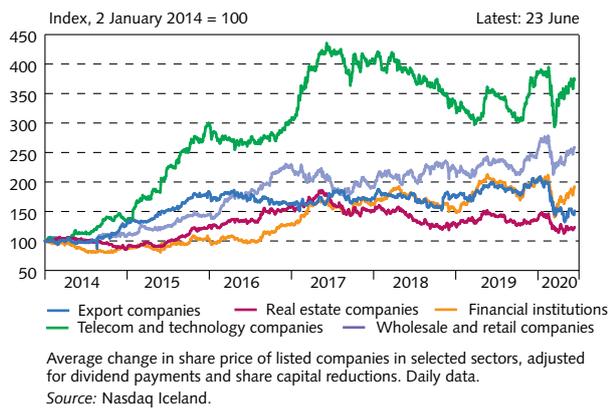
VI-14

Equity market



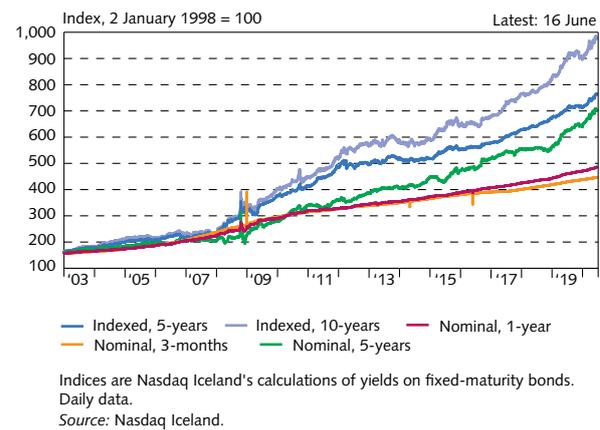
VI-15

Share prices by sector



VI-16

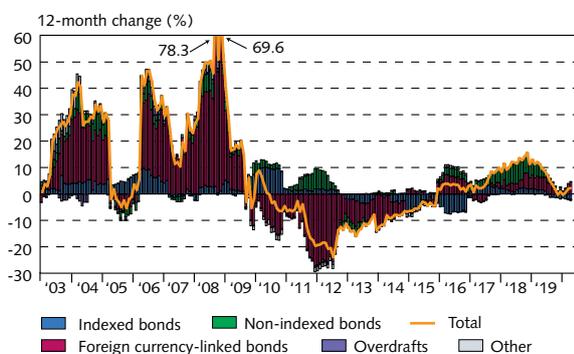
Bond indices



## VII Households and businesses

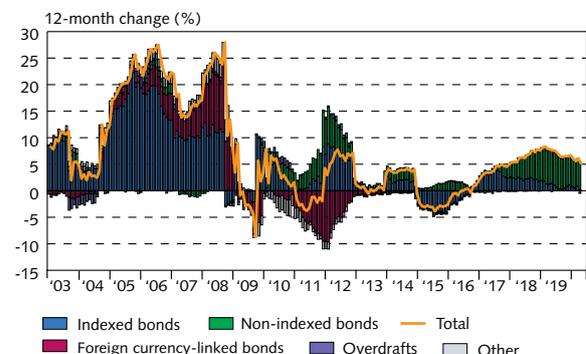
VII-1

Credit system lending to businesses



VII-2

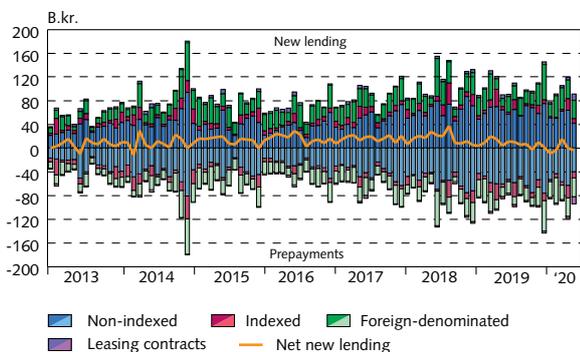
Credit system lending to households



## VII Households and businesses

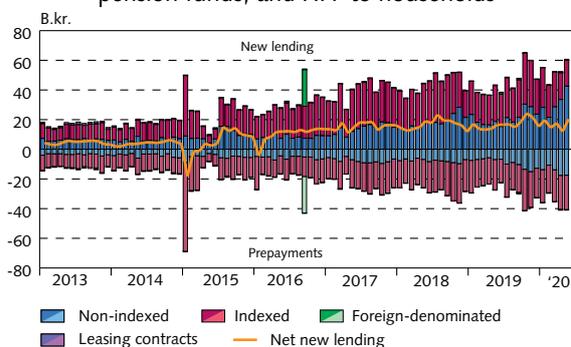
VII-3

Net new lending from DMBs and HFF to firms



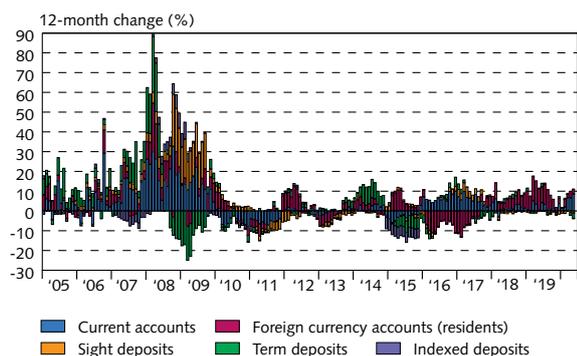
VII-4

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



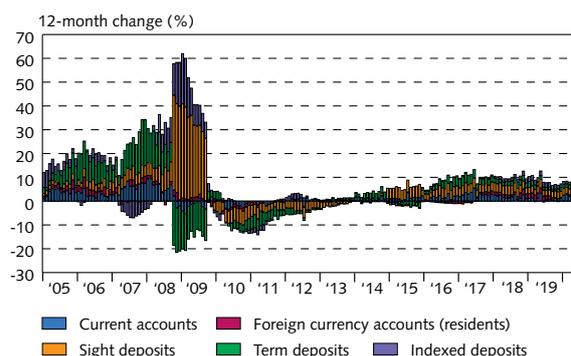
VII-5

Companies' deposits



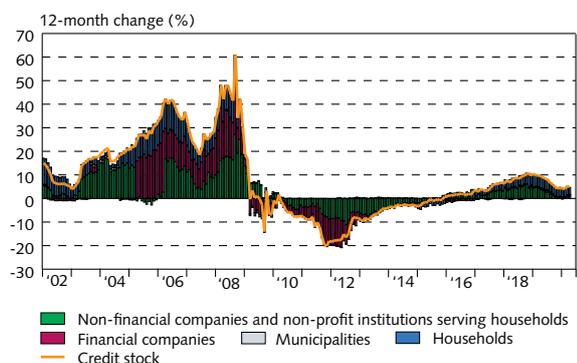
VII-6

Household deposits



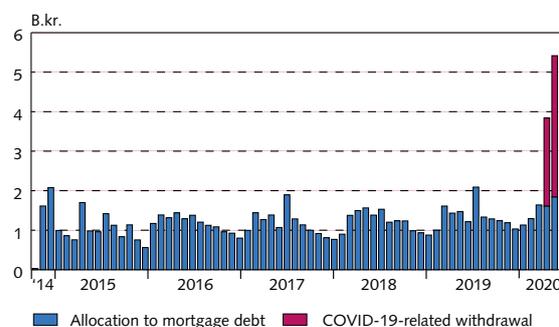
VII-7

Credit system lending to resident borrowers



VII-8

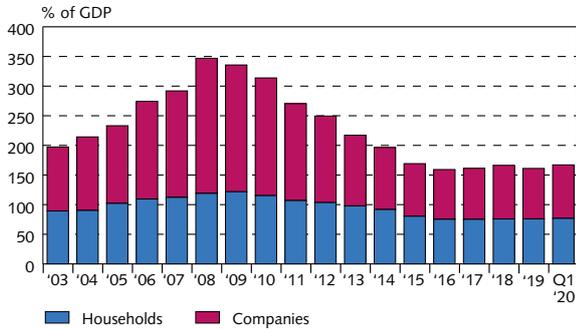
Third-pillar pension savings withdrawals



# VII Households and businesses

VII-9

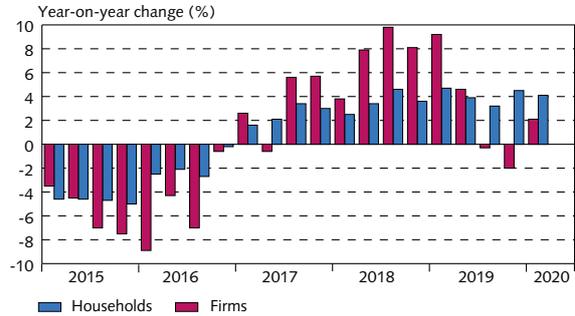
Household and non-financial corporate debt



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

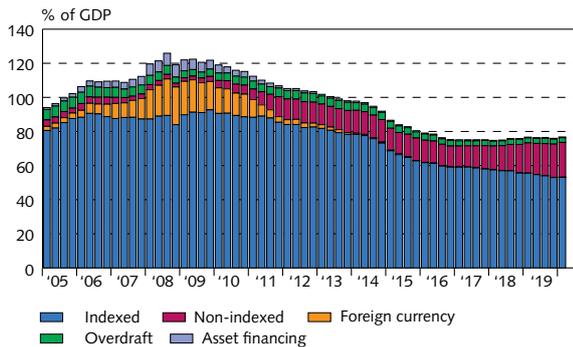
Real credit growth to households and firms



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. Q1 data for 2020. Sources: Statistics Iceland, Central Bank of Iceland.

VII-11

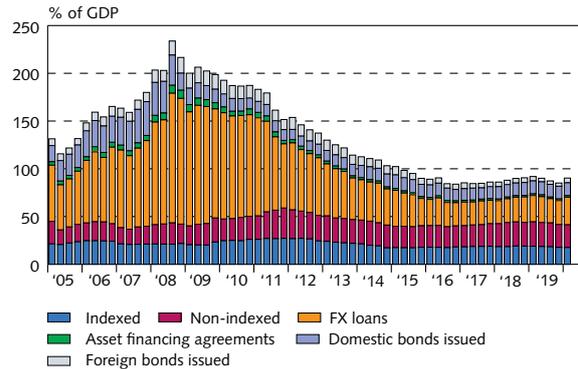
Household debt relative to GDP



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

VII-12

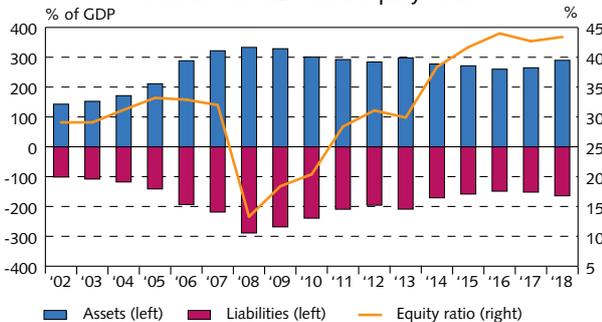
Companies debt relative to GDP



Debt owed to domestic and foreign financial undertakings and market bonds issued. Quarterly data. Sources: Statistics Iceland, Central Bank of Iceland.

VII-13

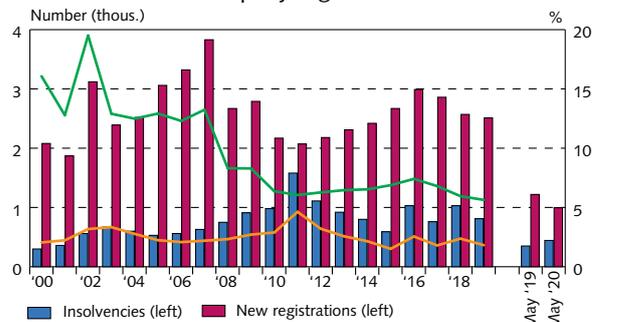
Companies assets and liabilities relative to GDP and equity ratio



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

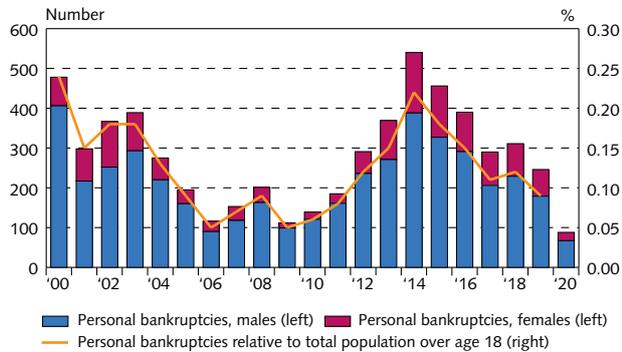


Annual and cumulative monthly data. Source: Statistics Iceland.

## VII Households and businesses

VII-15

Personal bankruptcies

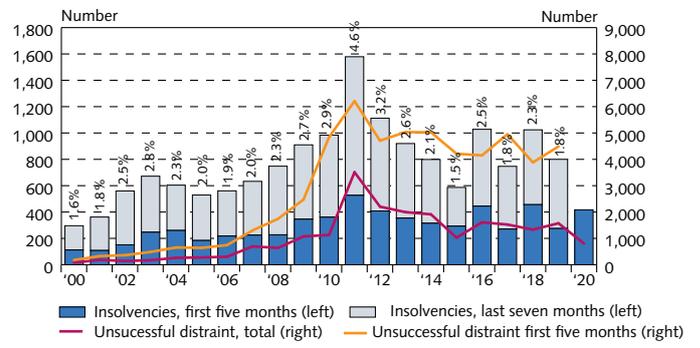


Total for entire year. May data for 2020.

Sources: Judicial Administration, Statistics Iceland.

VII-16

Companies insolvencies and unsuccessful distraint actions

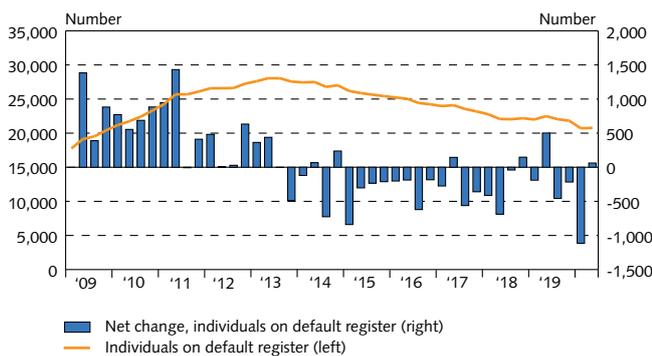


The percentages show bankruptcies as a share of the total number of firms. Annual and cumulative monthly data.

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

VII-17

Individuals on default register

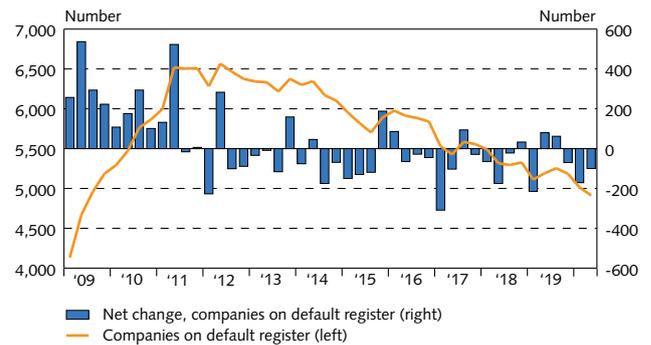


Quarterly data. May data for 2020.

Source: CreditInfo.

VII-18

Companies on default register



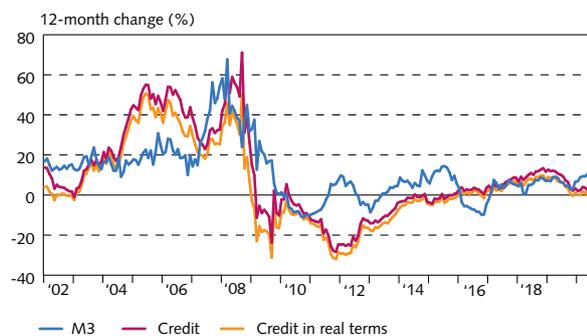
Quarterly data. May data for 2020.

Source: CreditInfo.

## VIII Financial markets

VIII-1

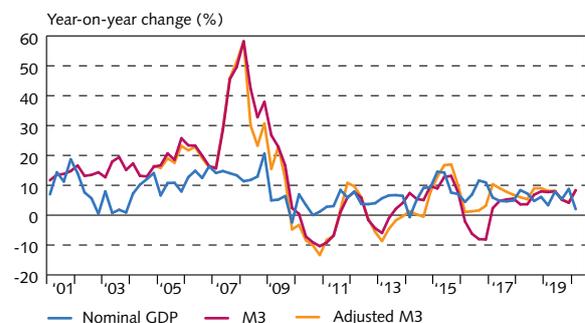
M3 and domestic bank credit



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

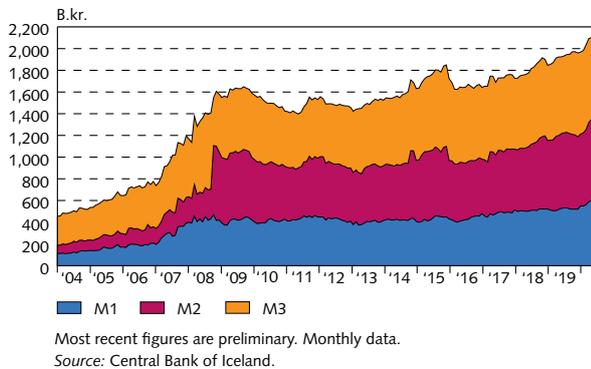


Adjusted M3 excludes deposits of failed financial institutions. Quarterly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

## VIII Financial markets

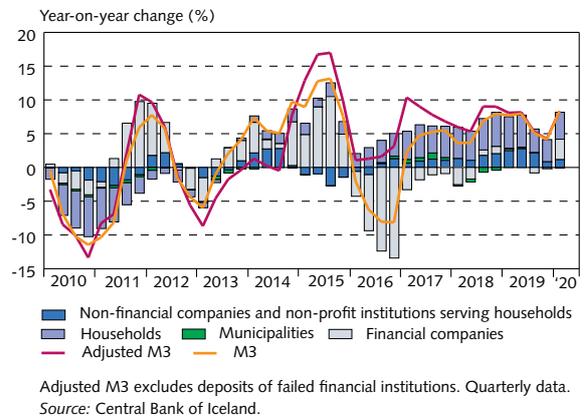
VIII-3

Money holdings



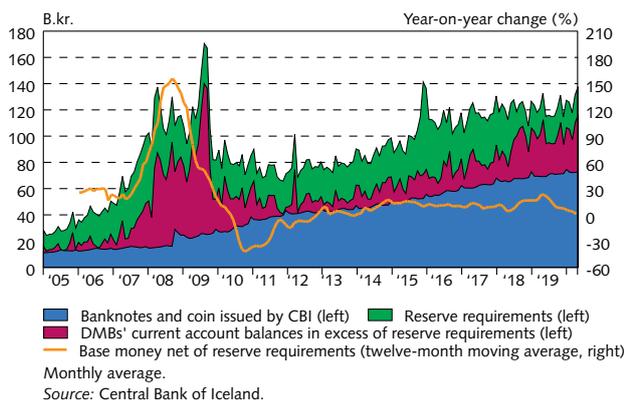
VIII-4

Components of money holdings



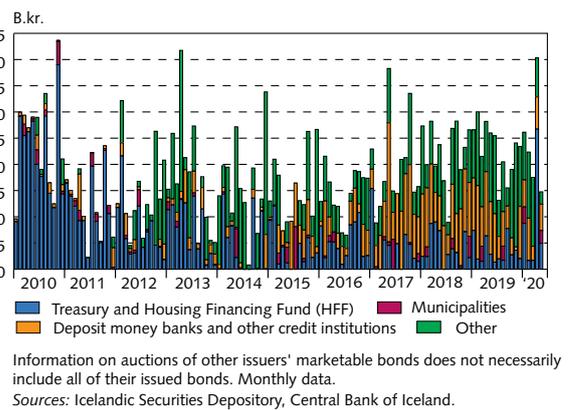
VIII-5

Components of Central Bank base money (M0)



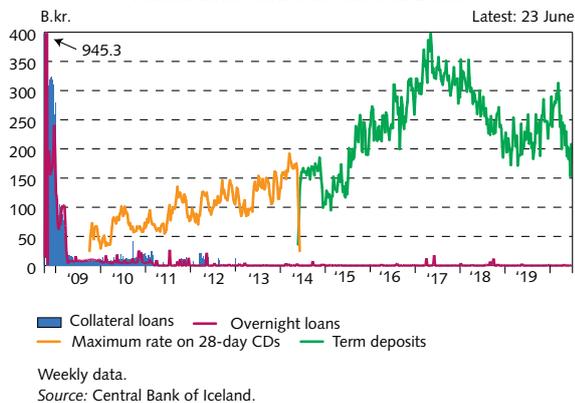
VIII-6

Bond auctions



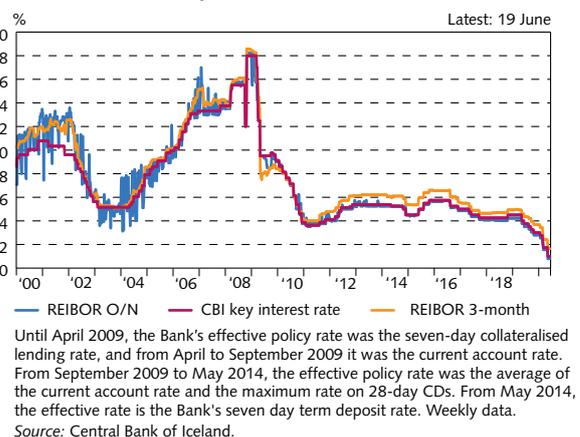
VIII-7

Transactions between financial institutions and the Central Bank



VIII-8

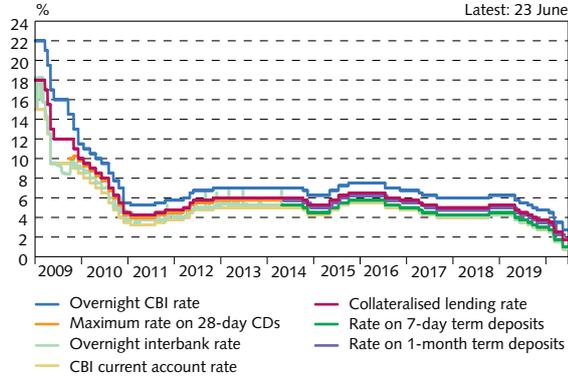
Central Bank key interest rate and money market interest rates



## VIII Financial markets

VIII-9

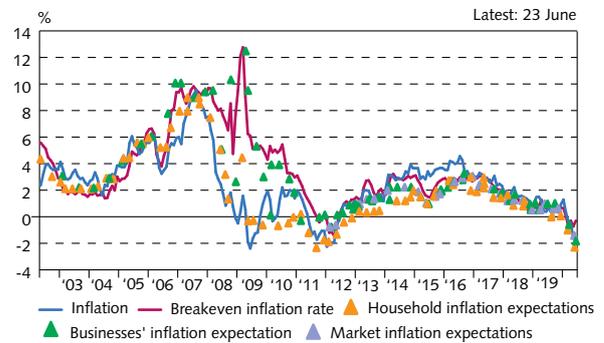
Central Bank of Iceland and short-term market interest rates



Daily data.  
 Source: Central Bank of Iceland.

VIII-10

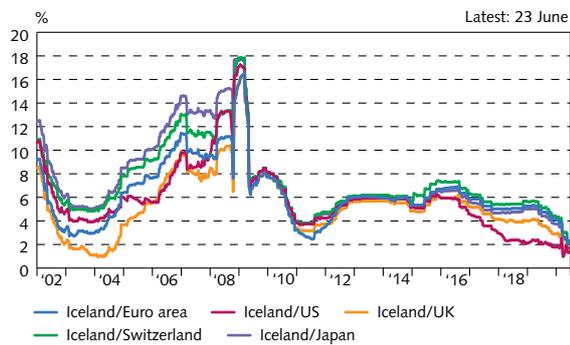
Central Bank of Iceland real interest rates



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

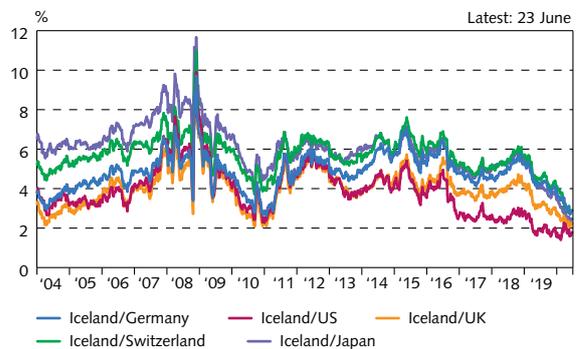
Short-term interest rate differential



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

VIII-12

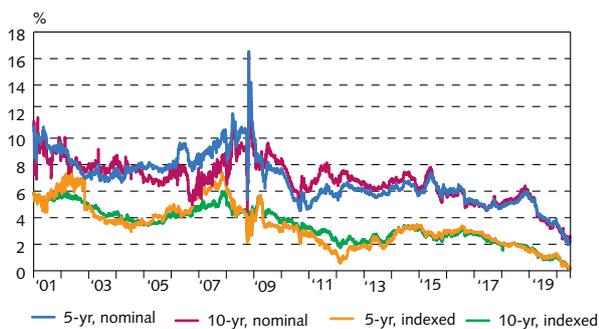
Long-term interest rate differential



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

VIII-13

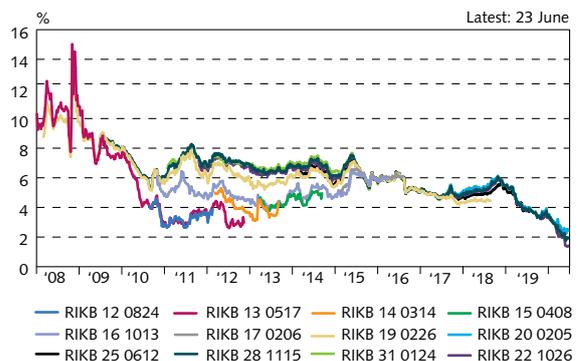
Government-guaranteed bond yields



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

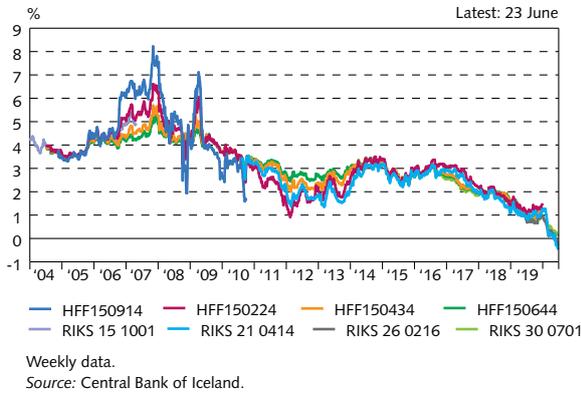


Weekly data.  
 Source: Central Bank of Iceland.

## VIII Financial markets

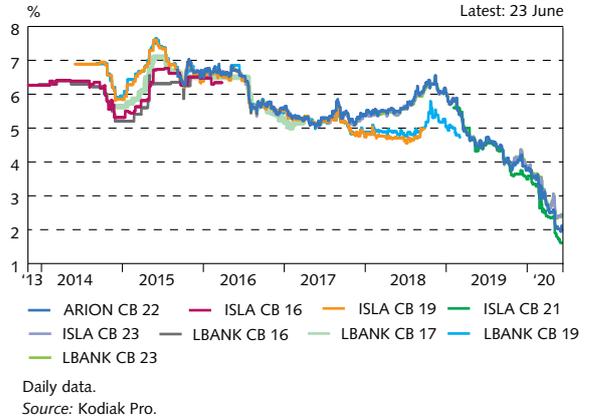
VIII-15

Yields on indexed Treasury and HFF bonds



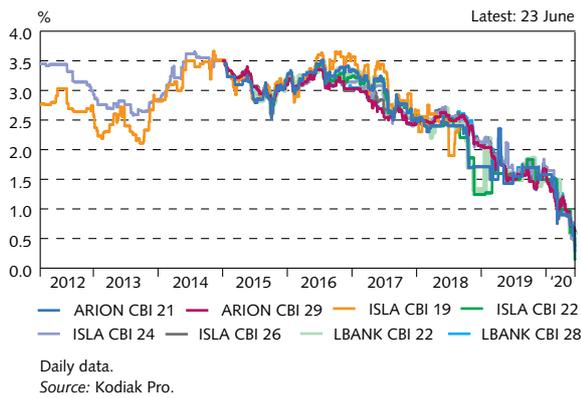
VIII-16

Yields on DMB nominal covered bonds



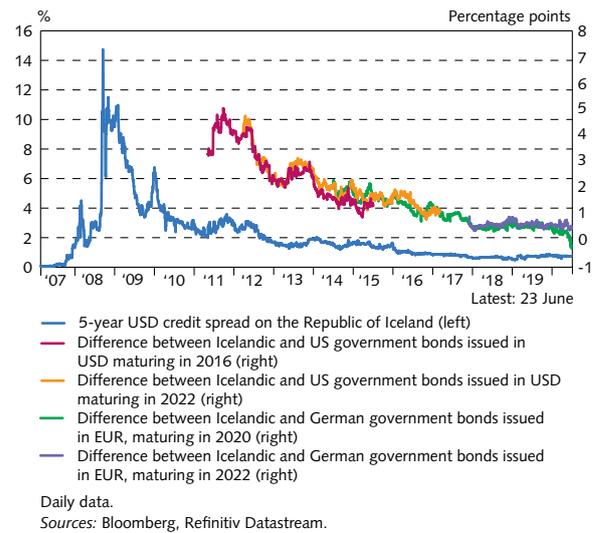
VIII-17

Yields on DMB indexed covered bonds



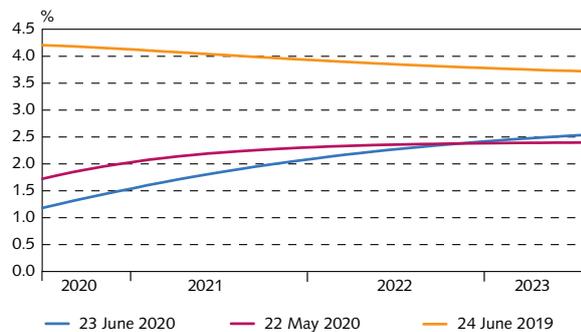
VIII-18

Risk premia on the Icelandic Treasury



VIII-19

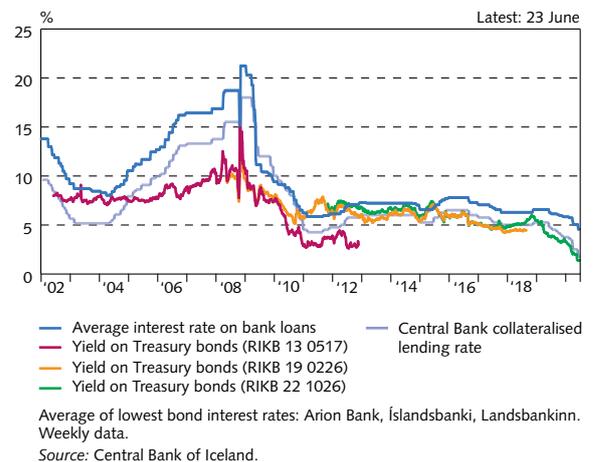
Forward market interest rates



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

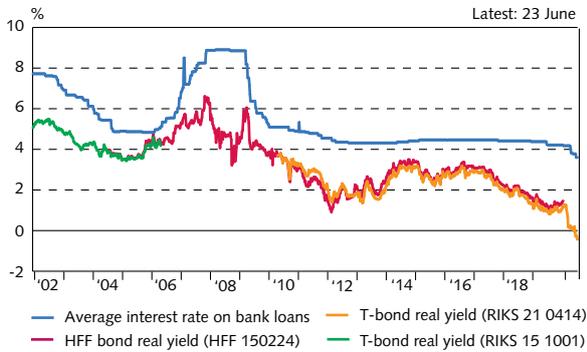
Nominal interest rates



## VIII Financial markets

VIII-21

Indexed interest rates

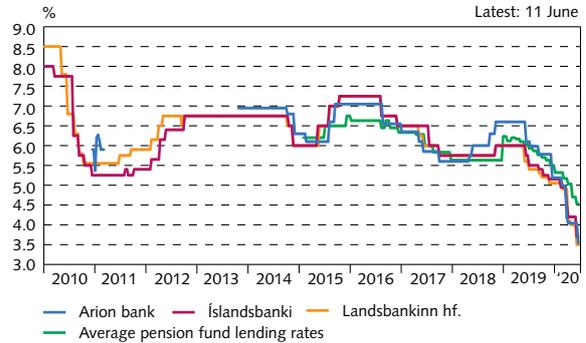


Average of lowest bond interest rates: Arion Bank, Íslandsbanki, Landsbankinn. Weekly data.

Source: Central Bank of Iceland.

VIII-22

Interest rates on nominal housing loans

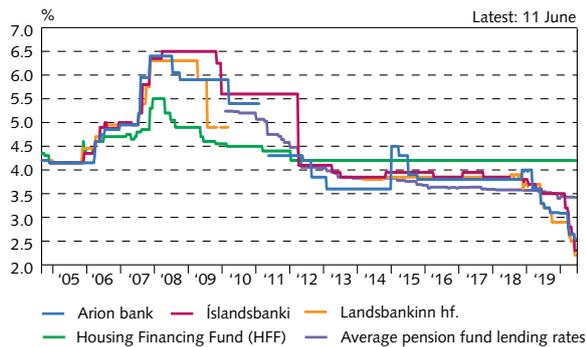


Lowest floating rates for non-indexed housing loans. No data for Arion bank for the time periods 11 March 2010 - 11 February 2011 and 11 May - 1 December 2013. Average pension fund lending rates is the average of the lending rates charged by Gildi, Lifsværk and LSR. 10-day data except for pension fund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

Source: Central Bank of Iceland.

VIII-23

Interest rates on indexed housing loans

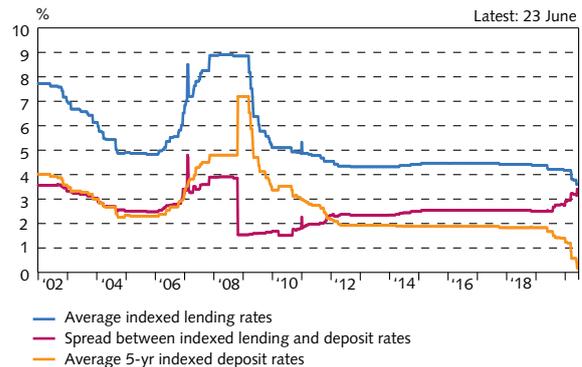


Lowest fixed rates for indexed housing loans. Housing Financing Fund interest rates are indexed housing loan rates with prepayment penalty for December 2005 onwards, and without prepayment before that time. Average pension fund lending rates is the average of the lending rates charged by Almenni, Festa, Frjálsi, Gildi, Lifsværk, 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

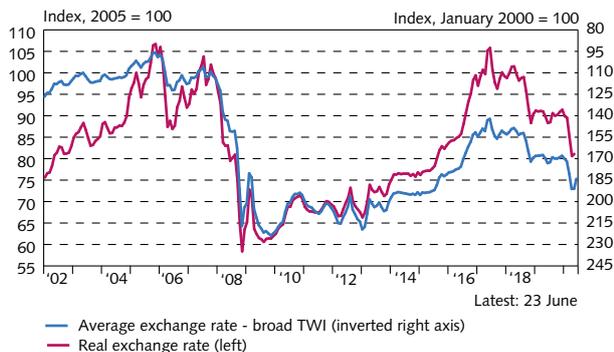


Average interest rates: Arion Bank, Íslandsbanki, Landsbankinn. Weekly data.

Source: Central Bank of Iceland.

VIII-25

Nominal and real effective exchange rate of the króna

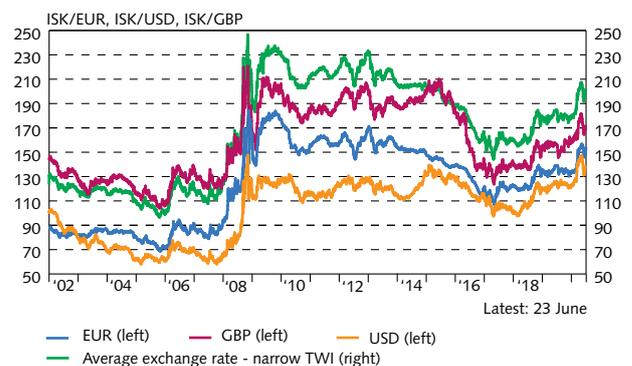


Monthly data.

Source: Central Bank of Iceland.

VIII-26

Exchange rate of foreign currencies against the króna



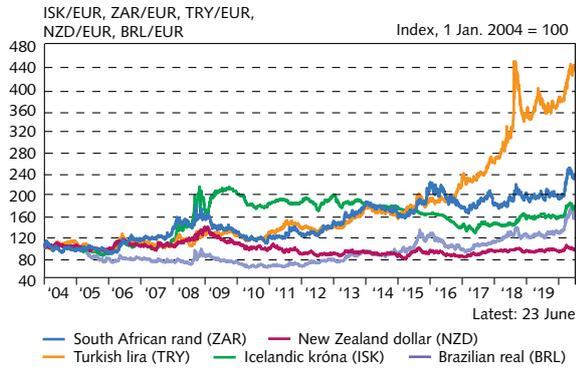
Daily data.

Source: Central Bank of Iceland.

# VIII Financial markets

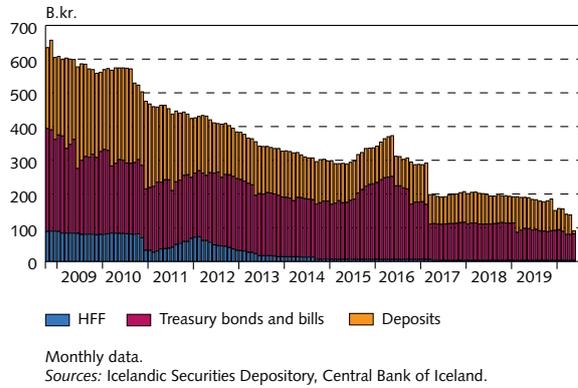
VIII-27

Exchange rate of the euro against other currencies



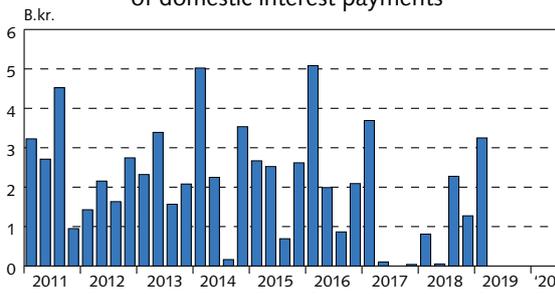
VIII-28

Non-residents' króna assets



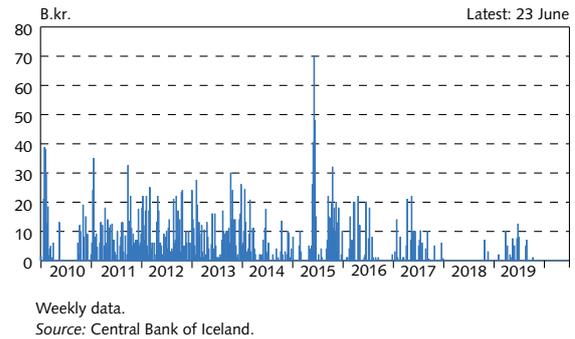
VIII-29

Non-residents' repatriation of domestic interest payments



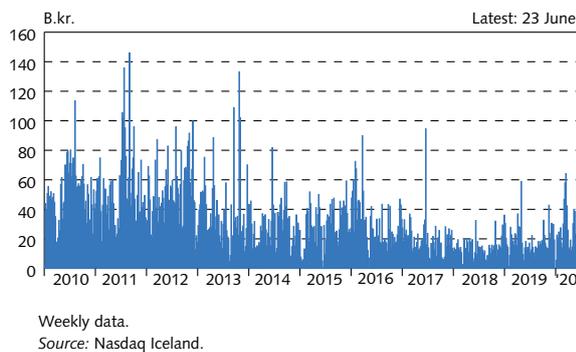
VIII-30

Turnover on the interbank market for krónur



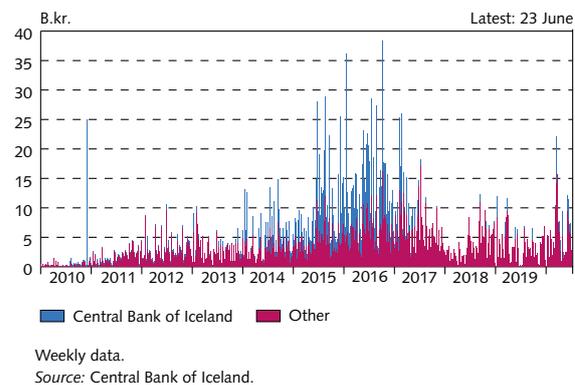
VIII-31

Bond market turnover



VIII-32

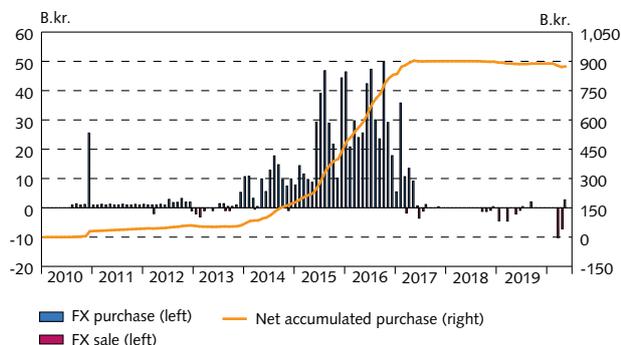
Foreign exchange market turnover



## VIII Financial markets

VIII-33

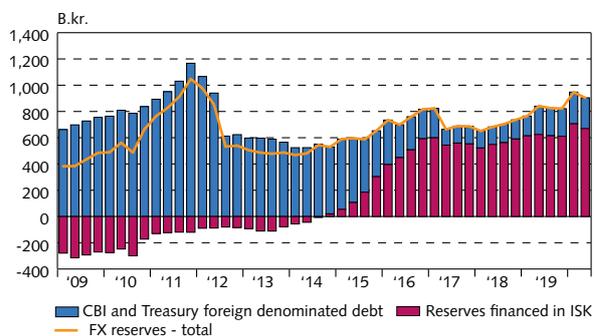
Central Bank intervention  
in foreign exchange market



Monthly data.  
Source: Central Bank of Iceland.

VIII-34

Central Bank of Iceland foreign exchange reserves

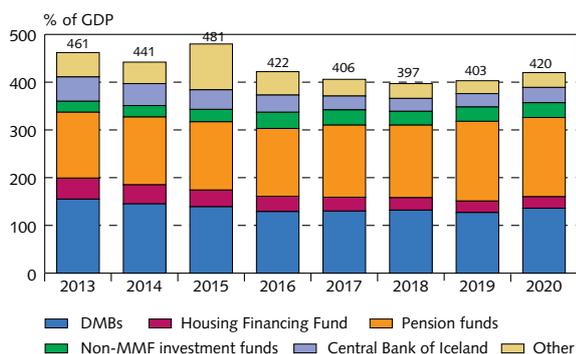


Reserves financed in ISK are foreign exchange reserves net of Central Bank and Treasury foreign-denominated debt. Q1/2020 is end of May figures. Quarterly data.  
Source: Central Bank of Iceland.

## IX The financial system

IX-1

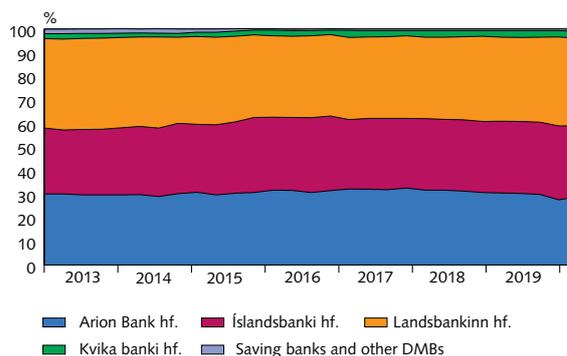
Financial system assets relative to GDP



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 Dec. '09 until its dissolution in Feb. '19. The HFF merged with the Iceland Construction Authority on 1 Jan. '20. HFF assets as of end-Q1/'20 are the assets of the IL Fund, which took over the processing of the HFF's assets and liabilities at the beginning of '20. Annual data. Q1 data for '20. GDP for '20 is based on the Central Banks' latest baseline forecast  
Sources: Statistics Iceland, Central Bank of Iceland.

IX-2

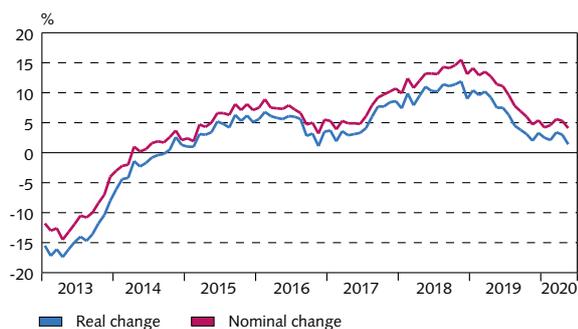
DMBs share of total assets



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

IX-3

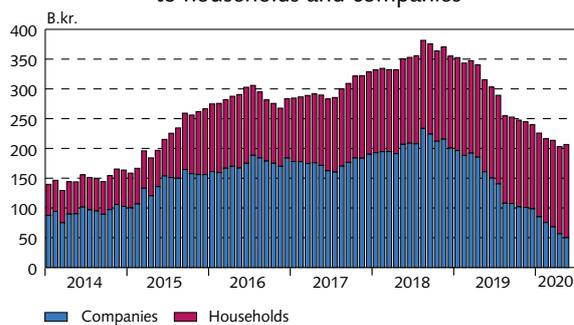
D-SIB lending to households and companies



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

IX-4

D-SIB net new lending  
to households and companies

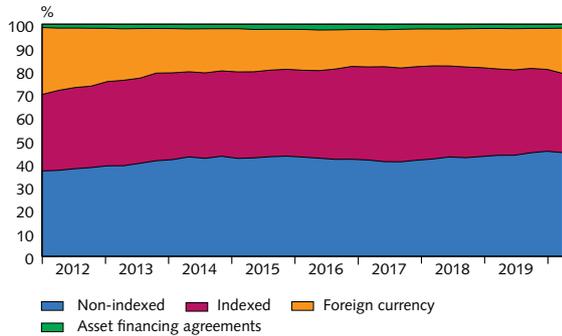


12-month moving total. New loans less loan retirement and loan prepayments in excess of contractual requirements.  
Source: Central Bank of Iceland.

# IX The financial system

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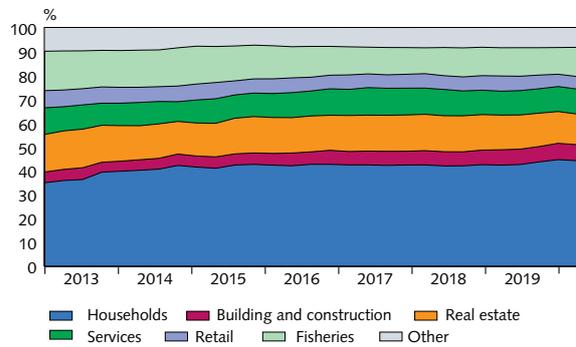
DMB distribution of loans by type



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

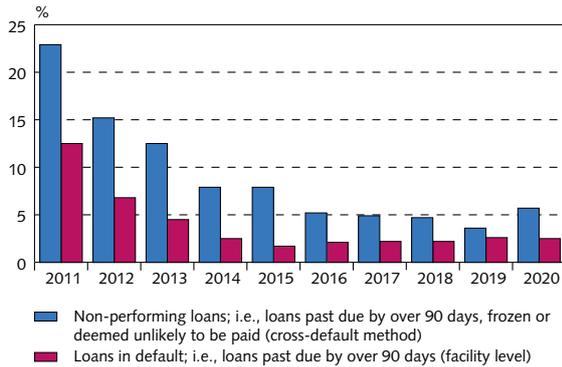
D-SIB lending classified by borrower



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

IX-7

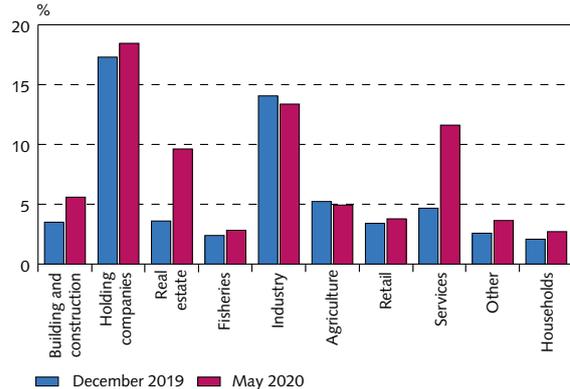
D-SIB default ratios



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. Q1 data for 2020 for loans in default and May data for non-performing loans. Source: Central Bank of Iceland.

IX-8

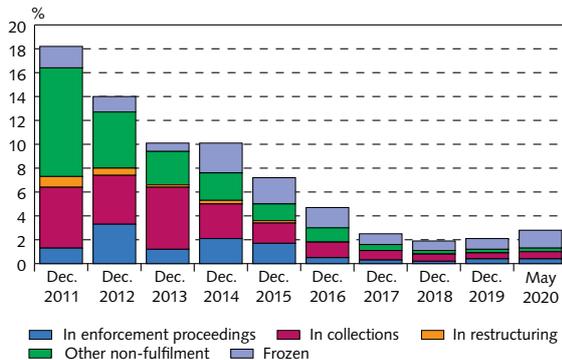
D-SIB non-performing loan ratios



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

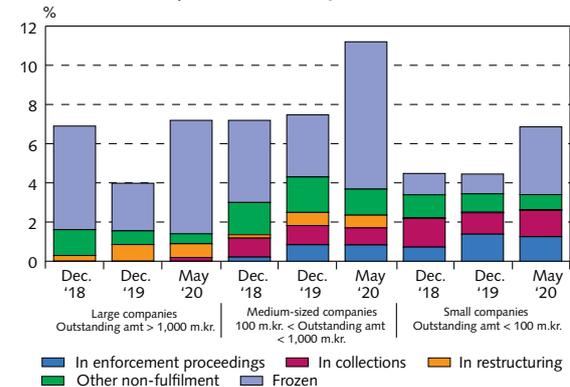
Status of D-SIBs non-performing loans to households



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

IX-10

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

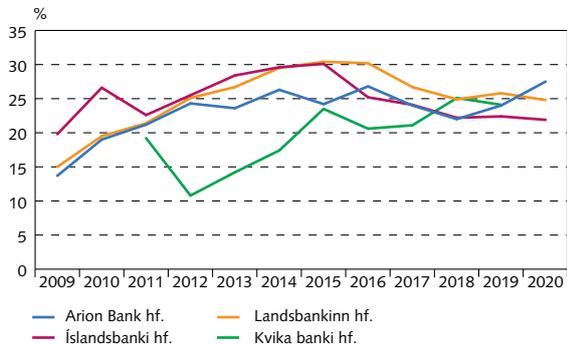


Percentage of total loans in each category. Parent companies, book value. Source: Central Bank of Iceland.

# IX The financial system

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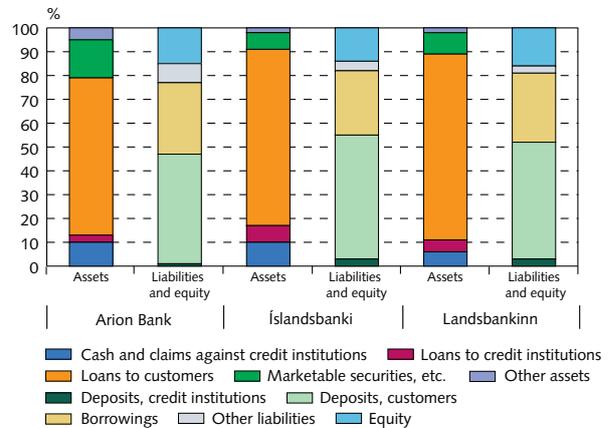
Commercial bank's capital adequacy ratios



Consolidated figures. Capital base as % of risk-weighted base. CAR for MP bank until end of year 2014. Annual data. Q1 data for 2020.  
Sources: Commercial banks' financial statements.

IX-12

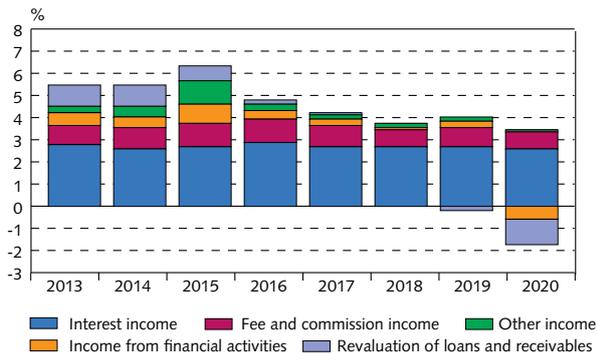
D-SIB assets and liabilities



End of 2019. Consolidated accounts.  
Sources: Commercial banks' financial statements, Central Bank of Iceland.

IX-13

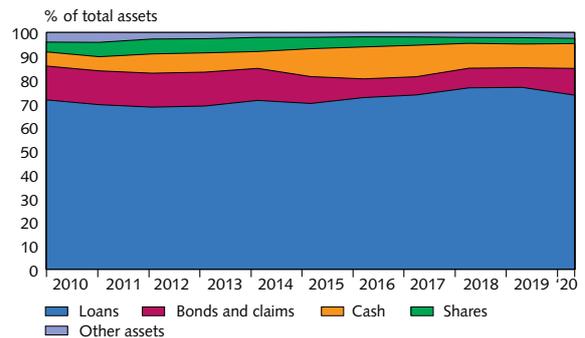
Ratio of D-SIB operating income to total assets



Consolidated figures. Annual data. Q1 data for 2020.  
Sources: Commercial banks' financial statements, Central Bank of Iceland.

IX-14

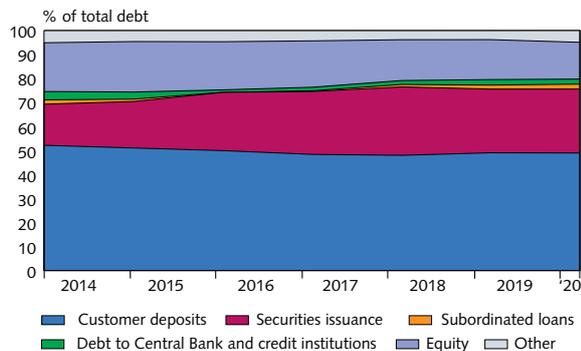
D-SIB assets



Parent companies. Annual data. Q1 data for 2020.  
Source: Central Bank of Iceland.

IX-15

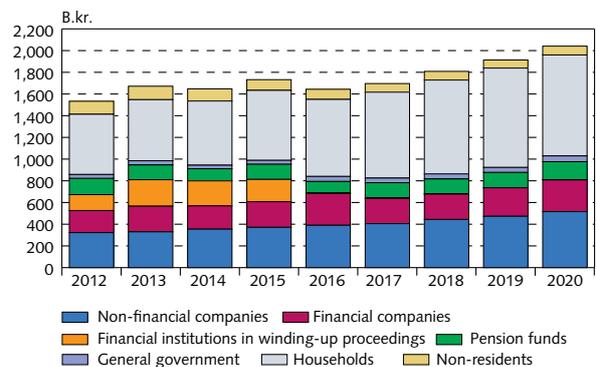
D-SIB funding



Parent companies. Annual data. Q1 data for 2020.  
Sources: Statistics Iceland, Central Bank of Iceland.

IX-16

D-SIB depositors

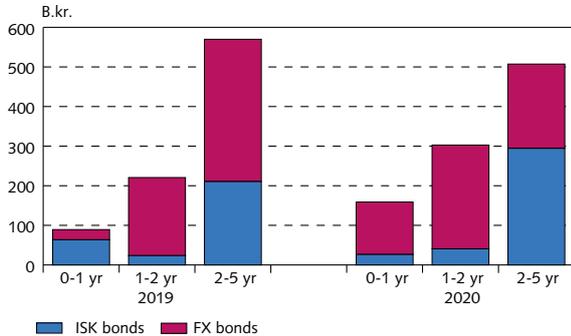


Parent companies. Annual data. Q1 data for 2020.  
Source: Central Bank of Iceland.

# IX The financial system

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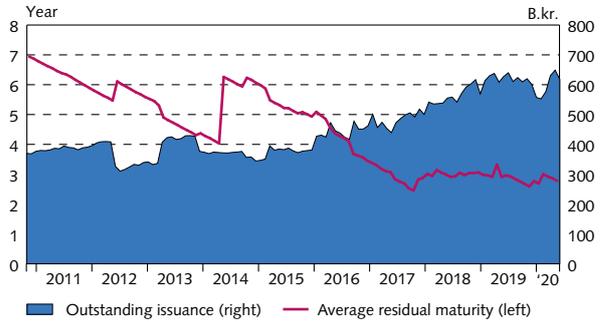
D-SIB bond maturities



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

IX-18

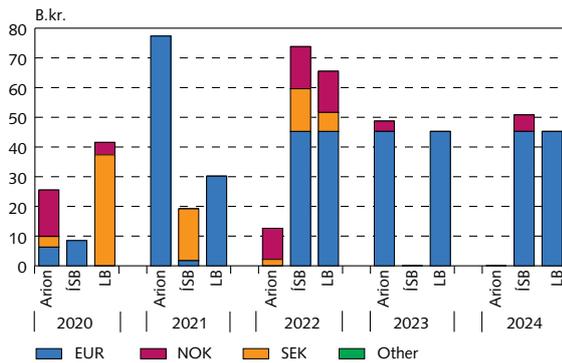
D-SIB average residual maturity and total issuance of funding in foreign currency



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

IX-19

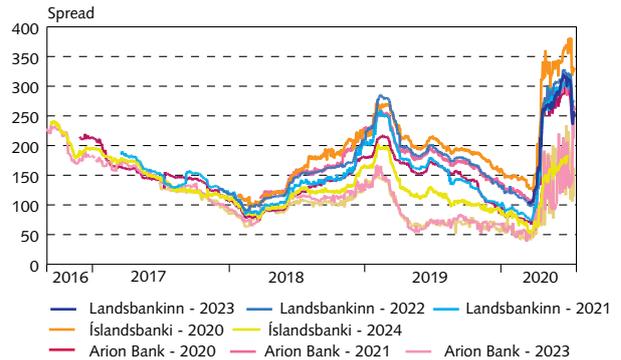
D-SIB foreign bonds by maturity and currency



included in the chart is Arion Bank NOK issue maturing in 2027, in the total amount of 3.5 b.kr., and Tier 2 issuance from Arion Bank, Islandsbanki, and Landsbankinn.  
Source: Nasdaq Iceland.

IX-20

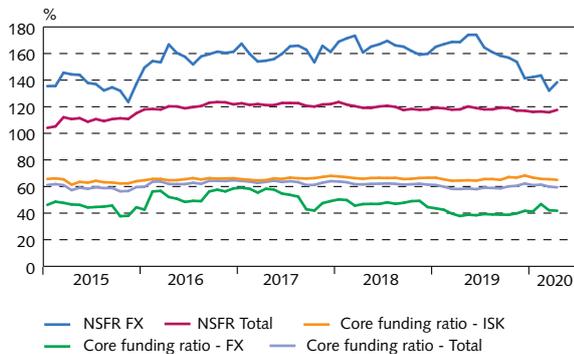
D-SIB spread on listed foreign bonds, EUR



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

IX-21

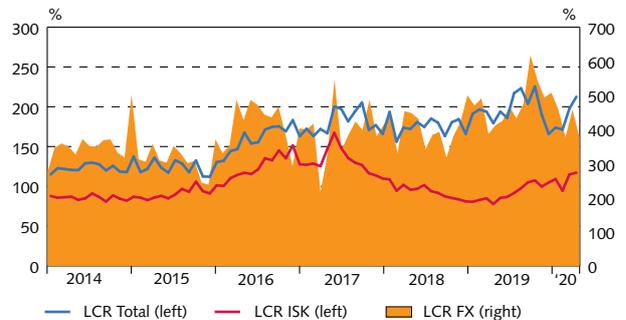
D-SIB NSFR ratio and ratio of core funding to total funding



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.

IX-22

D-SIB liquidity coverage ratio

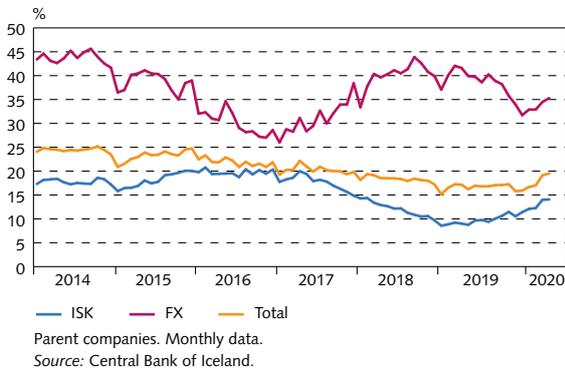


Consolidated figures. Monthly data.  
Source: Central Bank of Iceland.

# IX The financial system

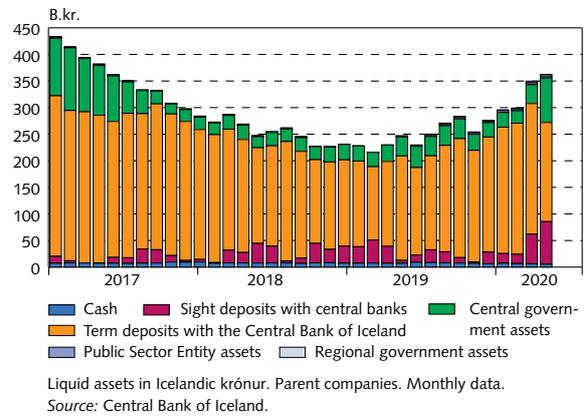
IX-23

DMB's ratio of liquid assets to total assets



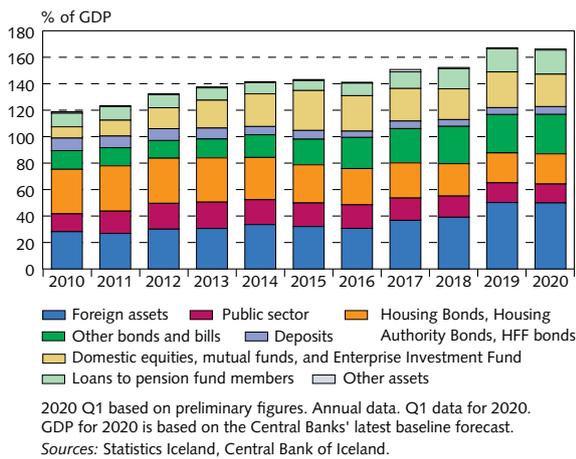
IX-24

D-SIB liquid assets



IX-25

Pension funds' distribution of assets



IX-26

Size of other financial intermediaries

