

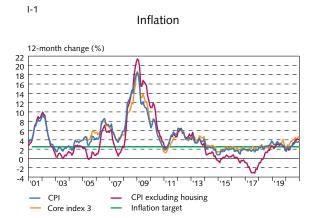
ECONOMIC INDICATORS

CENTRAL BANK OF ICELAND

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I Inflation and inflation expectations



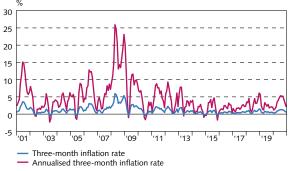
Core index 3 excludes the effects of agricultural products, petrol, and public

services, as well as real mortgage interest expense. Monthly data Sources: Statistics Iceland, Central Bank of Iceland.

Seasonally adjusted inflation

I-3

I-5

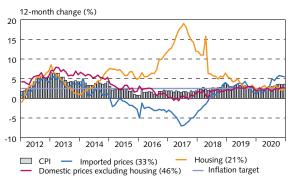


This inflation measurement is very volatile but indicates how inflation pressures

are developing. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

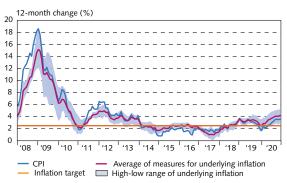
Imported and domestic inflation



Imported inflation is estimated using imported food and beverages and the miported initiation is estimated using imported rood 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.

1-2 Inflation and underlying inflation



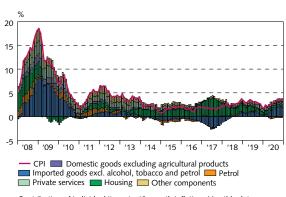
Underlying inflation is measured using core inflation (inflation excluding the effects of indirect taxes, certain groceries, petrol, public services, and the effect of changes in real interest rates on the housing component of the CPI) and various statistical measures (weighted median, trimmed mean,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

Sources: Statistics Iceland, Central Bank of Iceland.

Components of CPI inflation

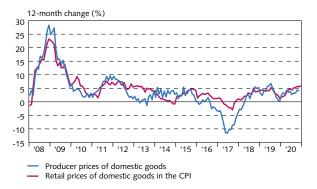
1-4

I-6



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

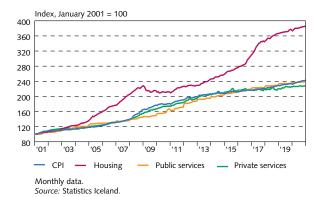
Production and retail prices of domestic goods



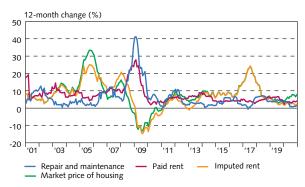
Sources: Statistics Iceland, Central Bank of Iceland.

I Inflation and inflation expectations

I-7 Price developments: housing and services

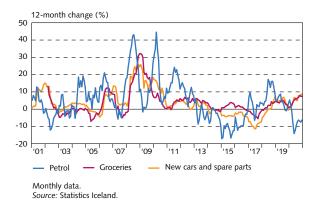


1-8 Price developments: housing

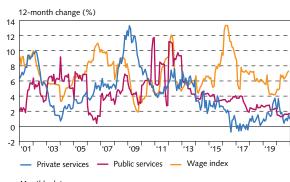


Paid rent shows developments in residential rent prices. Imputed rent estimates the cost of living in owner-occupied housing and changes with housing market values and real mortgage interest rates. Monthly data. Source: Statistics Iceland.

I-9 Price developments: various components



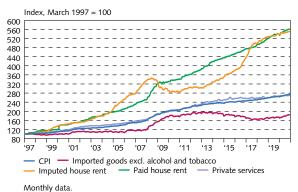
I-10 Price developments: wages and services



Monthly data. Source: Statistics Iceland.

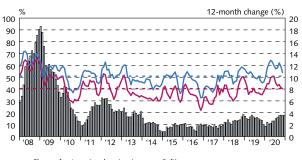
I-12

I-11 Price developments: goods, housing and services



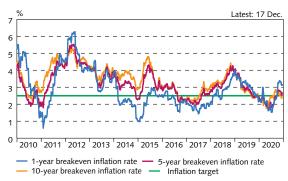
Source: Statistics Iceland.

Distribution of price increases in the CPI



The share of goods categories that rise in price is a 3-month centred average. Broken lines show averages for the period. Monthly data. *Source:* Statistics Iceland.

I-13 Breakeven inflation rates



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

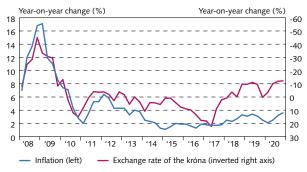
Source: Central Bank of Iceland

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.

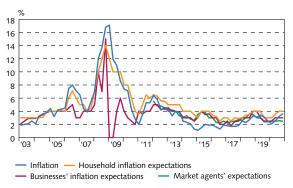
Inflation and exchange rate of the króna



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

I-14

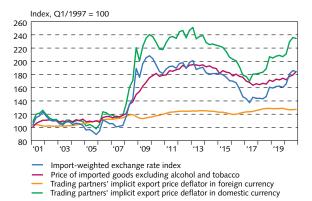
Inflation expectations of businesses, households, and market agents one year ahead and current inflation



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-16 Import price levels and exchange rate developments

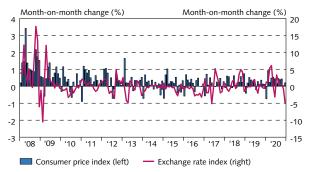


Import-weighted exchange rate index and price of imported goods excluding alcohol and tobacco in the CPI. Trading partners' implicit export price deflator is weighted using the import weights from the narrow trade-weighted basket and its latest value is based on the Bank's most recent baseline forecast.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

Sources: Statistics Iceland, Central Bank of Iceland.

I-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



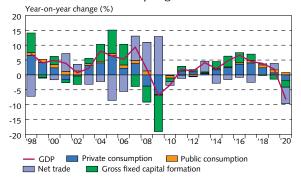
Harmonised indices of consumer prices. Monthly data.

Source: Statistics Iceland.

II Output and demand

II-1

Contribution of individual components to output growth

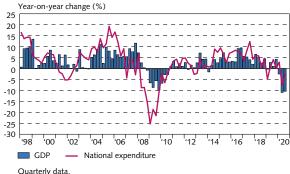


Contribution of individual components to output growth. For 2020 the year-on-year change is between the first three quarters of 2019 and 2020. Annual data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-3

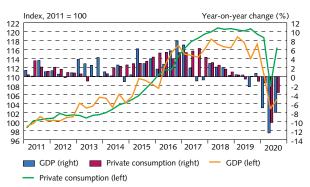
Output growth and national expenditure



Source: Statistics Iceland.

II-2

GDP and private consumption per capita

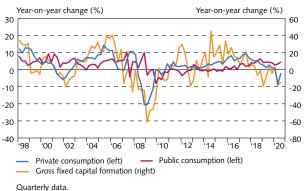


National accounts figures are seasonally adjusted. GDP seasonally adjusted by the Central Bank. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

11-4

Private consumption, public consumption and gross fixed capital formation

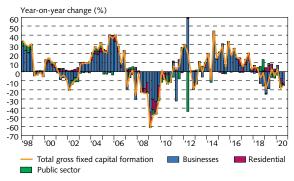


Source: Statistics Iceland.

II Output and demand

II-5

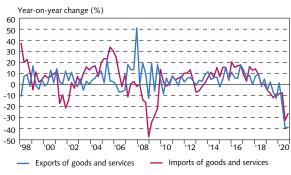
Gross fixed capital formation



Contribution of individual items to gross capital formation. Quarterly data. Source: Statistics Iceland.

II-6

Foreign trade

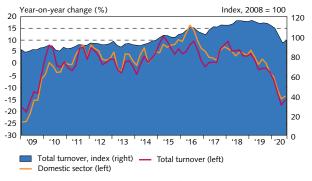


Quarterly data.

Source: Statistics Iceland.

II-7

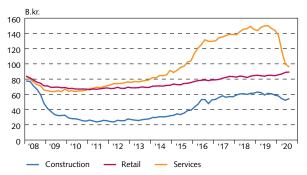
Turnover according to VAT returns



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

II-8

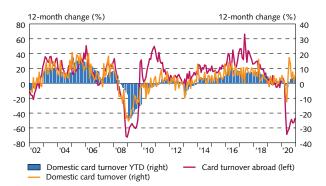
Turnover according to VAT returns



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

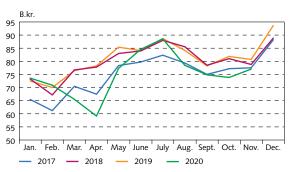


Seasonally adjusted debit and credit card turnover deflated by the CPI less housing costs. Turnover abroad is deflated by the exchange rate index. Points show 2-month average of values in October and November. Quarterly data. Sources: Statistics Iceland, Central Bank of Iceland.

II Output and demand

II-11

Household payment card turnover

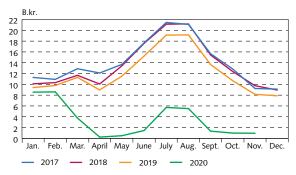


Debit and credit cards issued in Iceland. Domestic card turnover is deflated with the CPI excluding housing. Foreign turnover is deflated with the import-weighted exchange rate index. Based on latest monthly prices and exchange rates. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-12

Foreign payment card turnover in Iceland

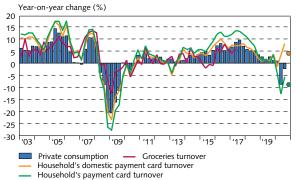


Foreign payment card turnover deflated by the CPI less housing costs.

Sources: Statistics Iceland, Central Bank of Iceland,

II-13

Private consumption, groceries, and payment card turnover

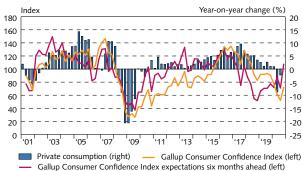


Points show 2-month average values in October and November. Quarterly

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

II-14

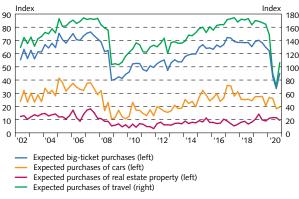
Private consumption and Gallup Consumer Confidence Index



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

II-15

Indices of expected big-ticket purchases

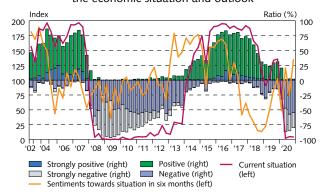


Indices of expected big-ticket purchases are based on Gallup consumer sentiment survey. The index for expected big-ticket purchases is an average of the other three indices. Quarterly data.

Source: Gallup.

II-16

Corporation expectations towards the economic situation and outlook

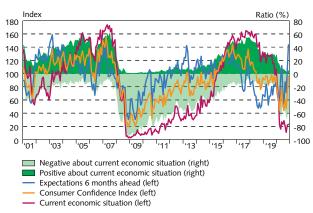


The Business sentiment indices are based upon Gallup's survey of the largest companies in Iceland, conducted 4 times a year. The columns show the sentiments towards the current situation of the economy. Source: Gallup.

II Output and demand



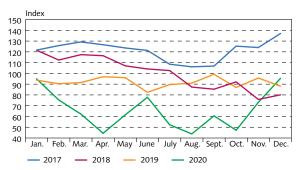
Consumer sentiment (Gallup)



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

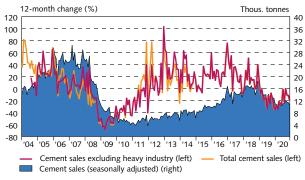
Consumer sentiment (Gallup)



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

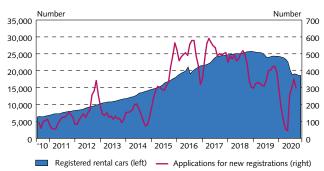


New motor vehicle registrations include new and used vehicles in all categories (passenger cars, motor coaches and delivery and transport vehicles). 3-month average. Monthly data.

Sources: The Icelandic Transport Authority, Statistics Iceland, Central Bank of Iceland.

II-21

Rental cars

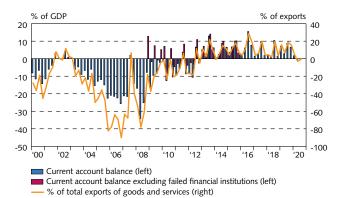


Seasonally adjusted figures. Applications for new registrations are a three-month moving average.

Sources: Statistics Iceland, Central Bank of Iceland.

III-1

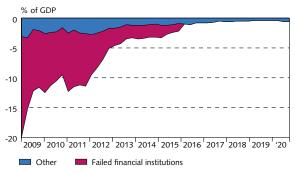
Current account balance



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-3

Net foreign interest payments

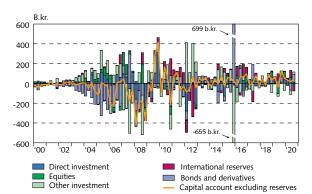


Including dividends on equity securities. The failed financial institutions were wound up at the end of 2015; therefore, their share is zero from 2016 onwards Ouarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-5

Net capital flows

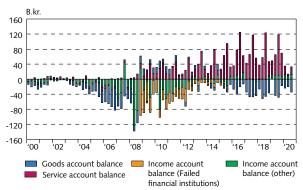


Capital account balance (net capital outflows) and net capital flows to foreign direct investment, portfolio investment (bonds, derivatives, and equities), and other investment. Positive (negative) numbers represent an increase (decrease) in resident entities' foreign assets or a decrease (increase) 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-2

Components of current account

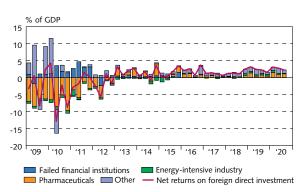


From 2016 there is no difference between income account balance (other) and income account balance total, because the share of failed financial institutions was wound up year-end 2015. Net current transfers are included in primary income. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland

III-4

Net returns on foreign direct investment

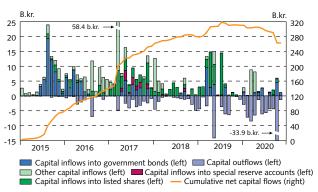


The failed financial institutions were wound up at the end of 2015; therefore, their share is zero from 2016 onwards. Holding companies that were established to hold the assets and liabilities of the former estates are now categorized as "Other". Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland

III-6

Capital flows due to registered new investment

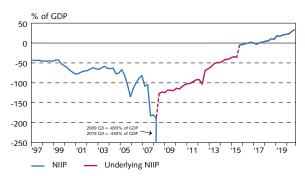


Other inflows in March 2017 derived almost entirely from non-residents' acquisition of a holding in a domestic commercial bank. Monthly data.

Source: Central Bank of Iceland.

III-7

Net international investment position

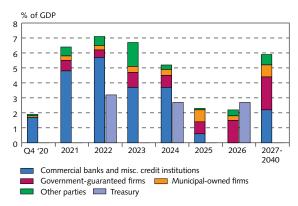


Based on underlying position from 2008 through end-2015; i.e., adjusted for the effects of settling the failed banks' estates and assuming equal distribution of assets to general creditors. At the end of 2015, the estates of the failed financial institutions reached composition agreements entailing the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

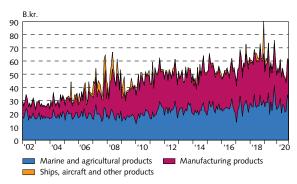
Repayment profile of long-term foreign debt



Based on Q3 2020 position and end-October 2020 exchange rate. Sources: Statistics Iceland, Central Bank of Iceland.

III-9

Components of merchandise exports

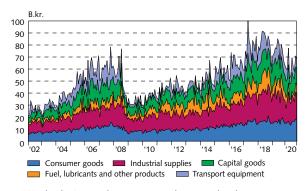


Merchandise export values at constant exchange rates based on monthly average export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-10

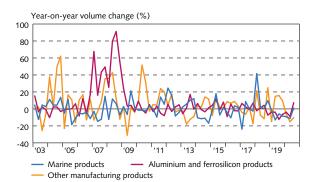
Components of merchandise imports



Merchandise import values at constant exchange rates based on import-weighted exchange rate index (broad trade basket). Monthly data. Sources: Statistics Iceland, Central Bank of Iceland.

III-11

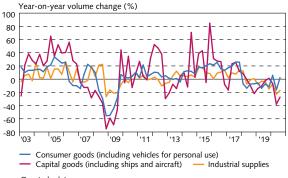
Main export products



Quarterly data.
Source: Statistics Iceland

III-12

Main import products

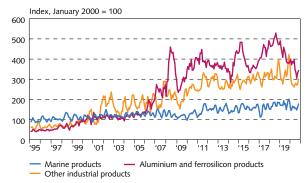


Quarterly data.

Source: Statistics Iceland.

III-13

Merchandise exports by category

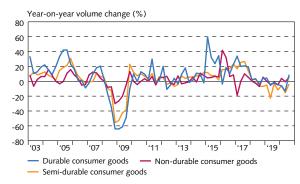


Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-14

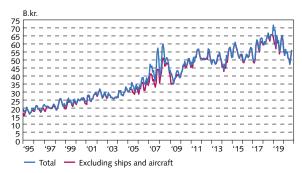
Imported consumer goods



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

III-15

Merchandise exports

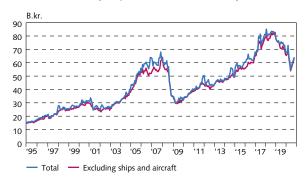


Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-16

Seasonally adjusted merchandise imports

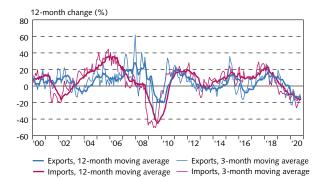


Imported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). The index of foreign price levels is calculated by weighting together the consumer price indices in main trading partner countries using a currency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

Sources: Statistics Iceland, Central Bank of Iceland

III-17

Merchandise imports and exports

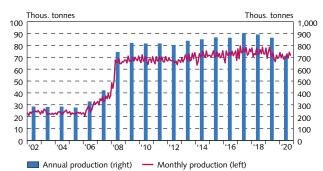


Exchange rate used consists of monthly averages of the broad trade-weighted index. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland

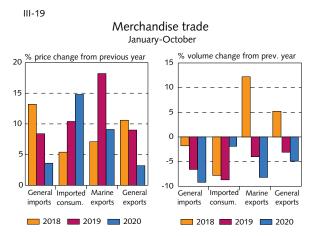
III-18

Aluminium production



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

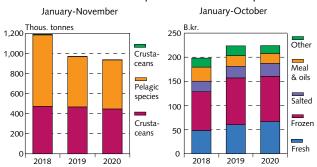
Source: Statistics Iceland



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.

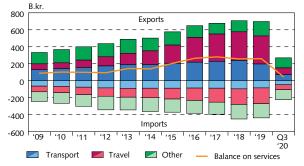
Source: Statistics Iceland.

III-20 Catch volume and export value of marine products



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

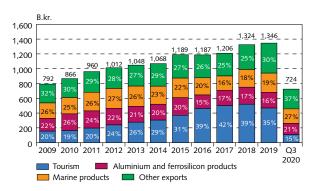
III-21 Services imports and exports



Annual and cumulative quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

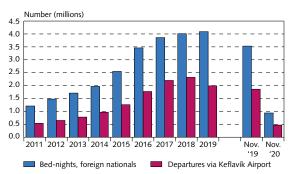
III-22 Goods and services exports



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

Sources: Statistics Iceland, Central Bank of Iceland

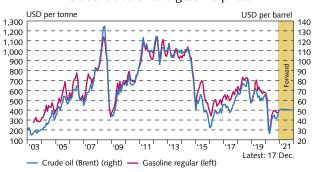
III-23 Foreign tourists and hotel bed-nights



Cumulative monthly figures for departures are for January-November but figures for bed-nights are for January-October. Annual and cumulative monthly figures.

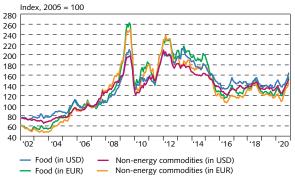
Sources: Icelandic Tourist Board, Isavia, Statistics Iceland.

III-24 Global crude oil and gasoline prices



Monthly averages and forward prices 12 months ahead Source: Refinitiv

III-25 Commodity prices in international markets



Monthly data.

Sources: Refinitiv Datastream, World Bank.

III-27

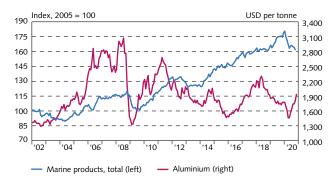
Real exchange rate



Broken lines show 25-year averages. Quarterly data. *Source:* Central Bank of Iceland.

III-26

Icelandic export prices



Monthly data.

Sources: Statistics Iceland, World Bank.

III-28

Real exchange rate

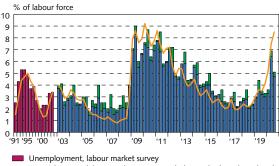


In terms of relative prices. Broken line shows 25-year average. Monthly data. *Source*: Central Bank of Iceland.

IV Labour market and wages

IV-1

Unemployment rate



Unemployment, labour market survey
 Unemployment, labour market survey, excl. those who have been hired and will begin work whithin 3 months

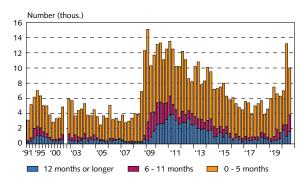
Unemployment, labour market survey, those who have already got a job
 Unemployment, Directorate of Labour

Until 2003, the Statistics Iceland labour market survey included only one week in April and one week in November; however, since Jan. 2003, it has been continuous and the results published quarterly. As a result, figures from Jan. 2003 and thereafter are not entirely comparable with earlier figures. Unemployment from the Directorate of Labour excludes persons on the partial unemployment programme from the beginning of year-2020. Quarterly data.

Sources: Directorate of Labour, Statistics Iceland.

IV-2

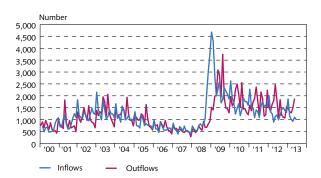
Unemployment by duration



Until 2003, the Statistics Iceland labour market survey included only one week in April and one week in November; however, since January 2003, it has been continuous and the results published quarterly. As a result, figures from January 2003 and thereafter are not entirely comparable with earlier figures. Quarterly data.

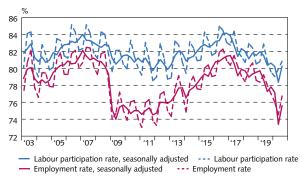
Source: Statistics Iceland.

IV-3 Unemployment register: Inflows and outflows



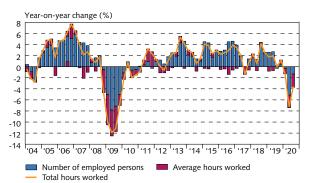
Monthly data. Source: Directorate of Labour.

IV-4 Labour participation rate and employment rate



Quarterly numbers based on monthly data averages. Source: Statistics Iceland.

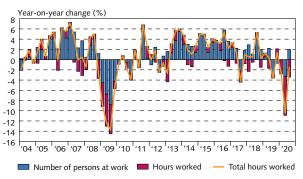
IV-5 Employment and hours worked for employed persons



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.

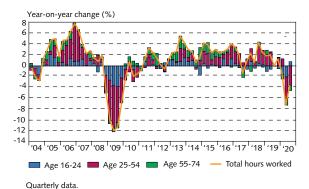
Source: Statistics Iceland.

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.

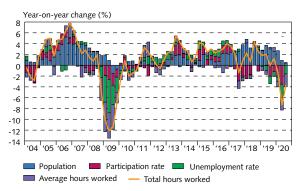
IV-7 Total working hours



Source: Statistics Iceland

IV-8

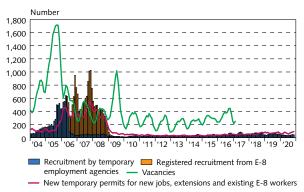
Total working hours



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

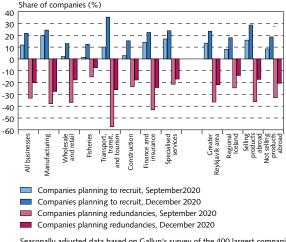
Vacancies and foreign labour



3-month moving average. The E-8 countries are Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia, Czech Republic, and Hungary. Monthly data. Source: Directorate of Labour.

IV-11

Companies planning to change staffing levels during the next 6 months

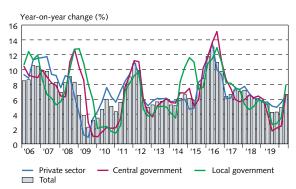


Seasonally adjusted data based on Gallup's survey of the 400 largest companies in Iceland

Sources: Gallup, Central Bank of Iceland.

IV-13

Wage changes by sector

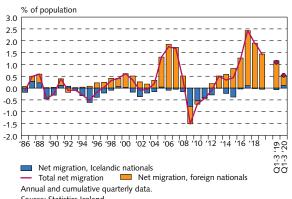


Until 2016 the quarterly wage index for the private sector is based on NACE Rev. 1.1. From 2016 and onwards the quarterly wage index for the private sector is based on NACE Rev. 2.0. Also, additional economic activities have been added.

Sources: Statistics Iceland, Central Bank of Iceland

IV-10

Migration



Source: Statistics Iceland.

IV-12

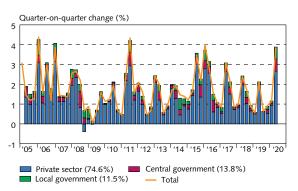
Labour supply



Seasonally adjusted quarterly figures Sources: Gallup, Central Bank of Iceland.

IV-14

Sectoral contribution to wage growth

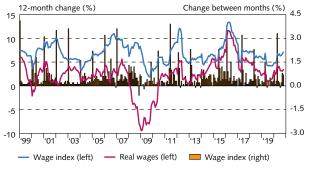


Until 2016 the quarterly wage index for the private sector is based on NACE Rev. 1.1. From 2016 and onwards the quarterly wage index for the private sector is based on NACE Rev. 2.0. Also, additional economic activities have been added. The figures in parentheses show the weight of these items in the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

Sources: Statistics Iceland, Central Bank of Iceland

IV-15

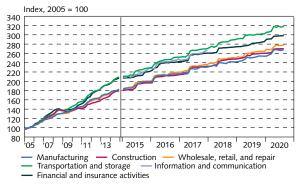
Nominal and real wages



Real wages are the wage index deflated by the CPI. Monthly data. Source: Statistics Iceland.

IV-16

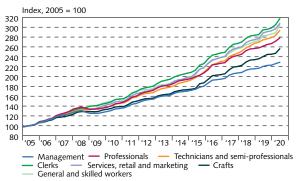
Private sector wage index by selected sectors



Quarterly data for 2005-2014 based on SAT95 classification system, but monthly data from beginning of 2015 onwards based on SAT2008 classification system. Due to changes in classification and sampling the data are not fully comparable between these periods. Source: Statistics Iceland.

IV-17

Private sector wage index by occupational group

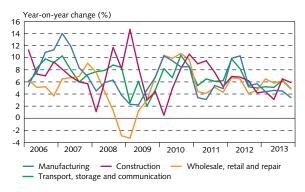


Occupational groups are defined according to STARF 95 classification system. Ouarterly data.

Source: Statistics Iceland.

IV-18

Private sector labour cost index by sector

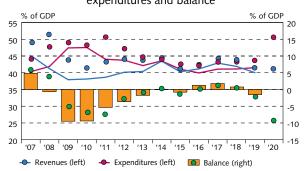


Total labour cost excluding irregular bonuses per hour. Sectors are defined according to ÍSAT 95 classification system. Quarterly data. Source: Statistics Iceland.

V Public finances

V-1

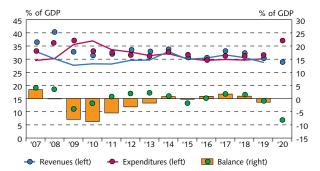
General government revenues, expenditures and balance



Lines and columns show annual data. Dots show first three quarters of the year. 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 and quarterly data. Source: Statistics Iceland.

V-2

Treasury revenues, expenditures and balance

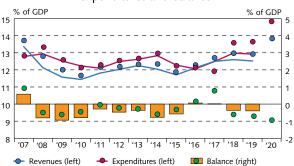


Lines and columns show annual data. Dots show first three quarters of the year. Treasury revenues are adjusted for 384.3 b.kr. stability contributions in Q1/2016. Treasury expenditures are adjusted for 105.1 b.kr. special payment to LSR A-division in Q4/2016. Annual and quarterly data. Source: Statistics Iceland.

V Public finances



Local government revenues, expenditures and balance



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

V-4

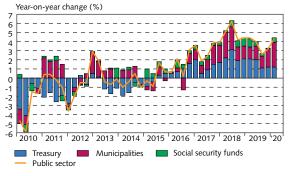
Income balance as share of income



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-5

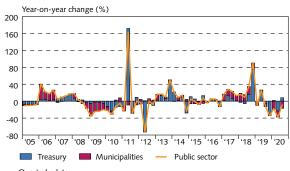
Public consumption



Quarterly data

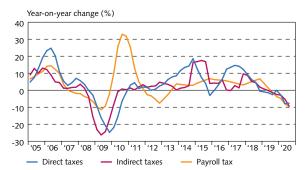
V-6

Investment



Quarterly data. Source: Statistics Iceland.

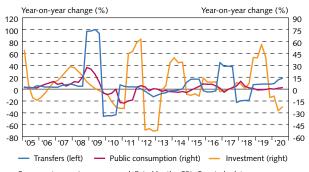
Tax revenues



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

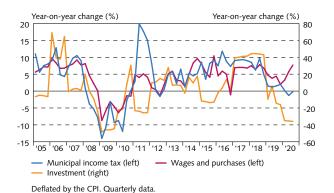
V-8

Treasury expenditures by type

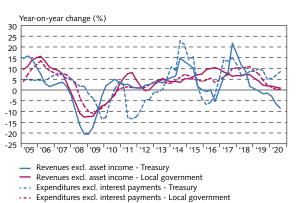


Four quarter moving averages, deflated by the CPI. Quarterly data. Source: Statistics Iceland.

V-9 Local government revenues and expenditures

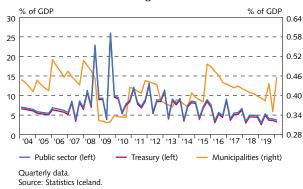


V-10 Treasury and local government revenues and expenditures



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 averages, deflated by the CPI. Quarterly data.

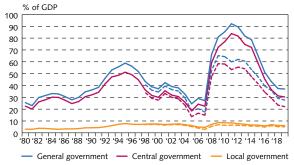
V-11 Interest expense of general, central, and local government



V-12

Source: Statistics Iceland.

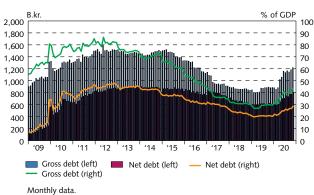
Debt of general, central, and local government



Solid lines show gross debt and broken lines show net debt. Net debt is gross debt less currency and deposits. Annual data.

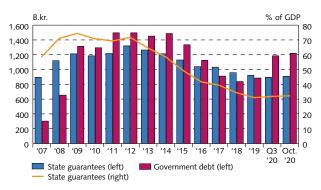
Sources: Ministry of Finance and Economic Affairs, Statistics Iceland, Central Bank of Iceland.

V-13 Central government debt



Sources: Government Debt Management, Statistics Iceland, Central Bank of Iceland.

State guarantees and gross debt



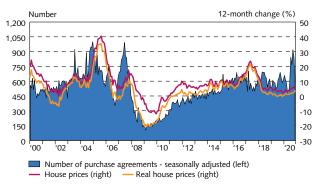
Monthly data

V-14

Sources: Government Debt Management, Statistics Iceland, Central Bank of Iceland

VI Asset markets

VI-1 Housing market prices and activity in greater Reykjavík



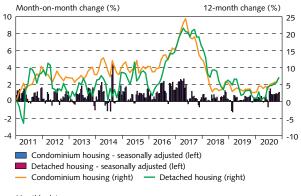
Number of purchase agreements on the date of purchase. Monthly data. Sources: Registers Iceland, Statistics Iceland, Central Bank of Iceland.

VI-2 Housing market prices in greater Reykjavík



Housing market price per sq.m. (immediate payment). Monthly data. Sources: Registers Iceland, Statistics Iceland.

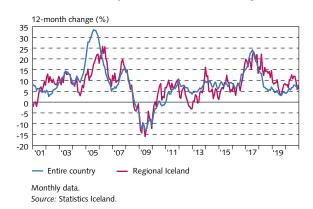
VI-3 House prices in greater Reykjavík



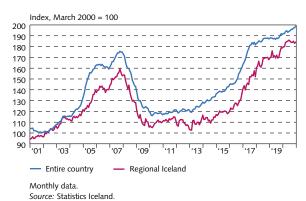
Monthly data.

Sources: Registers Iceland, Central Bank of Iceland.

VI-4 Market price of residential housing

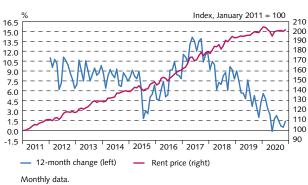






VI-6

Rent price in greater Reykjavík

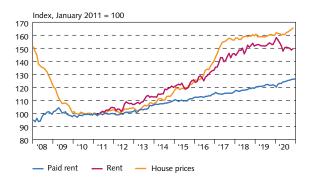


Monthly data.

Source: Registers Iceland

VI-7

Rent, house prices, and paid rent in real terms

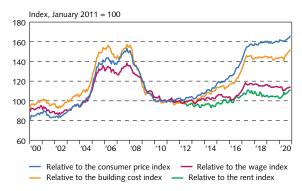


Rent and house prices are for greater Reykjavík, paid rent is for the whole country. Monthly data.

Sources: Registers Iceland, Statistics Iceland

VI-8

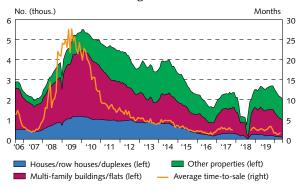
Capital area house prices relative to macroeconomic fundamentals



Sources: Registers Iceland, Statistics Iceland.

VI-9

Advertised capital area property and average time to sale

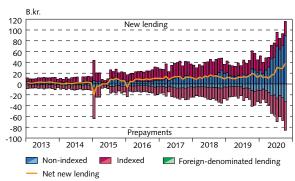


Monthly average of advertisements on Morgunbladid real estate website. The count is carried out by property code so as to avoid a repeat count of the same property. Monthly seasonally adjusted turnover is according to the number of officially registered purchase agreements. The average time to sale is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

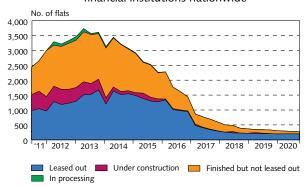


Net new lending consist of new lending net of prepayments of older loans. Figures for new mortgage lending of pension funds are from September 2015. Most recent figures are preliminary. Monthly data.

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 Reykjavík

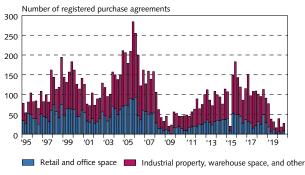


Weighted average of industrial, retail, and office housing. Data are subject to uncertainty due to sparsity and divergence of measurements. Latest figures are preliminary. Quarterly data.

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. Ouarterly data.

Sources: Registers Iceland, Central Bank of Iceland.

VI-15

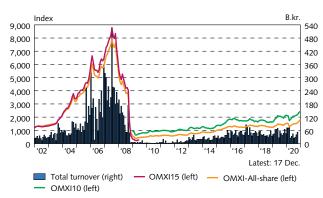
Share prices by sector



Average change in share price of listed companies in selected sectors, adjusted for dividend payments and share capital reductions. Daily data. Source: Nasdaq Iceland.

VI-14

Equity market

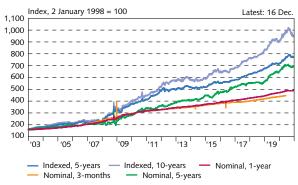


Total monthly volume of listed shares and monthly average of main stock indices

Source: Nasdaq Iceland.

VI-16

Bond indices



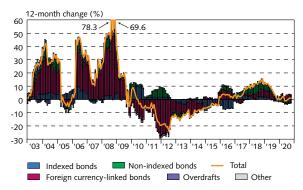
Indices are Nasdaq Iceland's calculations of yields on fixed-maturity bonds. Daily data.

Source: Nasdaq Iceland.

VII Households and businesses

VII-1

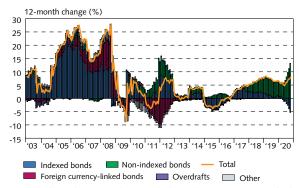
Credit system lending to businesses



Stock of loans from DMBs, the HFF and other credit institutions, pension funds, insurance companies, and State credit funds. Contribution of individual components to lending growth. Loans are assessed at claim value. The category labelled "other" includes bills of exchange, redeemed guarantees, and asset financing agreements. 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. Source: Central Bank of Iceland.

VII-2

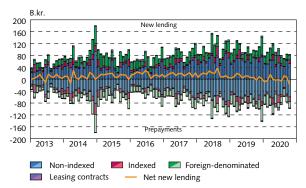
Credit system lending to households



Stock of loans from DMBs, the HFF and other credit institutions, pension funds, insurance companies, and State credit funds. Contribution of individual components to lending growth. Loans are assessed at claim value. The category labelled "other" includes bills of exchange, redeemed guarantees, and asset financing agreements. 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.

VII-3

Net new lending from DMBs and HFF to firms

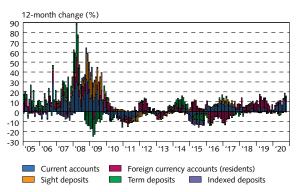


Net new lending consists of new lending net of prepayments of older loans Most recent figures are preliminary. Monthly data.

Source: Central Bank of Iceland.

VII-5

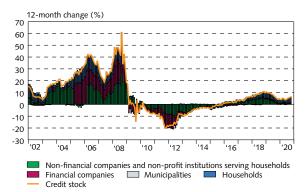
Companies' deposits



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-7

Credit system lending to resident borrowers

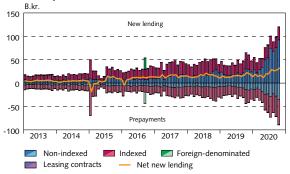


Financial companies excluding loans to deposit institutions and failed financial institutions. Monthly data.

Source: Central Bank of Iceland.

VII-4

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

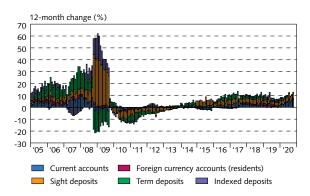


Net new lending consist of new lending net of prepayments of older loans. Figures new lending of pension funds are from September 2015. Most recent figures are preliminary. Monthly data.

Source: Central Bank of Iceland.

VII-6

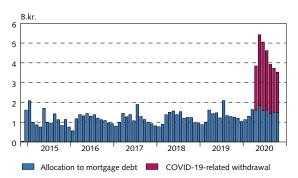
Household deposits



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-8

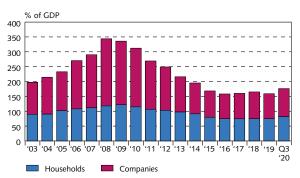
Third-pillar pension savings withdrawals



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 2021. 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 excluding financial institutions (which includes holding companies). GDP for 2020 is based on the Central Banks' latest baseline forecast. Annual data. Sources: Statistics Iceland. Central Bank of Iceland.

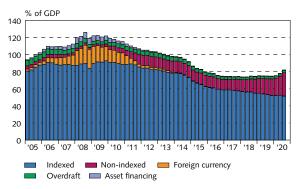
VII-10 Real credit growth to households and firms



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

Sources: Statistics Iceland, Central Bank of Iceland

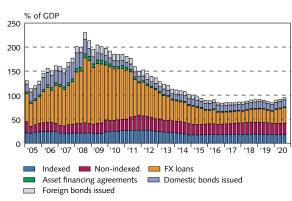
VII-11 Household debt relative to GDP



Quarterly data. GDP computed as 4-quarter moving average and then multiplied by four.

Sources: Statistics Iceland, Central Bank of Iceland.

VII-12 Companies debt relative to GDP

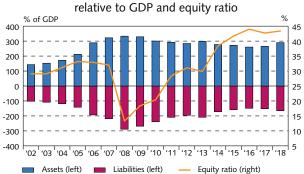


Debt owed to domestic and foreign financial undertakings and market bonds issued. Quarterly data. GDP computed as 4-quarter moving average and then multiplied by four.

Sources: Statistics Iceland, Central Bank of Iceland

VII-13

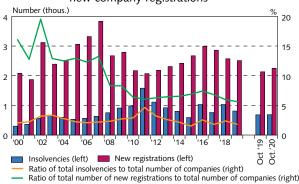
Companies assets and liabilities



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

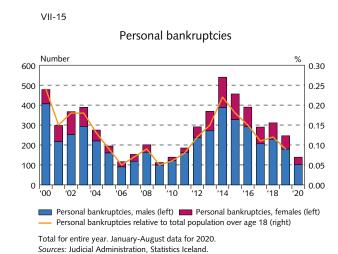
VII-14

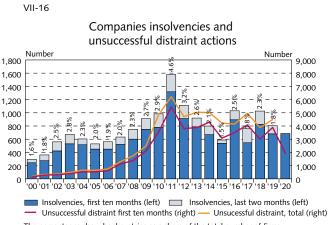
Corporate insolvencies and new company registrations



Annual and cumulative monthly data.

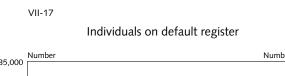
Source: Statistics Iceland

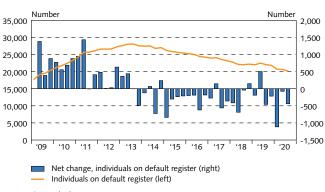




The percentages show bankruptcies as a share of the total number of firms. Annual and cumulative monthly data.

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

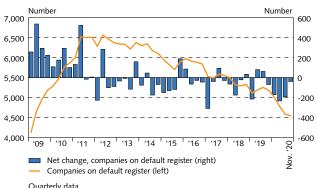




Quarterly data.

Source: CreditInfo.

Companies on default register



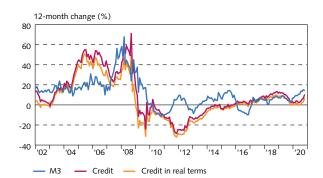
Quarterly data. Source: CreditInfo.

VII-18

VIII Financial markets

VIII-1

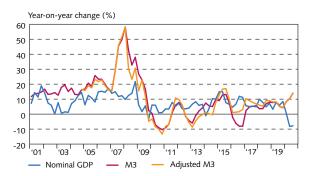
M3 and domestic bank credit



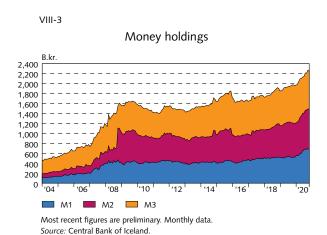
Loans are assessed at claim value. The series "credit in real terms" represents loans deflated by the CPI. Changes have been made to loan classification during the period shown. The data are therefore not fully comparable within the period. Further information can be found on the monetary statistics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

VIII-2

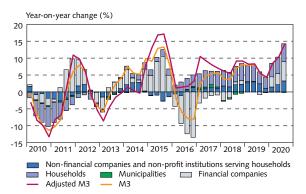
Nominal GDP and M3



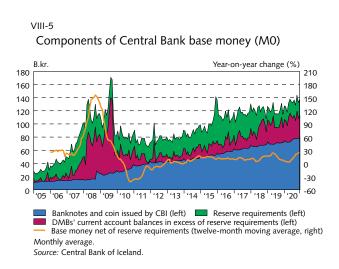
Adjusted M3 excludes deposits of failed financial institutions. Quarterly data. Sources: Statistics Iceland, Central Bank of Iceland.



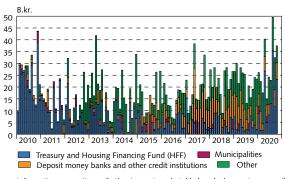
VIII-4 Components of money holdings



Adjusted M3 excludes deposits of failed financial institutions. Quarterly data. Source: Central Bank of Iceland.

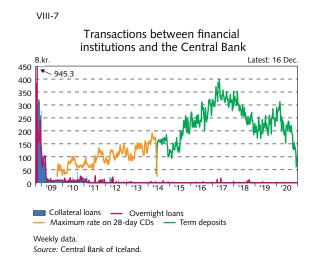


VIII-6 Bond auctions

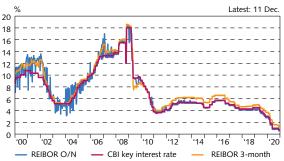


Information on auctions of other issuers' marketable bonds does not necessarily include all of their issued bonds. Monthly data.

Sources: Icelandic Securities Depository, Central Bank of Iceland.

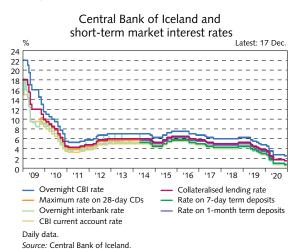


VIII-8 Central Bank key interest rate and money market interest rates %



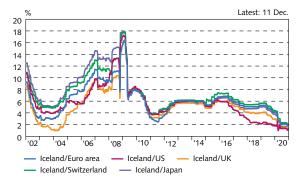
Until April 2009, the Bank's effective policy rate was the seven-day collateralised lending rate, and from April to September 2009 it was the current account rate. From September 2009 to May 2014, the effective policy rate was the average of the current account rate and the maximum rate on 28-day CDs. From May 2014, the effective rate is the Bank's seven day term deposit rate. Weekly data. Source: Central Bank of Iceland.

VIII-9



VIII-11

Short-term interest rate differential



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

VIII-13

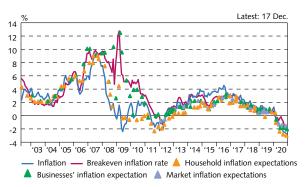
Government-guaranteed bond yields



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-10

Central Bank of Iceland real interest rates

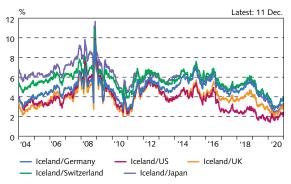


According to 12-month inflation and 1-year inflation expectations. Real interest rates according to breakeven inflation rate on Treasury notes are calculated based on Treasury bone (RIKB 13 0517) and Treasury bone (RIKS 15 1001) yields until June 2004, and on the difference between the nominal and indexed 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-12

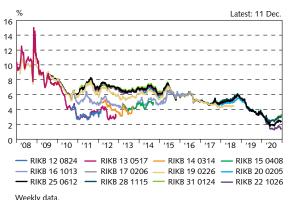
Long-term interest rate differential



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

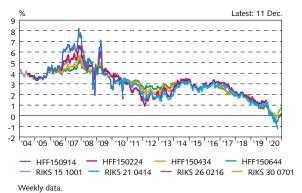
VIII-14

Yields on nominal Treasury bonds



Source: Central Bank of Iceland

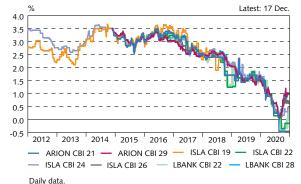
VIII-15
Yields on indexed Treasury and HFF bonds



Source: Central Bank of Iceland.

VIII-17

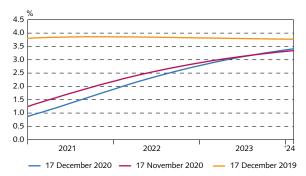
Yields on DMB indexed covered bonds



Source: Kodiak Pro.

VIII-19

Forward market interest rates

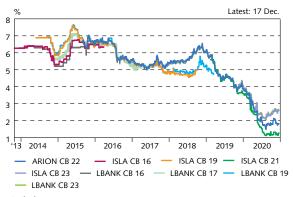


The Central Bank's key interest rate and Treasury bond yields were used to estimate the yield curve, using the Nelson-Siegel method. The valuation is subject to some uncertainty because of the small number of Treasury notes underlying the calculations.

Source: Central Bank of Iceland

VIII-16

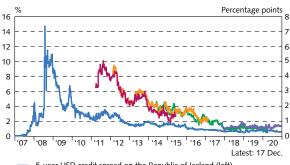
Yields on DMB nominal covered bonds



Daily data. Source: Kodiak Pro.

VIII-18

Risk premia on the Icelandic Treasury



5-year USD credit spread on the Republic of Iceland (left)
 Difference between Icelandic and US government bonds issued in

USD maturing in 2016 (right)

 Difference between Icelandic and US government bonds issued in USD maturing in 2022 (right)

Difference between Icelandic and German government bonds issued

in EUR, maturing in 2020 (right)

— Difference between Icelandic and German government bonds issued

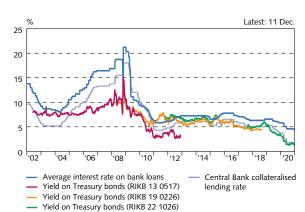
in EUR, maturing in 2022 (right)

Daily data.

Sources: Bloomberg, Refinitiv Datastream.

VIII-20

Nominal interest rates

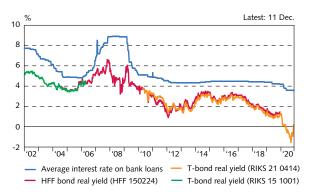


Average of lowest bond interest rates: Arion Bank, Íslandsbanki, Landsbankinn. Weekly data.

Source: Central Bank of Iceland

VIII-21

Indexed interest rates

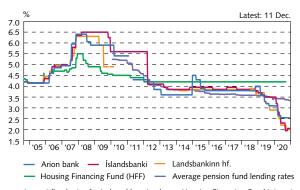


Average of lowest bond interest rates: Arion Bank, Íslandsbanki, Landsbankinn. Weekly data.

Source: Central Bank of Iceland.

VIII-23

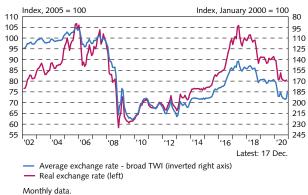
Interest rates on indexed housing loans



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

VIII-25

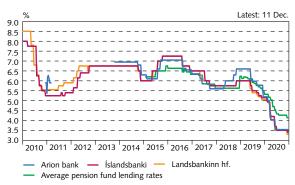
Nominal and real effective exchange rate of the króna



Source: Central Bank of Iceland.

VIII-22

Interest rates on nominal housing loans

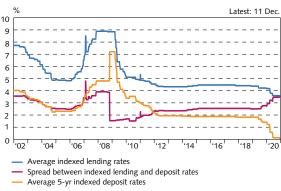


Lowest floating rates for non-indexed housing loans. No data for Arion bank for the time periods 11 March 2010 - 11 February 2011 and 11 May - 1 December 2013. Average pension fund lending rates is the average of the lending rates charged by Gildi, Lifsverk and LSR. 10-day data except for pension fund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

Source: Central Bank of Iceland.

VIII-24

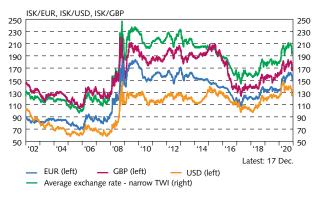
Banks' indexed lending and deposit rates



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

VIII-26

Exchange rate of foreign currencies against the króna

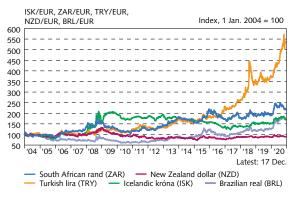


Daily data

Source: Central Bank of Iceland.

VIII-27

Exchange rate of the euro against other currencies

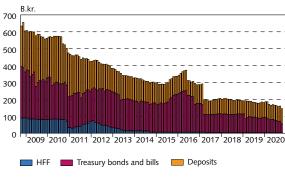


Daily data

Source: Refinitiv Datastream.

VIII-28

Non-residents' króna assets

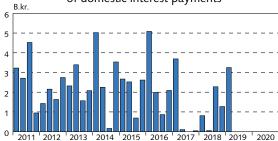


Monthly data.

Sources: Icelandic Securities Depository, Central Bank of Iceland.

VIII-29

Non-residents' repatriation of domestic interest payments

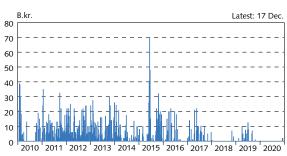


The figures above are based on information provided to the Central Bank by domestic financial institutions, on non-residents' foreign exchange transactions involving payments of interest and indexation on deposits with domestic financial institutions and ISK-denominated bonds issued by domestic parties.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

Source: Central Bank of Iceland.

VIII-30

Turnover on the interbank market for krónur

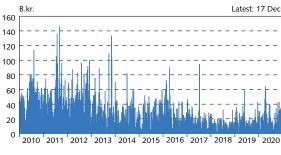


Weekly data

Source: Central Bank of Iceland.

VIII-31

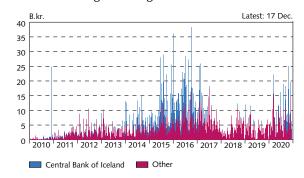
Bond market turnover



Weekly data. Source: Nasdaq Iceland.

VIII-32

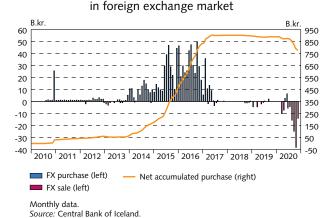
Foreign exchange market turnover



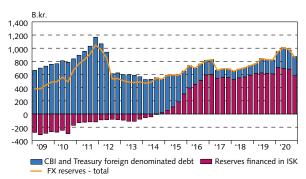
Weekly data.

Source: Central Bank of Iceland

Central Bank intervention



VIII-34 Central Bank of Iceland foreign exchange reserves



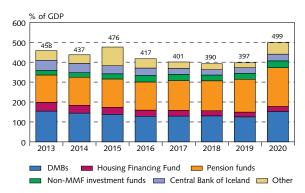
Reserves financed in ISK are foreign exchange reserves net of Central Bank and Treasury foreign-denominated debt. Q4/2020 is end of November figures. Quarterly data.

Source: Central Bank of Iceland.

IX The financial system

IX-1

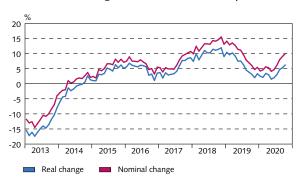
Financial system assets relative to GDP



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 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 as of end-Q3/2020 are the assets of the IL Fund, which took over the processing of the HFF's assets and liabilities at the beginning of 2020. Annual data. Data for the first three quarters of 2020. GDP for 2020 is based on the Central Banks' latest baseline forecast. Sources: Statistics Iceland, Central Bank of Iceland.

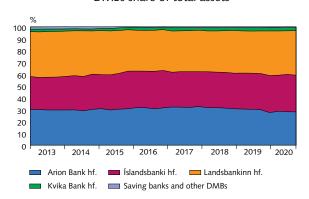
IX-3

D-SIB lending to households and companies



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

DMBs share of total assets



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

IX-4

D-SIB net new lending to households and companies

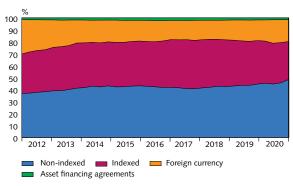


 $12\hbox{-month}$ moving total. New loans less loan retirement and loan prepayments in excess of contractual requirements.

Source: Central Bank of Iceland

IX-5

DMB distribution of loans by type

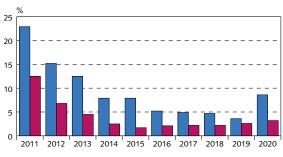


Parent companies. Loans by each type as a share of total lending to households and operating companies. Foreign currency loans include exchange rate-linked loans. Quarterly data.

Source: Central Bank of Iceland.

IX-7

D-SIB default ratios



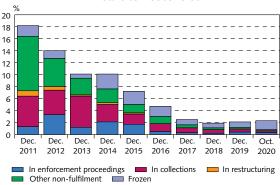
 Non-performing loans; i.e., loans past due by over 90 days, frozen or deemed unlikely to be paid (cross-default method)

Loans in default; i.e., loans past due by over 90 days (facility level)

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

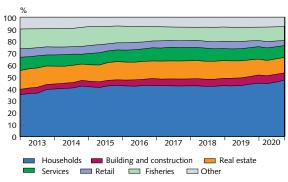
IX-9

Status of D-SIBs non-performing loans to households



Parent companies, book value. Source: Central Bank of Iceland. IX-6

D-SIB lending classified by borrower

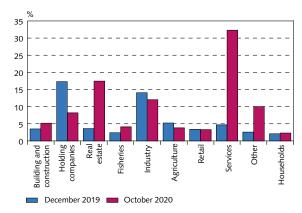


Loans to each sector as a share of total lending to households and operating companies. Quarterly data.

Source: Central Bank of Iceland.

IX-8

D-SIB non-performing loan ratios

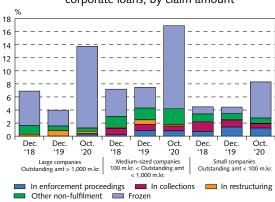


Parent companies, book value. Non-performing loans according to the cross-default method, according to which all of a borrower's loans are considered non-performing if one loan is frozen or in arrears by 90 days or more, or if the borrower is deemed unlikely to pay their obligations when due.

Source: Central Bank of Iceland.

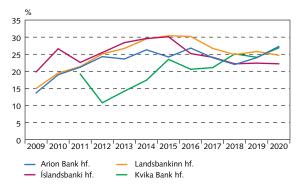
IX-10

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



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

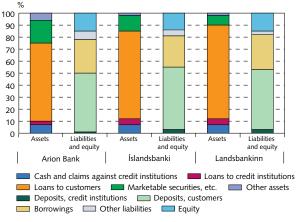
IX-11 Commercial bank's capital adequacy ratios



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

IX-12

D-SIB assets and liabilities

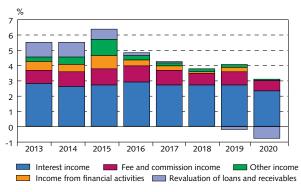


End of Q3 2020. Consolidated accounts.

Sources: Commercial banks' financial statements, Central Bank of Iceland.

IX-13

Ratio of D-SIB operating income to total assets

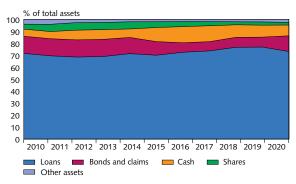


Consolidated figures. Annual data. Q3 data for 2020.

Sources: Commercial banks' financial statements, Central Bank of Iceland.

IX-14

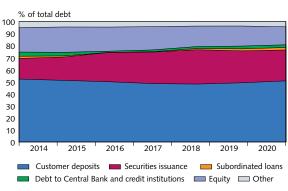
D-SIB assets



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

IX-15

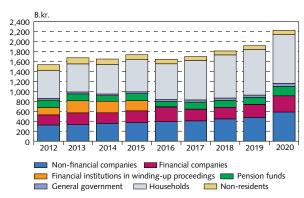
D-SIB funding



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

IX-16

D-SIB depositors

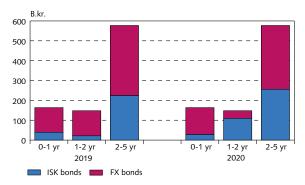


Parent companies. Annual data. Q3 data for 2020. Source: Central Bank of Iceland.

IX The financial system

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Instalments and interest. Parent companies figures. As of end-October each

Source: Central Bank of Iceland.

IX-18

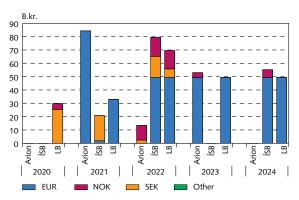
D-SIB average residual maturity and total issuance of funding in foreign currency



Sources: Nasdaq Iceland, Central Bank of Iceland.

IX-19

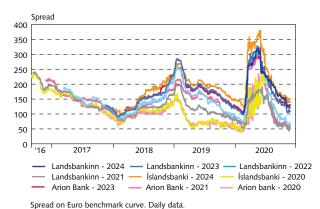
D-SIB foreign bonds by maturity and currency



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

IX-20

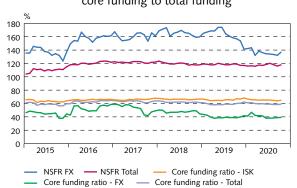
D-SIB spread on listed foreign bonds, EUR



Source: Refinitiv Datastream

IX-21

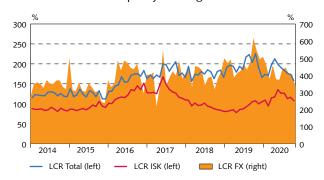
D-SIB NSFR ratio and ratio of core funding to total funding



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

IX-22

D-SIB liquidity coverage ratio

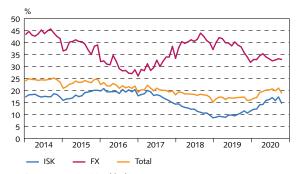


Consolidated figures. Monthly data Source: Central Bank of Iceland

IX The financial system

IX-23

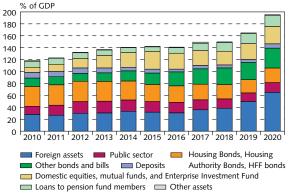
DMB's ratio of liquid assets to total assets



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

IX-25

Pension funds' distribution of assets

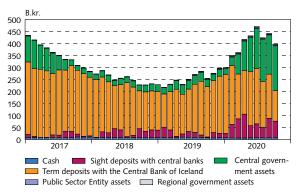


Q3 2020 based on preliminary figures. Annual data. Data for the first three quarters of 2020. GDP for 2020 is based on the Central Banks' latest baseline forecast.

Sources: Statistics Iceland, Central Bank of Iceland.

IX-24

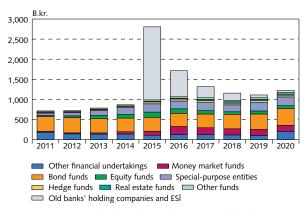
D-SIB liquid assets



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

IX-26

Size of other financial intermediaries



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

Source: Central Bank of Iceland.