

ECONOMIC INDICATORS



2021 | 2

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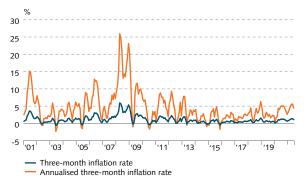
I Inflation and inflation expectations



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.

1-3 Seasonally adjusted inflation

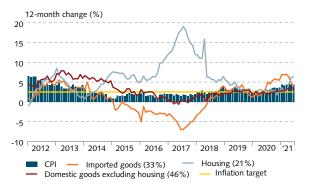


This inflation measurement is very volatile but indicates how inflation pressures are developing. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

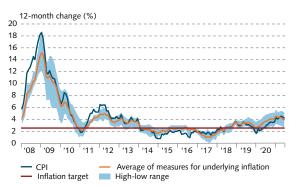
I-5

Domestic and imported goods prices



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

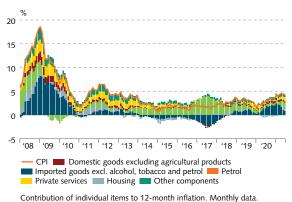
Inflation and underlying inflation



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

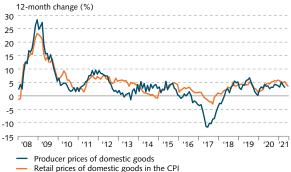


Source: Statistics Iceland.

I-6

1-4

Production and retail prices of domestic goods



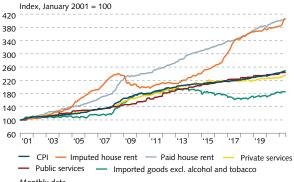
Retail prices of domestic goods in th

Monthly data

Sources: Statistics Iceland, Central Bank of Iceland.

I Inflation and inflation expectations

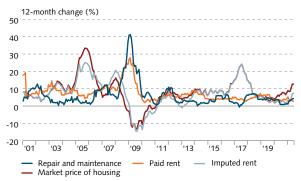
I-7 Price developments: housing, goods and services



Monthly data.
Source: Statistics Iceland.

I-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.

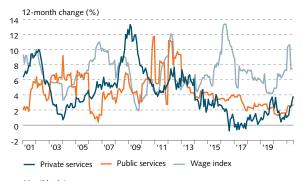
I-9

Price developments: various components



Monthly data. Source: Statistics Iceland. I-10

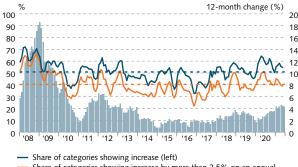
Price developments: wages and services



Monthly data.
Source: Statistics Iceland.

I-11

Distribution of price increases in the CPI



Share of categories showing increase by more than 2.5% on an annual basis (left) CPI (right)

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-12

Breakeven inflation rates

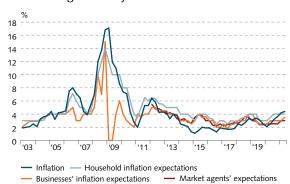


Breakeven inflation rates are calculated from yield spreads between nominal and index-linked Government and Government-guaranteed bonds (5-day moving

averages). Daily data. Source: Central Bank of Iceland

Inflation and inflation expectations

I-13
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 Import price levels and exchange rate developments



Price of imported goods excluding alcohol and tobacco
 Trading partners' implicit export price deflator in foreign currency
 Trading partners' implicit export price deflator in domestic currency

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. Ouarterly data.

 ${\it Sources:} \ {\it Statistics Iceland, Central Bank of Iceland}.$

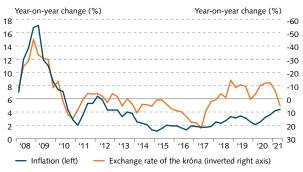
Long-term inflation expectations of businesses, households, and market agents



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.

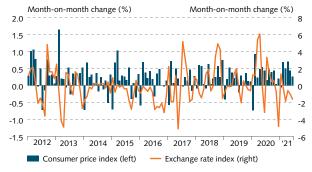
Sources: Statistics Iceland, Central Bank of Iceland.

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-17
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.

Inflation in Iceland and Europe



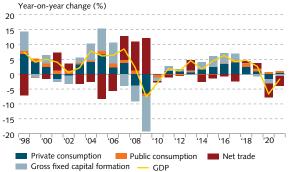
Harmonised indices of consumer prices. Monthly data.

I-18

II Output and demand

II-1

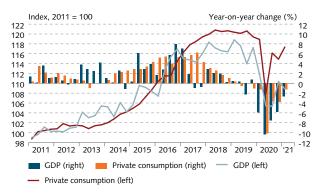
Contribution of individual components to output growth



Contribution of individual components to output growth. For 2021 the year-on-year change is only from Q1/2020 to Q1/2021. Annual data. Sources: Statistics Iceland, Central Bank of Iceland.

II-2

GDP and private consumption per capita

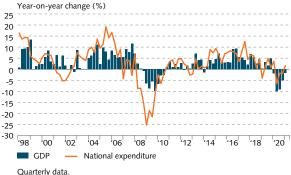


National accounts figures are seasonally adjusted. GDP seasonally adjusted by the Central Bank. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-3

Output growth and national expenditure



Source: Statistics Iceland.

11-4

Private consumption, public consumption and gross fixed capital formation



Quarterly data Source: Statistics Iceland.

II-5

Gross fixed capital formation



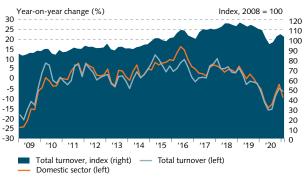
Contribution of individual items to gross capital formation. Quarterly data. Source: Statistics Iceland.

Foreign trade



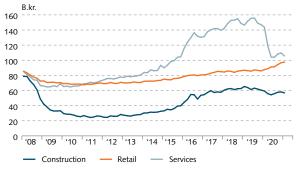
Quarterly data. Source: Statistics Iceland. II-7

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

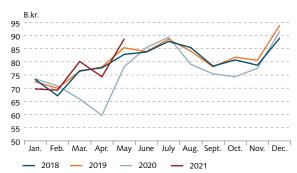


Debit and credit cards issued in Iceland. Seasonally adjusted debit and credit card turnover deflated by the CPI less housing costs. Turnover abroad is deflated by the exchange rate index. Points show 2-month average of values in April and May. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-11

Household payment card turnover

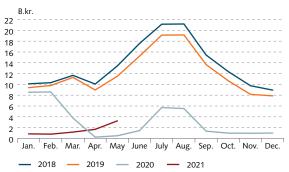


Debit and credit cards issued in Iceland. Domestic card turnover is deflated with the CPI excluding housing. Foreign turnover is deflated with the import-weighted exchange rate index. Based on latest monthly prices and exchange rates. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

II-12

Foreign payment card turnover in Iceland



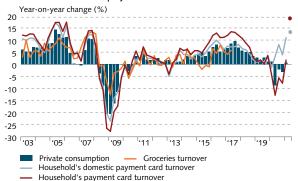
Foreign payment card turnover deflated by the CPI less housing costs. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland

II Output and demand

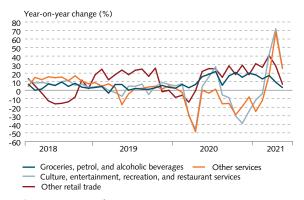
II-13

Private consumption, groceries, and payment card turnover



Points show 2-month average values in April and May. Quarterly data. Sources: Icelandic Centre for Retail Studies, Statistics Iceland, Central Bank of Iceland. II-14

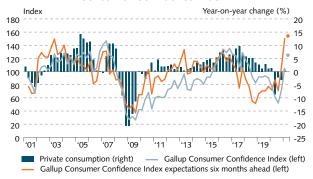
Domestic retail payment intermediation, by category



Domestic payment cards. *Source:* Icelandic Centre for Retail Studies.

II-15

Private consumption and Gallup Consumer Confidence Index

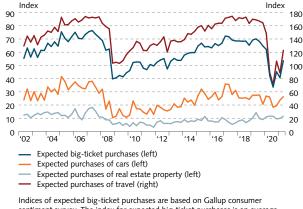


The Gallup Consumer Confidence Index is a measure of general consumers' sentiment towards the economy and the labour market. Points show 2-month average of values in April and May. Quarterly data.

Sources: Gallup, Statistics Iceland.

II-16

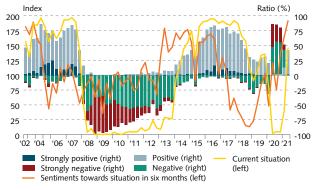
Indices of expected big-ticket purchases



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

II-17

Corporation expectations towards the economic situation and outlook

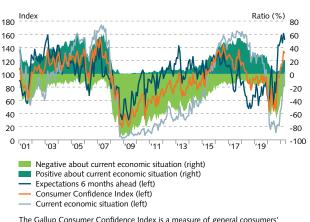


The Business sentiment indices are based upon Gallup's survey of the largest companies in Iceland, conducted 4 times a year. The columns show the sentiments towards the current situation of the economy.

Source: Gallup.

II-18

Consumer sentiment (Gallup)

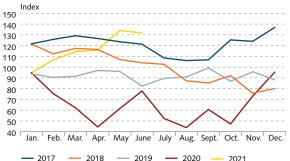


The Gallup Consumer Confidence Index is a measure of general consumers' sentiment towards the economy and the labour market. Monthly data. *Source:* Gallup.

II Output and demand



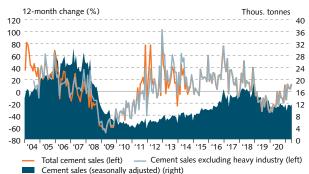
Consumer sentiment (Gallup)



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

II-20

Cement sales



Monthly data

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

II-21

New registration of motor vehicles

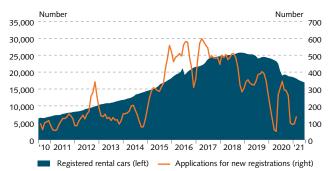


New motor vehicle registrations include new and used vehicles in all categories (passenger cars, motor coaches and delivery and transport vehicles). 3-month average. Monthly data.

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

II-22

Rental cars



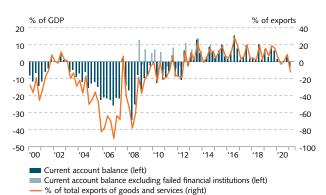
Seasonally adjusted figures. Applications for new registrations are a three-month

Sources: Statistics Iceland, Central Bank of Iceland

III Foreign trade and external economic conditions

III-1

Current account balance

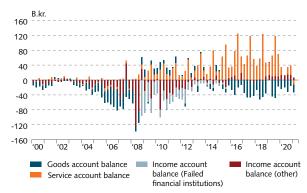


Current account balance excluding failed financial institutions is also adjusted for the failed financial institutions' financial intermediation services indirectly measured (FISIM). From 2016 there is no difference between these figures and official figures for current account balance. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-2

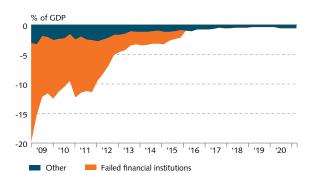
Components of current account



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

Net foreign interest payments

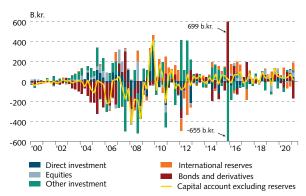


Including dividends on equity securities. The failed financial institutions were wound up at the end of 2015; therefore, their share is zero from 2016 onwards. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland

III-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-7

Net international investment position

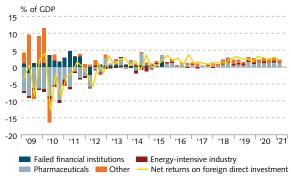


Based on underlying position from 2008 through end-2015; i.e., adjusted for the effects of settling the failed banks' estates and assuming equal distribution of assets to general creditors. At the end of 2015, the estates of the failed financial institutions reached composition agreements entailing the 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-4

Net returns on foreign direct investment

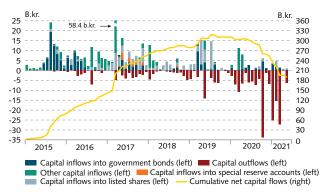


The failed financial institutions were wound up at the end of 2015; therefore, their share is zero from 2016 onwards. Holding companies that were established to hold the assets and liabilities of the former estates are now categorized as "Other". Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland

III-6

Capital flows due to registered new investment

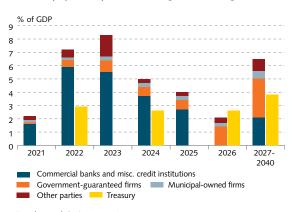


Other inflows in March 2017 derived almost entirely from non-residents' acquisition of a holding in a domestic commercial bank. Monthly data.

Source: Central Bank of Iceland.

III-8

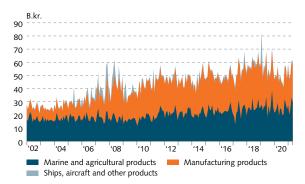
Repayment profile of long-term foreign debt



Based on end-Q1/2021 position.

Sources: Statistics Iceland, Central Bank of Iceland.

III-9 Components of merchandise exports

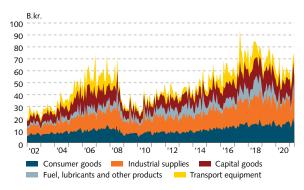


Merchandise export values at constant exchange rates based on monthly average export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-10

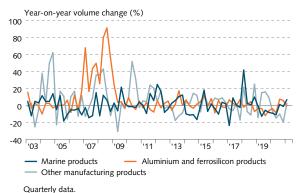
Components of merchandise imports



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

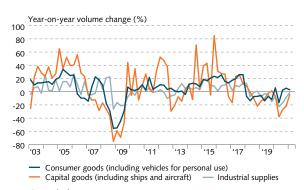
Main export products



Source: Statistics Iceland.

III-12

Main import products

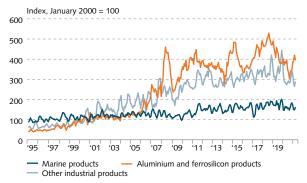


Quarterly data.

Source: Statistics Iceland

III-13

Merchandise exports by category

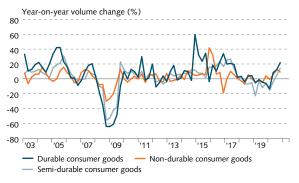


Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

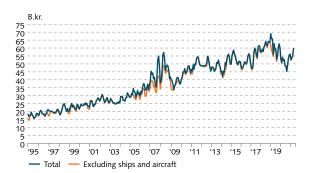
III-14

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

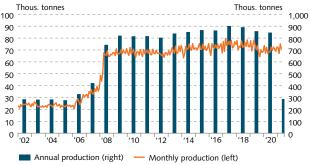


Exchange rate used consists of monthly averages of the broad trade-weighted index. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

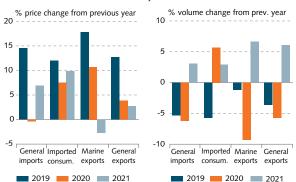
III-18

Aluminium production



Annual aluminium production for 2021 is production for January-April. Monthly

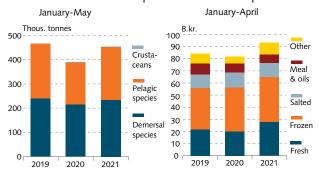
III-19 Merchandise trade January-March



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.

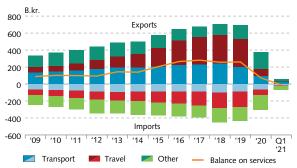
Source: Statistics Iceland

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.

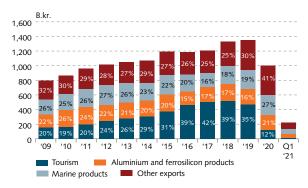
III-21 Services imports and exports



Annual and cumulative quarterly data at current prices.

III-22

Goods and services exports



Revenues from tourists in Iceland and abroad is the sum of "Travel" and Item 1.2.1, "Passenger transport by air". Annual and cumulative quarterly data. Sources: Statistics Iceland, Central Bank of Iceland.

III-23 Foreign tourists and hotel bed-nights

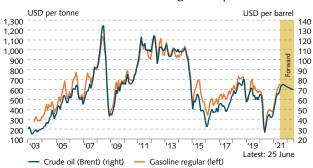


Cumulative monthly figures for departures are for January-April but figures for bed-nights are for January. Annual and cumulative monthly figures.

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

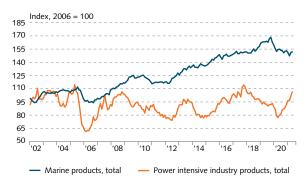
Commodity prices in international markets



Commodity prices excluding energy prices. Monthly data. *Sources:* Refinitiv Datastream, World Bank.

III-26

Icelandic export prices



Prices in foreign currency based on export-weighted exchange rate index (broad trade basket). Monthly data.

Source: Statistics Iceland.

Real exchange rate

110 Index, 2005 = 100

100 90 80 70 60

'01 '03 '05 '07

Relative prices

09

13

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

Relative labour costs

III-28

Real exchange rate



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

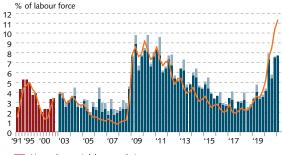
IV Labour market and wages

IV-1

50

III-27

Unemployment rate



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

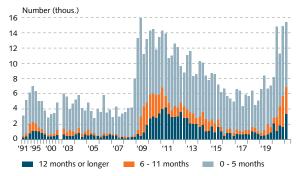
Unemployment, labour market survey, those who have already got a job
Unemployment, Directorate of Labour

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

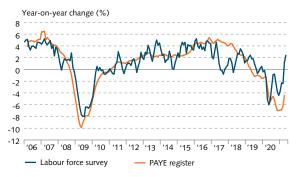


Until 2003, the Statistics Iceland labour market survey included only one week in April and one week in November; however, since January 2003, it has been continuous and the results published quarterly. As a result, figures from January 2003 and thereafter are not entirely comparable with earlier figures.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

Source: Statistics Iceland.

IV-3

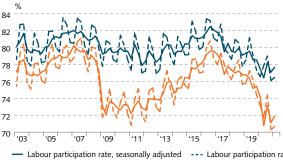
Number of persons employed



Persons 16-74 years old. Tree-month moving average. Monthly data. Source: Statistics Iceland.

IV-4

Labour participation rate and employment rate



Labour participation rate, seasonally adjusted --- Labour participation rate
 Employment rate, seasonally adjusted --- Employment rate

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

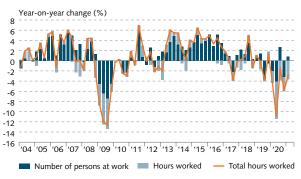
IV-5 Employment and hours worked for employed persons



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.

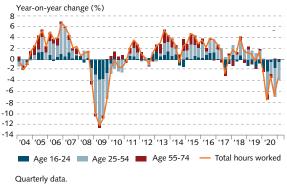
IV-6 Employment and hours worked for persons at work



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

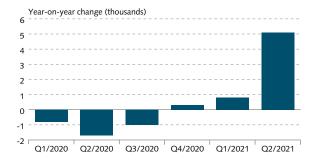
Total working hours



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

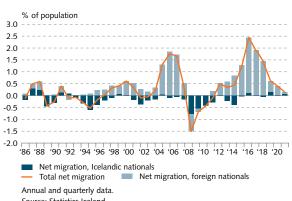
Job vacancies



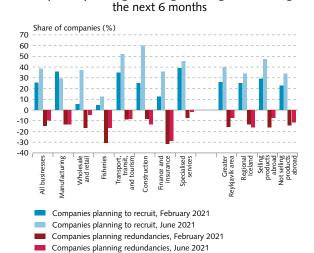
Quarterly data. Source: Statistics Iceland.

IV-10

Migration



IV-11 Companies planning to change staffing levels during

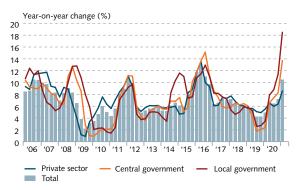


Seasonally adjusted data based on Gallup's survey of the 400 largest companies

Sources: Gallup, Central Bank of Iceland.

IV-13

Wage changes by sector

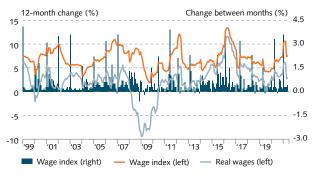


Until 2016 the quarterly wage index for the private sector is based on NACE Rev. 1.1. From 2016 and onwards the quarterly wage index for the private sector is based on NACE Rev. 2.0. Also, additional economic activities have been added.

Sources: Statistics Iceland, Central Bank of Iceland.

IV-15

Nominal and real wages



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

IV-12

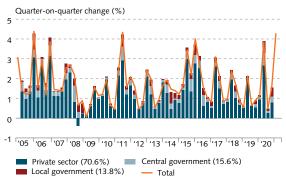
Labour supply



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. Quarterly data

Sources: Statistics Iceland, Central Bank of Iceland

IV-16

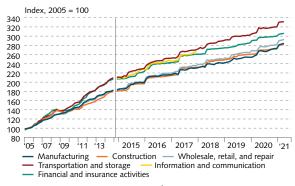
Wage indices



Total labour cost excluding irregular bonuses per hour. Sectors are defined according to ISAT 95 classification system. The dot shows figures based on April-May averages. Quarterly data. Sources: Eurostat, Statistics Iceland.

IV-17

Private sector wage index by selected sectors

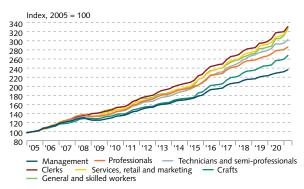


Quarterly data for 2005-2014 based on ÍSAT95 classification system, but monthly data from beginning of 2015 onwards based on ÍSAT2008 $\,$ classification system. Due to changes in classification and sampling the data are not fully comparable between these periods.

Source: Statistics Iceland.

IV-18

Private sector wage index by occupational group



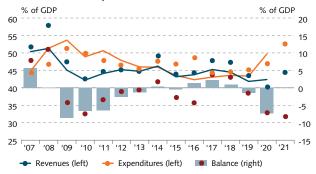
Occupational groups are defined according to ÍSTARF 95 classification system.

Source: Statistics Iceland.

V Public finances

V-1

General government revenues, expenditures and balance

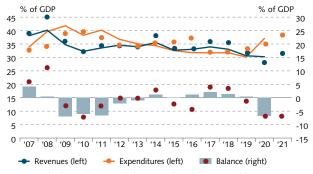


Lines and columns show annual data. Dots show first quarter of the year. Treasury revenues are adjusted for 384.3 b.kr. stability contributions in Q1/2016. Treasury expenditures are adjusted for 105.1 b.kr. special payment to LSR A-division in

Source: Statistics Iceland

V-2

Treasury revenues, expenditures and balance

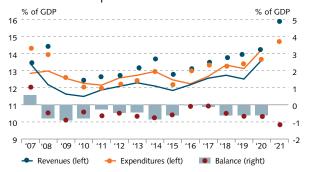


Lines and columns show annual data. Dots show first quarter of the year. Treasury revenues are adjusted for 384.3 b.kr. stability contributions in Q1/2016. Treasury expenditures are adjusted for 105.1 b.kr. special payment to LSR A-division in O4/2016. Annual and quarterly data.

Source: Statistics Iceland

V-3

Local government revenues, expenditures and balance



Lines and columns show annual data. Dots show first quarter 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.

Source: Statistics Iceland.

V-4

Income balance as share of income

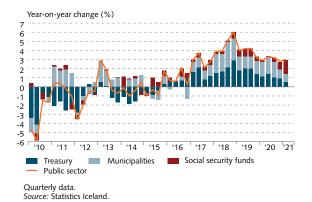


Treasury revenues are adjusted for stability contributions. Treasury expenditures are adjusted for transfers due to the Central Bank and LSR A-division and local government expenditures are adjusted for special payment to the pension fund Brú. Four quarter moving average. Quarterly data Source: Statistics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

V Public finances

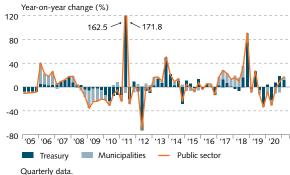
V-5

Public consumption



V-6

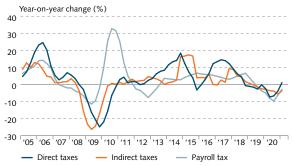
Investment



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

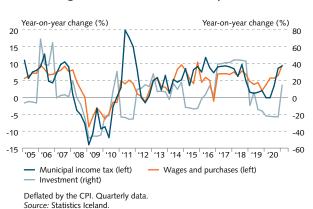
Treasury expenditures by type



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

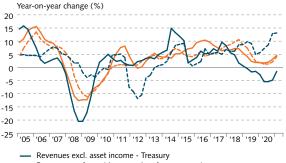
V-9

Local government revenues and expenditures



V-10

Treasury and local government revenues and expenditures



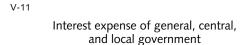
Revenues excl. asset income - Treasury
Revenues excl. asset income - Local government
Expenditures excl. interest payments - Treasury

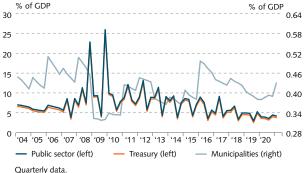
Expenditures excl. interest payments - Incaser,

Expenditures excl. interest payments - Local government

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. Source: Statistics Iceland.

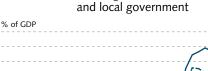
Public finances





Quarterly data. Source: Statistics Iceland

V-12 Debt of general, central,

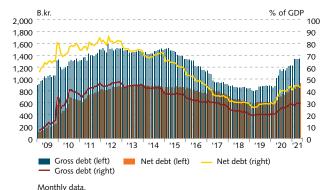


'80 '82 '84 '86 '88 '90 '92 '94 '96 '98 '00 '02 '04 '06 '08 '10 '12 '14 '16 '18 '20 General government — Central government

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

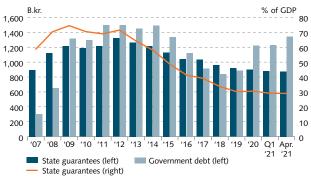
Sources: Ministry of Finance and Economic Affairs, Statistics Iceland, Central

V-13 Central government debt



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

V-14 State guarantees and gross debt



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

VI Asset markets

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



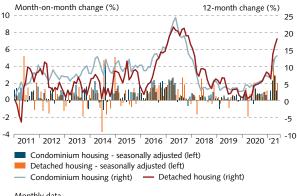
The Housing market price index shows changes to weighted average of prices per sq.m. Monthly data

Sources: Registers Iceland, Statistics Iceland.

VI Asset markets

VI-3

House prices in greater Reykjavík

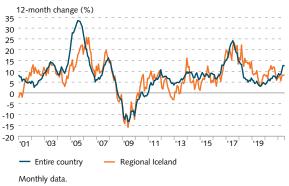


Monthly data.

Sources: Registers Iceland, Central Bank of Iceland.

VI-4

Market price of residential housing



Source: Statistics Iceland.

VI-5

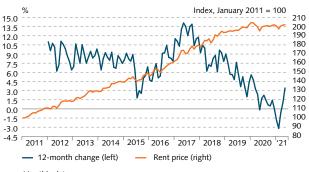
Market price of residential housing - in real terms



Source: Statistics Iceland.

VI-6

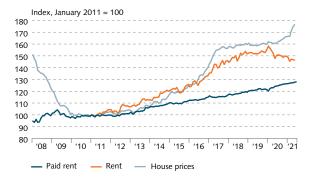
Rent price in greater Reykjavík



Monthly data.

Source: Registers Iceland.

VI-7 Rent, house prices, and paid rent in real terms



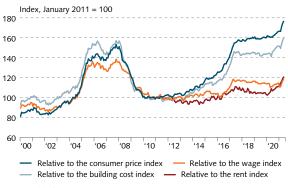
Rent and house prices are for greater Reykjavík, paid rent is for the whole

country. Monthly data

Sources: Registers Iceland, Statistics Iceland.

VI-8

Capital area house prices relative to macroeconomic fundamentals



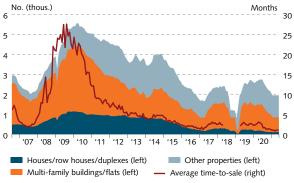
Monthly figures.

Sources: Registers Iceland, Statistics Iceland.

VI Asset markets

VI-9

Advertised capital area property and average time to sale

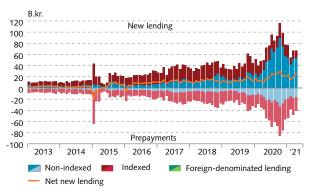


Monthly average of advertisements on Morgunbladid real estate website. The count is carried out by property code so as to avoid a repeat count of the same property. Monthly seasonally adjusted turnover is according to the number of officially registered purchase agreements. The average time to sale is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

Sources: Morgunbladid Real Estate Website (mbl.is), Registers Iceland.

VI-10

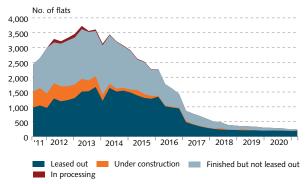
New DMB, pension funds, and HFF mortgage lending to households and prepayments of older loans



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

VI-11

Residential housing owned by financial institutions nationwide

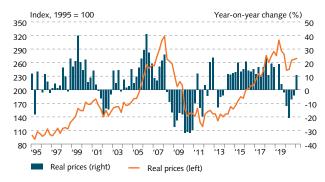


Classified by status. The financial institutions are: Arion Bank, Hilda, Hömlur, Íslandsbanki, Housing Financing Fund, Klettur, Landey, and Kvika Bank. Quarterly data.

Source: Central Bank of Iceland.

VI-12

Commercial property real prices in greater Reykjavík

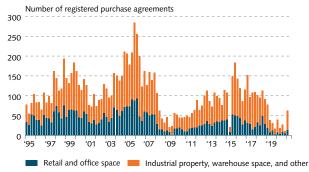


Weighted average of industrial, retail, and office housing. Data are subject to uncertainty due to sparsity and divergence of measurements. Latest figures are preliminary. Quarterly data.

Sources: Registers Iceland, Central Bank of Iceland

VI-13

Commercial real estate market activity

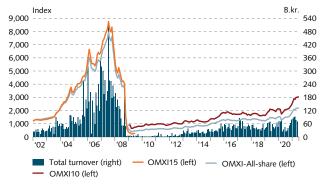


Before June 2006, the total is based on the date of purchase. From June 2006 onwards, it is based on the date the purchase agreement was registered. Quarterly data.

Sources: Registers Iceland, Central Bank of Iceland.

VI-14

Equity market

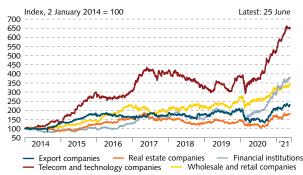


Total monthly volume of listed shares and monthly average of main stock indices.

Source: Nasdaq Iceland.

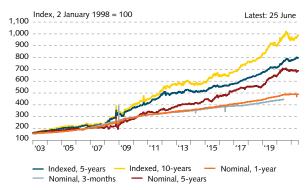
VI-15

Share prices by sector



Average change in share price of listed companies by sector, adjusted for dividend payments and share capital reductions. Daily data. Sources: Nasdaq Iceland, Kodiak Excel. VI-16

Bond indices



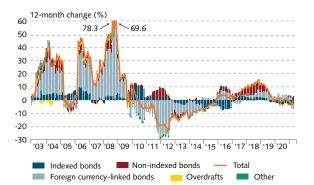
Indices are Nasdaq Iceland's calculations of yields on fixed-maturity bonds. Daily data.

Source: Nasdaq Iceland.

VII Households and businesses

VII-1

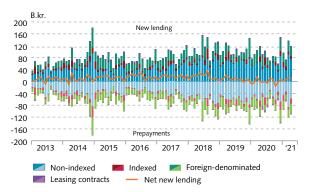
Credit system lending to businesses



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.

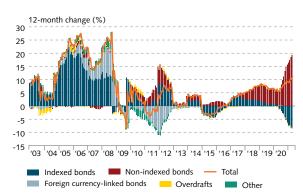
VII-3

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-2

Credit system lending to households

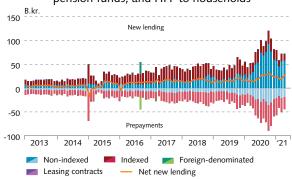


Stock of loans from DMBs, the HFF and other credit institutions, pension funds, insurance companies, and State credit funds. Contribution of individual components to lending growth. Loans are assessed at claim value. The category labelled "other" includes bills of exchange, redeemed guarantees, and asset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

Source: Central Bank of Iceland.

VII-4

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

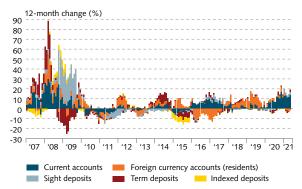


Net new lending consist of new lending net of prepayments of older loans. Figures new lending of pension funds are from September 2015. Most recent figures are preliminary. Monthly data.

Source: Central Bank of Iceland

VII-5

Companies' deposits

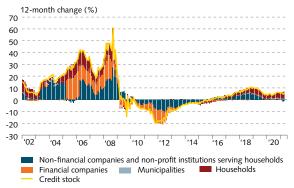


Contribution of individual components to deposit growth. Term deposits include money market accounts and other non-sight deposits. Further information can be found on the monetary statistics pages of the Central Bank website. Most recent figures are preliminary. Monthly data.

Source: Central Bank of (celand.

VII-7

Credit system lending to resident borrowers

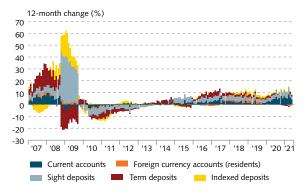


Financial companies excluding loans to deposit institutions and failed financial institutions. Monthly data.

Source: Central Bank of Iceland

VII-6

Household deposits

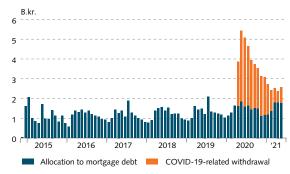


Contribution of individual components to deposit growth. Term deposits include money market accounts and other non-sight deposits. Indexed deposits include pension savings, indexed vacation allowance accounts, and other indexed savings Further information can be found on the monetary statistics pages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

Source: Central Bank of Iceland.

VII-8

Third-pillar pension savings withdrawals

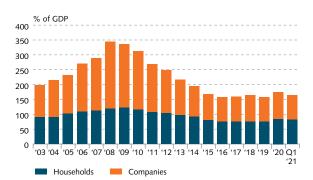


Tax-free allocation of third-pillar pension savings to mortgage loans has been authorised since 1 July 2014. A temporary authorisation for third-pillar pension savings withdrawals because of COVID-19 is in effect from 1 April 2020 until 1 January 2022. Monthly figures.

Source: Iceland Revenue and Customs.

VII-9

Household and non-financial corporate debt



Debt owed to financial undertakings and market bonds issued. Companies excluding financial institutions (which includes holding companies). GDP for 2021 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



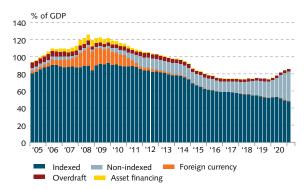
Year-on-year change in total credit to households and non-financial firms, excluding holding companies, deflated with the consumer price index. Claim value. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland

VII Households and businesses

VII-11

Household debt

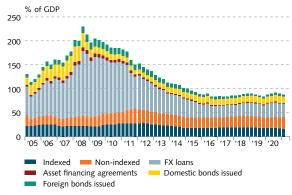


GDP is annualised by calculating the sum of the last four quarters.

Sources: Statistics Iceland, Central Bank of Iceland.

VII-12

Companies debt

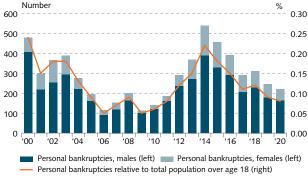


Debt owed to domestic and foreign financial undertakings and market bonds issued. GDP is annualised by calculating the sum of the last four quarters. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

VII-13

Personal bankruptcies



Total for entire year.

Sources: Judicial Administration, Statistics Iceland

VII-14

Corporate insolvencies and

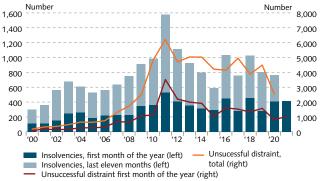


Annual and cumulative monthly data.

Source: Statistics Iceland

VII-15

Companies insolvencies and unsuccessful distraint actions



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

VIII-1

M3 and domestic bank credit



M3 is adjusted for deposits of failed financial institutions from December 2008 onwards. Loans are assessed at claim value. The series "credit in real terms" represents loans deflated by the CPI. Changes have been made to loan classification during the period shown. The data are therefore not fully comparable within the period. Further information can be found on the monetary statistics pages of the Central Bank website. Most recent figures are preliminary. Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

VIII-2

Nominal GDP and M3



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

Sources: Statistics Iceland, Central Bank of Iceland.

VIII-3

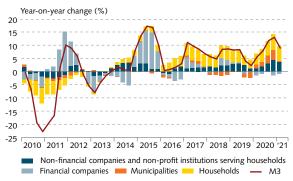
Money holdings



Money holdings are adjusted for deposits of failed finanacial institutions from December 2008 onwards. Most recent figures are preliminary. Monthly data. *Source:* Central Bank of Iceland.

VIII-4

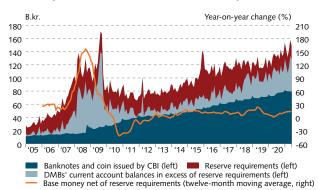
Money holdings by parties



M3 is adjusted for deposits of failed financial institutions. Quarterly data. Source: Central Bank of Iceland.

VIII-5

Components of Central Bank base money (M0)

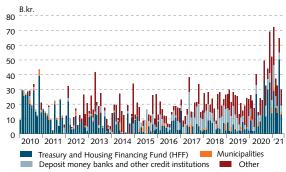


Source: Central Bank of Iceland.

Monthly average

VIII-6

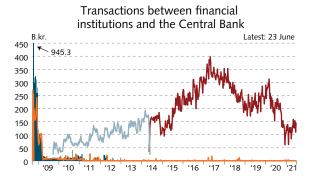
Bond auctions



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-7



Collateral loans — Overnight loans

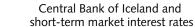
Maximum rate on 28-day CDs — Term deposits

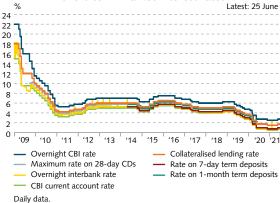
Weekly data.

Collateral loans

Source: Central Bank of Iceland.

VIII-9

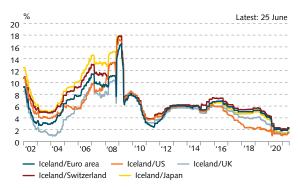




Source: Central Bank of Iceland.

VIII-11

Short-term interest rate differential

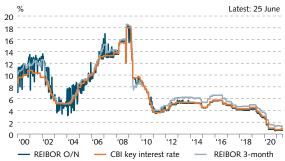


3-month interbank rates. Weekly data

Source: Refinitiv Datastream.

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-10

Central Bank of Iceland real interest rates

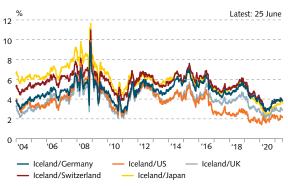


According to 12-month inflation and 1-year inflation expectations. Real interest rates according to breakeven inflation rate on Treasury notes are calculated based on Treasury note (RIKB 13 0517) and Treasury bond (RIKS 15 1001) yields until June 2004, and on the difference between the nominal and indexed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

Yields on indexed Treasury and HFF bonds



Source: Central Bank of Iceland.

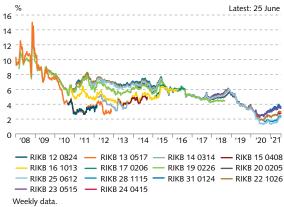
VIII-17

Yields on DMB indexed covered bonds



VIII-14

Yields on nominal Treasury bonds



Source: Central Bank of Iceland.

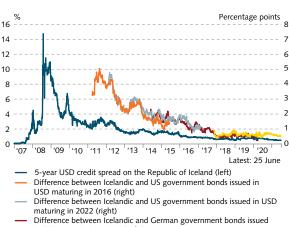
VIII-16

Yields on DMB nominal covered bonds



VIII-18

Risk premia on the Icelandic Treasury



in EUR, maturing in 2020 (right)
Difference between Icelandic and German government bonds issued

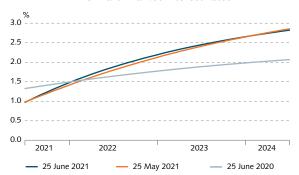
in EUR, maturing in 2022 (right)

Daily data.

Sources: Bloomberg, Refinitiv Datastream.

VIII-19

Forward market interest rates

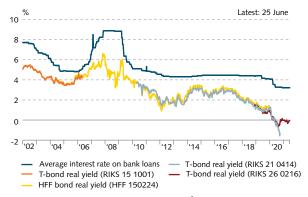


The Central Bank's key interest rate and Treasury bond yields were used to estimate the yield curve, using the Nelson-Siegel method. The valuation is subject to some uncertainty because of the small number of Treasury notes underlying the calculations

Source: Central Bank of Iceland

VIII-21

Indexed interest rates



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

Source: Central Bank of Iceland.

VIII-23

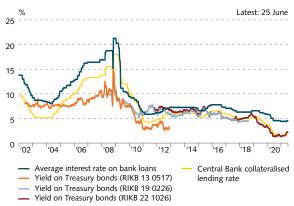
Interest rates on indexed housing loans



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-20

Nominal interest rates

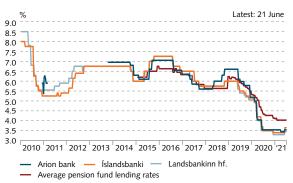


Average of lowest bond interest rates: Arion Bank, Íslandsbanki, Landsbankinn. Weekly data.

Source: Central Bank of Iceland.

VIII-22

Interest rates on nominal housing loans

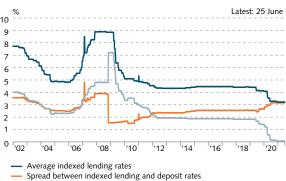


Lowest floating rates for non-indexed housing loans. No data for Arion bank for the time periods 11 March 2010 - 11 February 2011 and 11 May - 1 December 2013. Average pension fund lending rates is the average of the lending rates charged by Gildi, Lifsverk and LSR. 10-day data except for pension fund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

Source: Central Bank of Iceland.

VIII-24

Banks' indexed lending and deposit rates



Average 5-yr indexed deposit rates

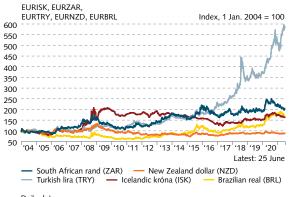
Average interest rates: Arion Bank, Íslandsbanki, Landsbankinn. Weekly data. Source: Central Bank of Iceland.

VIII-25 Nominal and real effective exchange rate of the króna



Monthly data. Source: Central Bank of Iceland.

VIII-27 Exchange rate of the euro against other currencies



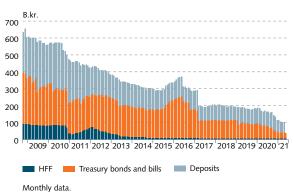
Daily data. Source: Refinitiv Datastream.

VIII-26 Exchange rate of foreign currencies against the króna



Daily data. Source: Central Bank of Iceland.

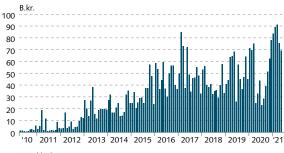
VIII-28 Non-residents' króna assets



Monthly data. Sources: Icelandic Securities Depository, Central Bank of Iceland.

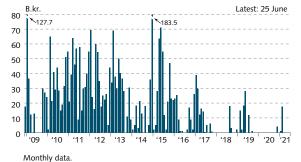
VIII-29

Equity market turnover



Monthly data. Source: Nasdaq Iceland.

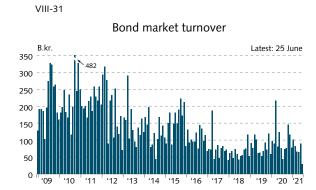
VIII-30 Turnover on the interbank market for krónur



Source: Central Bank of Iceland.

Monthly data.

Source: Nasdaq Iceland.



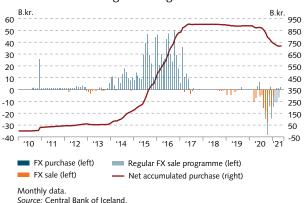




Monthly data. Source: Central Bank of Iceland.

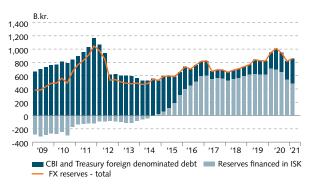
VIII-33

Central Bank intervention
in foreign exchange market



VIII-34

Central Bank of Iceland foreign exchange reserves

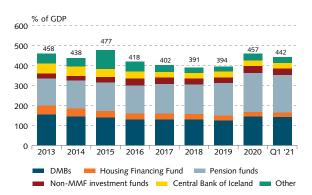


Reserves financed in ISK are foreign exchange reserves net of Central Bank and Treasury foreign-denominated debt. Quarterly data. Source: Central Bank of Iceland.

IX The financial system

IX-1

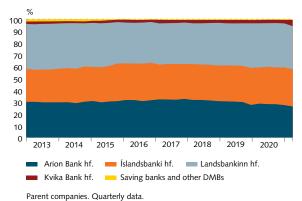
Financial system assets relative to GDP



Parent companies. Other: Failed financial institutions that have undergone composition are included with other financial institutions as of the time their composition agreements were approved. The Central Bank of Iceland Holding Company ehf. (ESI) is also included with other financial institutions from its establishment in December 2009 until its dissolution in February 2019. The Housing Financing Fund (HFF) merged with the Iceland Construction Authority on 1 January 2020. HFF assets 2020 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 quarter of 2021. GDP for 2021 is based on the Central Banks' latest baseline forecast.

IX-2

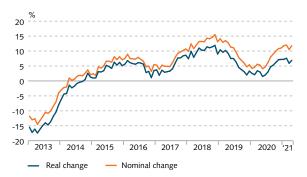
DMBs share of total assets



Source: Central Bank of Iceland.

IX-3

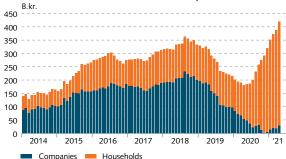
D-SIB lending to households and companies



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

IX-4

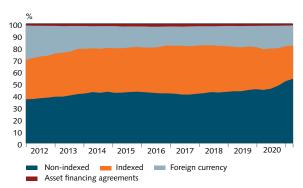
D-SIB net new lending to households and companies



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

IX-5

DMB distribution of loans by type

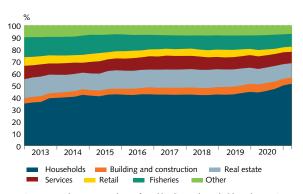


Parent companies. Loans by each type as a share of total lending to households and operating companies. Foreign currency loans include exchange rate-linked loans. Quarterly data.

Source: Central Bank of Iceland

IX-6

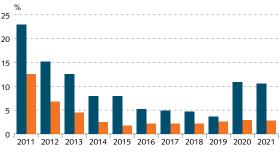
D-SIB lending classified by borrower



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

IX-7

D-SIB default ratios



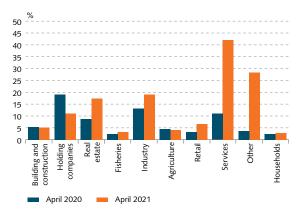
Non-performing loans; i.e., loans past due by over 90 days, frozen or deemed unlikely to be paid (cross-default method)

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 (orange). 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 2021 Source: Central Bank of Iceland.

IX-8

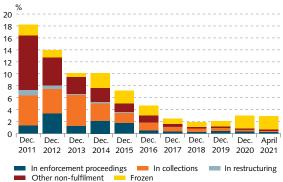
D-SIB non-performing loan ratios



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

IX-9

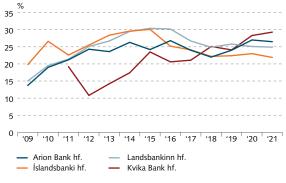
Status of D-SIBs non-performing loans to households



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

IX-11

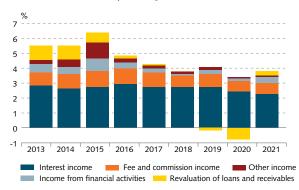
Commercial bank's capital adequacy ratios



Consolidated figures. Capital base as % of risk-weighted base. CAR for MP Bank until end of year 2014. Annual data. Q1 data for 2021. Sources: Commercial banks' financial statements.

IX-13

Ratio of D-SIB operating income to total assets

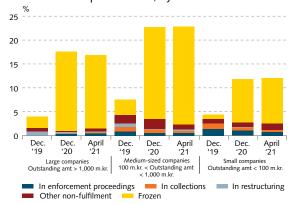


Consolidated figures. Annual data. Q1 data for 2021.

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

IX-10

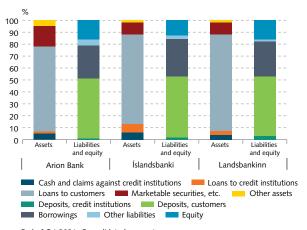
Status of D-SIBs non-performing corporate loans, by claim amount



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

IX-12

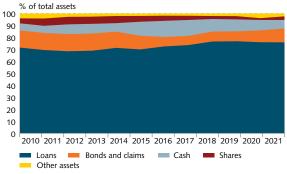
D-SIB assets and liabilities



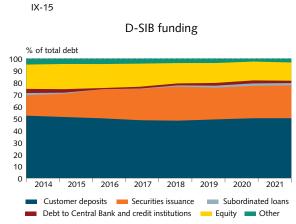
End of Q1 2021. Consolidated accounts. Sources: Commercial banks' financial statements, Central Bank of Iceland.

IX-14

D-SIB assets



Parent companies. Annual data. Q1 data for 2021. *Source:* Central Bank of Iceland.



Parent companies. Annual data. Q1 data for 2021. Sources: Statistics Iceland, Central Bank of Iceland.

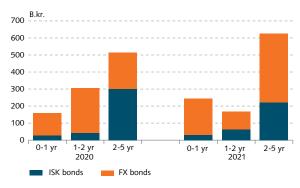
IX-16

D-SIB depositors 2,400 2,200 2,000 1,800 1.600 1,400 1,200 1.000 800 600 400 2015 2017 Non-financial companies Financial companies Financial institutions in winding-up proceedings Pension funds General government Households Non-residents

Parent companies. Annual data. Q1 data for 2021. *Source:* Central Bank of Iceland.

IX-17

D-SIB bond maturities

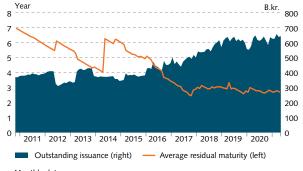


Instalments and interest. Parent companies figures. As of end-April each year.

Source: Central Bank of Iceland.

IX-18

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

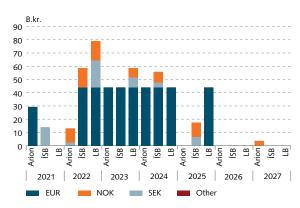


Monthly data.

Sources: Nasdaq Iceland, Central Bank of Iceland.

IX-19

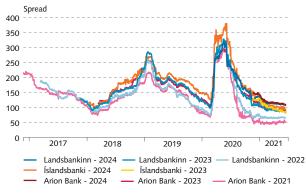
D-SIB foreign bonds by maturity and currency



At 7 June 2021 exchange rate. Not included in the chart is Tier 2 issuance from Arion Bank, Íslandsbanki, and Landsbankinn, total 56 b.kr. *Source:* Nasdaq Iceland.

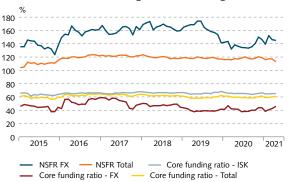
X-20

D-SIB spread on listed foreign bonds, EUR



Spread on Euro benchmark curve. Daily data. Source: Refinitiv Datastream. IX-21

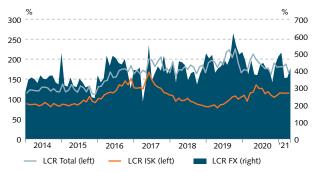
D-SIB NSFR ratio and ratio of core funding to total funding



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

IX-22

D-SIB liquidity coverage ratio



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

IX-23

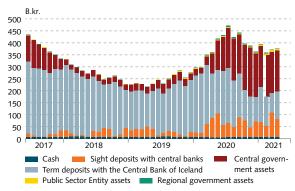
DMB's ratio of liquid assets to total assets



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

IX-24

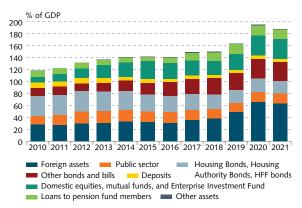
D-SIB liquid assets



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

IX-25

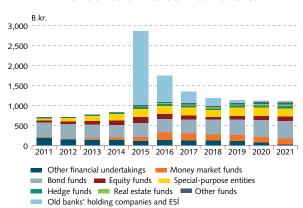
Pension funds' distribution of assets



2021 based on preliminary figures. Annual data. Data for the first quarter of 2021. GDP for 2021 is based on the Central Banks' latest baseline forecast. Sources: Statistics Iceland, Central Bank of Iceland.

IX-26

Size of other financial intermediaries



Constant prices. Other financial intermediaries are mutual funds (UCITS), investment funds, and institutional investment funds; special purpose vehicles, securities companies, brokers, and miscellaneous credit institutions. Annual data. March data for 2021.

Source: Central Bank of Iceland.





ECONOMIC INDICATORS 2021 2