

Tables and charts

Based on statistical information available on May 17, 2005. A list of symbols is on p. 2.

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Table 1 Main monthly indicators (continued on next page)

	Consumer prices		Exchange rate		Interest rates (end of period, %)					Money and credit ⁵				
	% change in CPI ¹ over the previous		% ch. in effective exchange rate ^{1,2}		Short-term rates		Long-term rates ⁴			12-month % change		Base money	DMB lending ⁶	DMB foreign liabilities
	1 month	12 months	1 month	12 months	Central Bank repo yield	3-month Treasury bills	5-y. non-indexed T-notes	10-year Treasury bonds ⁴	40-year HFF bonds ⁴	M3				
1999	.	3.4	.	0.2	9.0	11.7	9.8	9.6	4.7	4.8	75.9	16.9	22.8	15.2
2000	.	5.0	.	-0.1	11.4	12.0	11.5	11.7	5.5	6.3	-10.4	11.2	26.2	33.0
2001	.	6.7	.	-16.7	10.1	12.5	10.0	9.1	5.1	5.9	-14.2	14.9	13.4	-0.2
2002	.	4.8	.	3.0	5.8	6.2	5.8	6.9	4.9	5.2	17.2	15.3	0.9	-5.5
2003	.	2.1	.	6.4	5.3	5.1	4.8	7.5	4.3	4.6	-33.5	22.3	14.8	-5.6
2004	.	3.2	.	2.1	8.25	8.6	7.4	7.8	3.6	4.6	77.7	13.4	39.5	3.2
2003														
July	-0.1	1.6	-2.2	2.7	5.3	5.3	5.1	6.8	4.2	4.6	-2.5	14.8	11.5	12.0
August	-0.1	2.0	-1.9	0.3	5.3	5.2	4.9	6.5	4.0	4.4	5.6	19.6	13.1	1.9
September	0.7	2.2	0.0	2.3	5.3	5.2	4.5	6.3	4.3	4.6	-5.4	23.0	12.4	-9.0
October	0.5	2.2	0.6	3.2	5.3	5.1	4.6	6.9	4.2	4.6	-1.2	25.5	13.9	-16.9
November	0.1	2.5	0.5	3.1	5.3	5.1	4.8	7.1	4.3	4.6	-17.2	23.7	13.6	-7.1
December	0.3	2.7	0.5	1.7	5.3	5.1	4.8	7.5	4.3	4.6	-33.5	22.3	14.8	-5.6
2004														
January	0.0	2.4	3.3	2.7	5.3	5.3	5.1	7.3	4.4	4.7	-12.5	26.4	20.8	-19.1
February	-0.3	2.3	1.1	2.0	5.3	5.3	5.4	7.0	4.1	4.6	-30.0	22.5	21.4	-27.2
March	0.6	1.8	-1.7	0.5	5.3	5.4	5.0	7.0	3.9	4.4	-28.7	24.9	24.1	-25.8
April	0.6	2.2	-1.5	-2.2	5.3	5.4	5.3	7.0	3.7	4.1	-7.7	21.2	23.5	-7.9
May	0.8	3.2	-0.3	-3.7	5.50	5.8	5.6	7.7	4.0	4.3	-32.4	18.4	19.8	-19.1
June	0.8	3.9	0.7	-1.1	5.75	6.1	6.0	7.7	3.9	4.2	-11.7	19.0	20.1	-17.1
July	-0.5	3.6	0.3	1.4	6.25	6.5	6.0	7.6	3.9	3.8	23.8	24.7	20.5	-22.4
August	0.0	3.7	0.5	3.9	6.25	6.6	6.5	7.7	3.7	3.7	-15.8	15.2	23.4	-6.5
September	0.4	3.4	-0.3	3.6	6.75	6.9	6.8	7.5	3.7	3.7	-8.3	20.0	26.6	7.2
October	0.8	3.7	0.6	3.6	6.75	7.2	7.0	7.8	3.7	3.7	3.5	17.4	32.4	7.3
November	0.2	3.8	1.4	4.6	7.25	7.7	7.5	7.9	3.6	3.6	7.4	14.9	34.9	3.3
December	0.5	3.9	4.5	8.7	8.25	8.6	7.4	7.8	3.6	3.5	77.7	13.4	39.5	3.2
2005														
January	0.1	4.0	1.9	7.2	8.25	8.6	7.1	7.7	3.5	3.5	3.9	15.5	37.0	22.2
February	0.2	4.5	1.6	7.8	8.75	9.0	7.8	7.8	3.4	3.5	-13.1	16.4	40.0	40.8
March	0.8	4.7	2.2	12.1	9.00	9.2	8.7	7.9	3.6	3.6	14.7	15.7	41.3	25.1
April	0.2	4.3	-2.3	11.1	9.00	9.2	8.8	7.7	3.5	3.5	...	...	...	...
May [†]	-0.5	2.9	-3.4	7.7	9.00	9.2	8.8	7.5	3.6	3.6	...	...	...	...

† To May 17, 2005. 1. Percentage changes between period averages. 2. Based on the official effective exchange rate basket (trade-weighted). Positive sign indicates appreciation of the Icelandic króna. 3. Average yield on the interbank market in Icelandic króna. 4. For government bonds and HFF bonds, the quoted yield is in excess of changes in the CPI. Trading with HFF bonds began in July 2004; prior figures are for housing bonds. 5. Annual figures are changes over year. Latest figures are preliminary. 6. DMBs = deposit money banks = commercial and savings banks and other institutions permitted to accept deposits from the public. Foreign lending excluded from January 2002.

Table 1 (continued) Main monthly indicators

	Foreign exchange market and reserves				Foreign trade and external conditions					Labour market		Treasury financial balance, %		Asset prices, 12-mo. % changes	
	Gross foreign currency reserves:				Merchandise exports (b.kr.)	Merchandise imports (b.kr.)	Marine product prices 12-mo.% ch. ⁹	Real exchange rate of króna ¹⁰	Un-employment	Wages, 12-mo. % change	of rev., from beg. of year ¹¹	Equity prices ¹²	Housing prices ¹³	12-mo. % changes	
	in b.kr.	as ratio of:	Merch. imports ⁷	For short-term liabil. ⁸										net purchases (b.kr.)	Trade balance (b.kr.)	exchange rate of króna^{10}	employment	of rev., from beg. of year^{11}	Equity prices^{12}	Housing prices^{13}
1999	35.8	2.6	0.91	12.0	144.9	167.8	-4.8	93.6	1.9	6.8	8.7	47.4	22.2		
2000	34.2	2.1	0.60	-13.9	149.3	187.3	-3.0	96.3	1.3	6.6	5.9	-19.3	13.3		
2001	36.6	2.1	0.40	-29.5	196.4	203.1	1.6	83.7	1.4	8.8	-0.2	-11.2	3.1		
2002	37.2	2.5	0.20	4.5	204.3	191.2	3.4	88.5	2.5	7.2	-5.6	16.7	7.5		
2003	58.1	3.5	0.25	43.2	182.6	199.5	0.4	94.2	3.4	5.6	-7.7	56.4	9.1		
2004	65.6	3.6	0.24	27.2	202.4	240.2	0.6	97.2	3.1	4.7	1.8	58.9	23.3		
2003															
July	36.5	2.3	0.17	4.4	15.0	20.0	-4.7	93.1	3.0	5.7	-11.4	19.4	13.9		
August	41.0	2.5	0.20	4.0	14.9	15.8	-1.2	91.4	2.9	5.7	-11.5	38.0	14.9		
September	46.4	2.8	0.23	4.4	14.6	19.2	0.0	91.5	2.7	5.6	-11.7	39.5	12.6		
October	51.7	3.1	0.28	4.4	15.8	18.6	0.3	92.4	2.8	5.5	-9.6	48.7	12.4		
November	57.8	3.5	0.29	3.8	16.0	16.2	1.1	93.1	3.0	5.5	-10.2	52.7	12.7		
December	58.1	3.5	0.25	3.7	13.7	16.2	-1.4	93.6	3.1	5.4	-7.7	56.4	9.1		
2004															
January	56.4	3.4	0.28	7.0	16.7	16.4	-2.9	96.5	3.7	3.3	20.1	76.8	8.3		
February	57.3	3.5	0.28	1.4	14.3	14.1	-2.3	97.3	3.6	3.3	18.4	89.3	9.2		
March	66.7	3.8	0.33	1.8	20.3	21.2	-2.7	95.8	3.5	3.8	7.2	79.8	9.7		
April	65.6	3.7	0.31	1.5	16.8	20.0	-5.1	94.8	3.5	4.0	6.4	91.1	13.4		
May	65.8	3.8	0.31	1.5	15.0	18.6	-3.1	94.9	3.3	4.6	2.4	82.7	11.4		
June	68.5	3.8	0.29	1.8	16.0	23.1	-1.8	95.6	3.1	5.1	1.2	96.9	9.9		
July	68.1	3.8	0.34	1.4	16.8	23.1	-0.1	95.8	3.0	5.1	-5.8	105.6	12.6		
August	70.8	3.8	0.30	1.6	14.1	20.6	3.3	96.4	2.9	5.2	-2.0	92.6	9.5		
September	71.1	3.8	0.29	1.6	19.4	19.2	4.3	96.4	2.6	5.3	-3.4	109.3	14.3		
October	66.1	3.5	0.27	1.4	17.1	21.6	4.9	97.1	2.7	5.3	0.1	75.1	13.8		
November	67.1	3.6	0.24	4.9	18.9	21.2	5.3	98.8	2.6	5.4	-1.8	70.1	17.3		
December	65.6	3.6	0.24	1.4	16.9	20.9	9.2	103.4	2.7	6.0	1.8	58.9	23.3		
2005															
January	65.0	3.5	0.26	0.8	13.9	17.3	9.5	105.9	3.0	6.6	15.2	54.6	27.9		
February	60.0	3.2	0.26	0.6	16.4	18.7	7.9	107.6	2.8	6.7	21.1	43.3	32.2		
March	59.5	3.2	0.26	0.6	16.4	22.3	9.8	109.9	2.6	6.5	11.6	53.5	32.2		
April	61.5	...	...	0.6	...	...	...	106.8	2.3	...	...	51.8	...		
May [†]	4.4	...	...	...	103.4	...	...	...	...	...

7. Gross foreign exchange reserves at end of period as a ratio of the average monthly value of merchandise imports. Calculated at fixed exchange rates. 8. The denominator is foreign short-term liabilities of credit institutions (deposit money banks and investment banks). 9. Prices in SDR. Annual figures are % changes between annual averages. 10. Real effective exchange rate of the Icelandic króna based on relative consumer prices (a trade-weighted average of trading partners' consumer prices is used). 1980 = 100. 11. Cash basis. Without privatisation revenues. Adjusted for changed timing of expenditure changes in 2004. 12. The ICEX-15 index. Annual figures are % changes over year. 13. Residential housing in the Greater Reykjavík Area. Annual figures are % changes over year.

Sources: Statistics Iceland, Directorate of Labour, State Accounting Office, Iceland Stock Exchange (ICEX), The Land Registry of Iceland, Central Bank of Iceland.

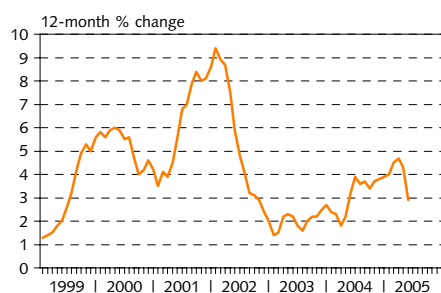
Table 2 Prices

	2004					2005			
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May
Consumer price index, May 1988 = 100	235.6	237.4	237.9	239.0	239.2	239.7	241.5	242.0	240.7
<i>1-month % changes</i>									
Consumer price index	0.4	0.8	0.2	0.5	0.1	0.2	0.8	0.2	-0.5
Domestic goods excl. agric. products and vegetables	0.6	0.2	0.1	0.6	-0.2	-0.1	-1.4	-1.9	-2.4
Agricultural products and vegetables	-0.1	0.7	-0.7	1.3	1.1	-0.8	-2.0	-1.7	-5.3
Imported goods excl. alcohol and tobacco	0.9	1.8	-0.2	-0.2	-3.1	-1.1	1.6	-0.2	0.6
Petrol	-0.4	2.0	-2.2	-1.1	-5.7	0.1	2.7	0.2	3.8
Housing	0.7	0.9	1.1	1.1	1.9	2.4	2.2	2.7	-1.1
Public services	-0.6	0.3	0.1	-	4.4	1.0	-0.2	-	0.2
Other services	-0.1	-0.1	0.1	0.4	0.9	0.4	0.6	-0.1	0.4
Harmonised index of consumer prices (HICP) ¹	0.5	0.5	0.1	0.3	-0.4	-0.2	0.4	...	...
<i>12-month % changes</i>									
Consumer price index	3.4	3.7	3.8	3.9	4.0	4.5	4.7	4.3	2.9
Domestic goods excl. agric. products and vegetables	1.6	1.6	1.6	2.5	1.8	2.0	1.1	-0.9	-4.0
Agricultural products and vegetables	4.2	3.7	3.0	5.1	5.2	4.9	3.0	2.0	-4.8
Imported goods excl. alcohol and tobacco	1.7	3.1	2.5	1.6	0.1	-0.5	-0.1	-1.4	-1.4
Petrol	13.0	19.2	16.6	12.6	4.3	4.9	9.9	5.7	6.2
Housing	7.1	7.5	8.8	9.5	11.5	13.9	15.7	17.7	14.6
Public services	5.0	5.1	5.1	5.1	3.6	7.2	6.9	6.9	6.4
Other services	2.9	2.3	2.3	2.5	3.6	3.6	3.5	3.1	3.0
Harmonised index of consumer prices (HICP) ¹	2.8	2.9	2.9	2.9	2.7	2.9	2.5	...	...
Building cost index for residential buildings	5.2	5.6	6.1	5.9	8.6	8.1	7.0	6.6	...
Housing prices ²	14.3	13.8	17.3	23.3	27.9	32.2	32.2	...	...
<i>Foreign CPI and commodity prices, 12-mo. % changes</i>									
Consumer price index in USA	2.5	3.2	3.5	3.3	3.0	3.0	3.1	...	...
Consumer price index in euro area ³	2.1	2.4	2.2	2.4	1.9	2.1	2.1	2.1	...
Commodity prices excl. oil	17.3	12.8	10.8	9.0	9.1	9.2	10.5	...	...
Petrol prices ⁴	59.8	68.5	49.3	32.2	42.0	46.3	56.8	53.3	...

1. Deviates from the CPI calculated by Statistics Iceland in that the latter includes own housing, education and health care. 2. Present value of price per m² in the Greater Reykjavik Area. Data for 2004 are preliminary. 3. Harmonised index of consumer prices (HICP). 1996=100. 4. Crude oil (Brent).

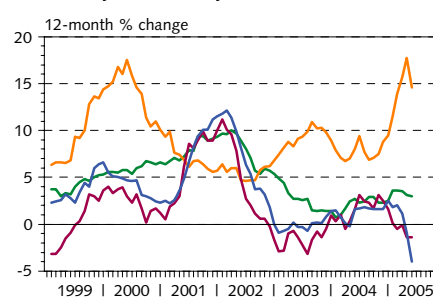
Sources: Statistics Iceland, The Land Registry of Iceland, EcoWin.

Chart 1
Consumer price index
January 1999 - May 2005



Source: Statistics Iceland.

Chart 2
Consumer price index by origin
January 1999 - May 2005



— Domestic goods
— Imported goods excluding alcohol & tobacco
— Housing
— Other services

Source: Statistics Iceland.

Table 3 Exchange rate of the Icelandic króna

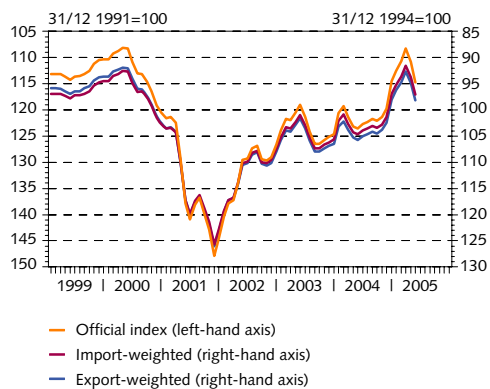
Monthly averages	2004				2005					3 mo. % change to May [†]
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	Apr.	May [†]	
<i>Effective exchange rate indices¹</i>										
Official index (31/12 '91 = 100)	122.1	121.4	119.7	114.5	112.5	110.7	108.3	110.8	114.7	-4.2
Import-weighted index (31/12 '94)	103.4	102.8	101.3	97.0	95.2	93.7	91.6	93.8	97.1	-4.1
Export-weighted index (31/12 '94)	104.5	103.8	102.4	98.0	96.2	94.7	92.7	94.9	98.2	-4.2
<i>Central Bank quotations²</i>										
U.S. dollar	71.7	70.2	67.1	62.7	62.7	62.0	59.9	62.3	64.9	-6.3
Euro	87.6	87.6	87.1	84.1	82.1	80.7	79.2	80.6	83.1	-3.2
Yen	0.652	0.644	0.640	0.604	0.606	0.591	0.570	0.581	0.613	-4.6
Pound sterling	128.6	126.7	124.7	121.0	117.6	117.0	114.4	118.0	121.8	-3.8
Danish krone	11.78	11.78	11.72	11.31	11.04	10.85	10.64	10.82	11.17	-3.2
Norwegian krone	10.48	10.64	10.70	10.23	10.00	9.70	9.68	9.86	10.25	-6.4
Swedish krona	9.64	9.67	9.68	9.36	9.07	8.88	8.72	8.79	9.04	-2.0

% changes ³	Between annual averages				From beginning of year			Previous 12 months		
	2001	2002	2003	2004	May'03	May'04	May'05 [†]	May'03	May'04	May'05 [†]
<i>Central Bank quotations²</i>										
U.S. dollar	-19.3	6.8	19.2	9.5	12.9	-0.5	-7.6	27.7	-0.1	8.1
Euro (Deutschemark before 1999)	-17.0	1.5	-0.6	-0.5	0.1	2.4	-0.2	1.3	-3.4	4.7
Yen	-9.1	10.2	10.1	2.3	13.0	3.2	-3.3	22.3	-6.6	4.5
Pound sterling	-15.3	2.6	9.4	-2.4	10.4	-3.5	-3.0	13.7	-10.3	7.8
Danish krone	-17.0	1.2	-0.6	-0.4	0.0	2.3	-0.2	1.1	-3.2	4.8
Norwegian krone	-17.7	-5.2	5.9	4.1	8.4	0.2	-2.0	7.1	0.5	3.2
Swedish krona	-9.0	0.4	-1.0	-0.4	-0.4	2.8	1.9	1.4	-3.6	5.9

† To May 17, 2005. 1. Based on a trade-weighted (goods and services) basket of trading partners' currencies. 2. Exchange rate of respective currency against the Icelandic króna. 3. Positive sign indicates an appreciation of the Icelandic króna.

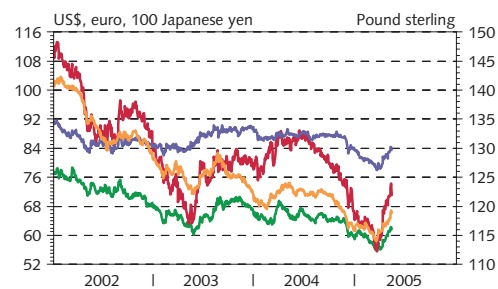
Source: Central Bank of Iceland.

Chart 3
Effective exchange rate indices
January 1999 - May 2005¹



1. To May 17, 2005.
Source: Central Bank of Iceland.

Chart 4
Daily exchange rates of US dollar, euro, pound sterling and yen against the Icelandic króna
January 2002 - May 2005¹



1. To May 17, 2005.
Source: Central Bank of Iceland.

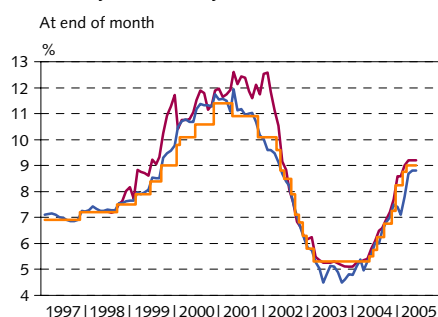
Table 4 Interest rates

All figures are in %	Annual averages ¹			At end of month 2004-2005						
	2002	2003	2004	Nov.	Dec.	Jan.	Feb.	March	Apr.	May [†]
<i>Central Bank rates</i>										
Credit institutions' current accounts	5.5	2.9	3.7	5.0	6.25	6.25	6.75	6.75	7.25	7.25
Required deposits	7.1	4.2	4.9	6.0	7.25	7.25	7.75	7.75	8.00	8.00
Overnight loans (discount rates)	10.7	7.8	8.3	9.3	10.25	10.25	10.75	10.75	10.75	10.75
Repurchase agreements	8.4	5.4	6.1	7.3	8.25	8.25	8.75	9.00	9.00	9.00
<i>Yields in the money market²</i>										
REIBOR, O/N	9.3	5.1	6.1	7.1	8.0	8.0	8.6	8.7	8.1	8.7
REIBOR, 1-month	9.0	5.3	6.1	7.5	8.2	8.2	8.6	8.8	8.8	8.8
REIBOR, 3-month	8.9	5.3	6.3	7.7	8.6	8.6	9.0	9.2	9.2	9.2
REIBOR, 6-month	8.8	5.5	6.5	8.0	8.8	8.8	9.3	9.4	9.4	9.4
Treasury bills, 3-month	8.1	5.0	6.1	7.5	7.4	7.1	7.8	8.7	8.8	8.8
Treasury bills, 6-month ³	7.9	5.0	...	...	...	...	...	...	...	...
<i>Yields in the capital market⁴</i>										
Treasury notes (RIKB 07 0209)	7.8	7.6	7.6	7.7	7.4	7.4	7.4	7.7	7.7	7.5
Treasury notes (RIKB 10 0317)	.	.	7.6	7.9	7.8	7.7	7.8	7.9	7.7	7.5
Treasury notes (RIKB 13 0517)	8.1	6.8	7.5	8.0	8.1	8.3	8.6	8.8	9.0	9.0
Treasury bonds (RIKS 15 1001)	5.2	4.4	3.9	3.6	3.6	3.5	3.4	3.6	3.5	3.6
Housing bonds (IBH 26 0315) ⁵	5.7	4.7	4.5	4.6	4.6	4.7	4.7	.	.	.
Housing Financing Fund bonds (HFF 15 0914) ⁵	.	.	3.5	3.5	3.4	3.3	3.3	3.5	3.5	3.7
Housing Financing Fund bonds (HFF 15 0924) ⁵	.	.	3.8	3.7	3.6	3.5	3.4	3.7	3.6	3.6
Housing Financing Fund bonds (HFF 15 0934) ⁵	.	.	3.8	3.6	3.6	3.5	3.5	3.6	3.6	3.6
Housing Financing Fund bonds (HFF 15 0944) ⁵	.	.	3.7	3.6	3.5	3.5	3.5	3.6	3.5	3.6
<i>Commercial banks' lending rates⁶</i>										
Average rates on non-indexed securities	15.4	12.0	12.2	13.3	14.0	13.9	13.9	14.3	14.3	14.3
Average rates on indexed securities	10.1	9.1	8.0	7.7	7.6	7.6	7.6	7.4	7.4	7.4
<i>Rates acc. to Interest Rate Act 38/2001⁷</i>										
Penalty rates	21.3	17.3	17.3	17.5	17.5	20.0	20.0	20.0	20.0	20.0

† May 17, 2005. 1. Arithmetic averages of end-of-month figures. Central Bank rates are time-weighted averages. 2. REIBOR are interest rates on the interbank market in Icelandic króna. For Treasury and bank bills, yields in trading on ICEX (Iceland Stock Exchange). 3. Treasury bills with the closest maturity to 6 months. 4. All bond yields are in real terms. 5. Housing bonds and Housing authority bonds were discontinued as of June 1, 2004. New bonds, Housing Financing Fund bonds (HFF), were issued instead and a majority of older issues were swapped into the new bonds. 6. From July 1, 2001, the Bank issues information on banks' average interest rates only as statistical information. 7. Interest rates that have legal status in the month shown. From July 1, 2001, penalty rates are revised at 6-month intervals.

Source: Central Bank of Iceland.

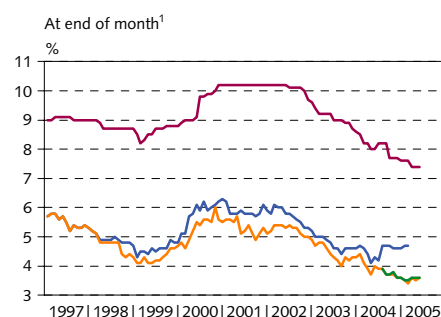
Chart 5
Short-term interest rates
January 1997 - May 2005



— Central Bank repo rate
— 3-month Treasury bills
— 3-month REIBOR on the interbank market

1. To May 17, 2005.
Source: Central Bank of Iceland.

Chart 6
Long-term interest rates
January 1997 - May 2005



— 30-year HFF bonds
— 15-year Treasury bonds
— Housing bonds
— Secured bank loans

1. To May 17, 2005.
Source: Central Bank of Iceland

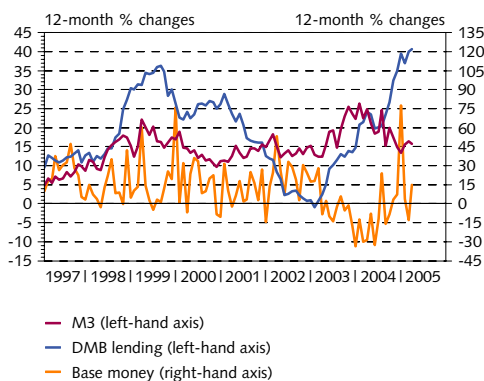
Table 5 Money and credit

Selected items from the balance sheets of the Central Bank, deposit money banks and the banking system	In b.kr. March'05	% change over year			1-mo. change in b.kr.			12-mo. % change		
		2002	2003	2004	Jan.'05	Feb.'05	Mar.'05	Mar.'03	Mar.'04	Mar.'05
Net foreign exchange reserves	59.4	.	.	.	-0.8	-4.9	-0.5	.	.	.
Claims on Treasury and gov. institutions, net	-23.2	.	.	.	-0.8	-6.4	1.8	.	.	.
Claims on deposit money banks	21.8	27.9	-65.2	32.2	-17.6	4.0	3.6	-18.3	-42.8	-48.5
Base money	30.3	17.2	-33.5	77.7	-4.9	-6.7	3.3	-8.5	-28.7	14.7
Notes and coins in circulation	8.4	3.4	9.4	9.1	-0.8	-0.1	0.2	-1.9	9.7	11.8
Reserves of deposit money banks	21.9	22.3	-46.7	121.0	-4.1	-6.6	3.1	-9.8	-37.5	15.9
<i>Deposit money banks</i>										
Central Bank items	-0.2	.	.	.	13.5	-10.6	-0.7	.	.	.
Short-term position, net	-8.1	.	.	.	5.2	-0.8	-5.7	.	.	.
Credit and listed securities ¹	1,908.8	3.1	28.2	40.2	50.7	105.5	89.6	4.8	35.2	46.3
Credit ²	1,493.1	2.6	22.8	43.1	25.7	100.4	52.6	4.5	31.7	48.8
Treasury and government institutions	12.5	8.1	1.6	-16.1	-1.6	-1.6	0.0	-9.5	-10.5	-20.7
Non-bank financial institutions	13.7	-45.2	.	.	-3.4	3.1	-0.7	.	.	-40.7
Industries	848.8	15.5	2.1	24.8	1.4	36.7	28.5	3.4	39.8	30.9
Households	364.9	9.9	8.1	12.7	23.4	14.7	25.2	4.7	10.8	97.5
Foreign sector	241.9	.	63.1	117.9	5.4	48.6	-2.5	49.8	115.8	104.3
Listed securities	230.6	-3.4	38.3	22.6	6.7	-0.2	26.9	10.0	16.0	51.7
Domestic credit and listed securities	1,613.6	0.9	22.6	35.4	49.0	55.0	83.9	3.2	27.5	40.0
Domestic credit	1,251.2	0.9	14.8	39.5	20.3	51.8	55.1	2.3	24.1	41.3
Deposits	579.1	15.5	22.5	13.5	21.9	-8.2	26.3	12.7	25.2	15.8
Bonds	1,136.2	6.7	106.1	79.2	29.9	30.7	80.8	13.0	129.2	71.7
Foreign liabilities for on-lending	226.9	-5.5	-5.6	3.2	3.8	15.8	-18.5	2.9	-25.8	25.1
<i>Banking system</i>										
Foreign assets, net	373.9	-18.6	-223.4	190.0	-27.1	24.8	20.8	-26.3	-269.6	106.4
Domestic credit and marketable securities	1,597.2	-1.0	22.3	36.9	48.5	48.2	83.6	4.3	26.8	43.3
Money supply, M1 ³	142.5	23.8	30.8	23.4	3.0	-2.8	0.7	12.7	44.8	19.2
M2 (M1 + demand savings deposits)	262.3	9.3	28.1	23.7	2.1	-6.5	13.6	10.7	31.7	23.9
M3 (M2 + time savings deposits)	587.5	15.3	22.3	13.4	21.1	-8.3	26.5	12.4	24.9	15.7
M4 (M3 + securities issues)	1,723.7	11.6	56.3	48.6	51.0	22.3	107.3	12.7	68.2	47.4

1. Treasury bills, equities and leasing contracts also included. 2. Lending series have been adjusted retroactively following reclassification under the ÍSAT standard. Data on lending to foreign entities available since January 2001. 3. Sum of notes and coins in circulation and DMBs' demand deposits.

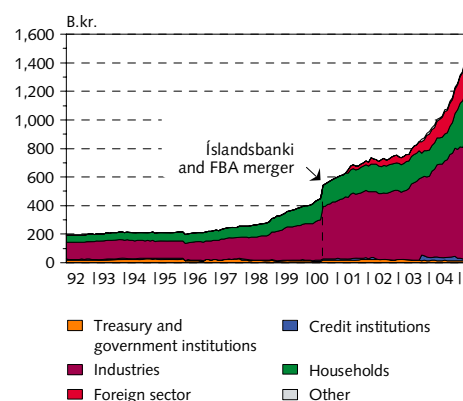
Source: Central Bank of Iceland.

Chart 7
M3, DMB lending and base money
January 1997 - March 2005



Latest figures are preliminary.
Source: Central Bank of Iceland.

Chart 8
Deposit money bank lending by sector
January 1992 - March 2005¹



1. Reclassification of lending in September 2003 based on the ÍSAT-95 standard led to a reduction in household debt figures and an increase in business and municipalities' debt figures. Latest figures are preliminary.
Source: Central Bank of Iceland.

Table 7 Financial markets

At end of period	Outstanding in b.kr.			1-month % change			12-month % change		
	2003	2004	March'05	Jan.'05	Feb.'05	March'05	Jan.'05	Feb.'05	March'05
Money market ¹	36.9	39.4	32.5	15.1	-0.9	-17.6	-12.9	6.9	-19.7
Securities market ²	1,187.6	1,736.0	1,758.6	5.5	5.8	1.3	47.1	46.2	44.4
thereof Treasury bonds	53.1	45.1	42.2	-3.6	0.1	-6.3	-14.1	-15.1	-14.5
thereof housing bonds	307.7	98.2	89.5	0.4	-5.3	-8.8	-66.0	-68.1	-71.2
hereof HFF bonds	.	340.3	341.8	3.5	-0.9	0.4	.	.	.
Market capitalisation of listed equities	658.8	1,083.7	1,089.1	1.9	-2.4	0.5	76.2	64.5	47.6
Mutual funds' units (open-end)	198.1	272.7	284.7	4.9	-4.1	4.4	49.1	37.7	39.3

1. Bills issued by Treasury, commercial banks, savings banks and investment credit funds. 2. Government bonds, government notes, housing bonds, housing authority bonds, HFF bonds and listed bond issues of banks, savings banks, investment credit funds, leasing companies, firms, municipalities and non-residents. Open-end mutual funds' units not included.

Source: Central Bank of Iceland

Table 8 Labour market

Changes in indices are in percent. Other changes indicate increase/decrease in jobs or permits	Averages			1-month change			12-month change		
	2003	2004	March'05	Jan.'05	Febr.'05	March'05	March'03	March'04	March'05
Wage index (1990=100)	205.9	215.6	226.4	2.2	0.3	0.4	5.7	3.8	6.5
Real wages (1990=100) ¹	131.8	133.7	136.0	2.1	0.1	-0.4	3.4	2.0	1.8
Number of issued work permits	3.299	3.750	378	-110	-61	155	-85	104	95
Job vacancies, total	459	668	1.128	325	126	-50	71	186	646
thereof Greater Reykjavik Area	104	204	321	158	38	22	35	40	174

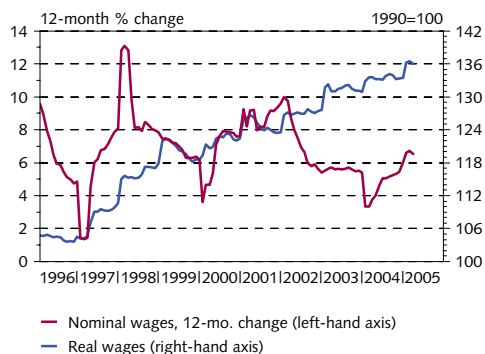
Period averages	2002	2003	2004	Feb.'05	March'05	Apr.'05	Apr.'03	Apr.'04	Apr.'05
Number of unemployed	3.631	4.893	4.564	4.155	3.799	3.542	5.509	4.904	3.542
Measured unemployment rate (% of labour force)	2.5	3.4	3.1	2.8	2.6	2.3	3.9	3.5	2.3
Seasonally adjusted unemployment rate)	.	.	.	2.3	2.2	2.1	3.4	3.1	2.1

Quarterly measurements	Averages			3-month change			12-month change		
	2003	2004	Q1'05	Q3'04	Q4'04	Q1'05	Q1'03	Q1'04	Q1'05
Wage index (1990 = 100)	205.8	215.5	225.6	1.0	0.9	3.1	5.6	3.5	6.7
Wages in the private sector	188.5	196.9	207.3	1.5	0.8	3.4	5.3	2.4	8.1
Wages in the public sector and banks	234.5	246.3	255.5	0.4	1.0	2.7	6.2	5.0	4.5

1. Deflated by consumer prices.

Sources: Statistics Iceland, Directorate of Labour, Central Bank of Iceland.

Chart 11
Nominal and real wages
January 1996 - March 2005



Sources: Statistics Iceland, Central Bank of Iceland.

Chart 12
Unemployment and labour participation¹
January 1996 - April 2005



1. Central Bank estimate for labour force participation in 2003-2004.
Sources: National Economic Institute, Directorate of Labour, Central Bank of Iceland.

Table 9 National accounts – annual data (continued on next page)

In b.kr.	1998	1999	2000	2001	2002	Prel.	Estimate	Forecast ¹	
						2003	2004	2005	2006
Gross domestic product (GDP), current prices	567.3	608.4	661.0	740.6	766.2	797.5	858.9	985.9	1,080.6
Current account balance, current prices	-39.5	-42.6	-69.3	-33.7	8.7	-42.4	-69.9	-118.0	-109.4
GDP at 1990 fixed prices	427.2	446.0	471.4	483.6	473.5	493.5	519.1	553.5	587.8
GNP at 1990 fixed prices	420.0	437.8	458.3	469.0	470.9	491.8	517.6	...	...

Volume changes between years, percent

Private consumption	10.4	8.1	4.4	-3.5	-1.4	6.6	7.5	8.0	7.0
Public consumption	3.4	4.9	4.3	3.2	3.2	3.5	3.6	2.5	2.6
Gross fixed capital formation	32.6	-3.9	15.3	-6.4	-20.9	17.1	12.8	34.2	-8.0
Industries	46.7	-5.7	16.1	-14.8	-28.0	23.6	12.9	52.8	-13.9
Housing	1.0	0.7	12.8	15.3	5.0	13.4	3.0	21.9	9.9
Public works and buildings	18.6	-0.5	14.5	7.6	-23.8	1.8	27.3	-11.6	-4.7
National expenditure	13.6	4.5	7.2	-3.7	-4.5	7.8	7.7	12.4	2.4
Exports of goods and services	2.1	4.0	4.0	7.4	3.9	1.5	8.3	4.0	7.6
Exports of goods	-2.6	7.1	-1.3	7.3	6.6	-1.2	9.2	...	...
Exports of services	13.9	-2.5	16.3	7.7	-1.4	6.8	6.5	...	...
Imports of goods and services	23.5	4.2	8.0	-9.1	-2.7	10.4	14.3	18.5	-1.2
Imports of goods	24.3	3.2	2.7	-10.0	-3.4	7.3	15.8	...	...
Imports of services	21.2	6.9	21.5	-7.2	-1.2	16.9	11.6	...	...
Gross domestic product (GDP)	5.6	4.4	5.7	2.6	-2.1	4.2	5.2	6.6	6.2
Gross national product (GNP)	5.6	4.2	4.7	2.3	0.4	4.4	5.2	...	...
Gross national income (GNI)	8.0	4.3	3.7	2.2	0.8	1.2	4.6	...	...
Terms of trade (goods and services)	5.6	-0.8	-2.7	0.2	0.6	-4.3	-1.2	3.5	-2.1

Percent of GDP

Private consumption	57.3	59.1	59.3	55.1	54.8	56.6	57.8	56.3	56.7
Gross fixed capital formation	24.5	22.2	23.9	22.4	17.7	20.1	22.0	27.9	25.2
Current account balance	-7.0	-7.0	-10.5	-4.6	1.1	-5.3	-8.1	-12.0	-10.1
Gross national saving	17.7	15.3	13.8	17.5	18.8	14.6	13.4	...	...

1. Central Bank of Iceland forecast in June 2005.

Sources: Statistics Iceland and Central Bank of Iceland.

Chart 13
Growth of GDP, private consumption and gross fixed capital formation 1980-2006¹

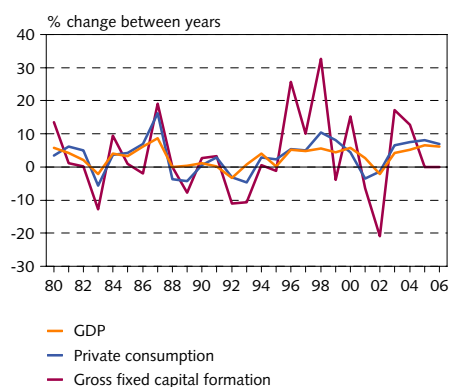
1. Preliminary 2003-2004. Forecast 2005-2006.
Sources: Statistics Iceland and Central Bank of Iceland.

Chart 14
Private consumption, public consumption and gross fixed capital formation 1980-2006¹

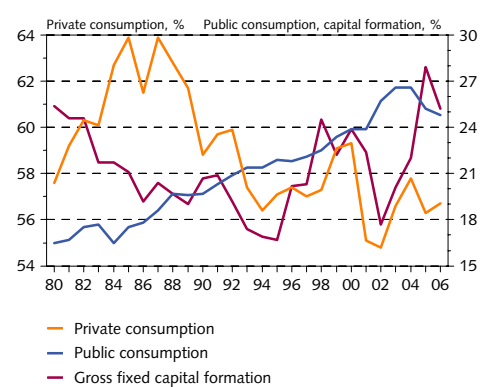
1. Preliminary 2003-2004. Forecast 2005-2006.
Sources: Statistics Iceland and Central Bank of Iceland.

Table 9 (continued) National accounts – quarterly data

In b.kr.	Private consumption	Public consumption	Gross fixed cap. format.	Changes in stocks	National expenditure	Exports	Imports	GDP
2001: Q1	97,071	41,146	42,571	-2,739	178,049	63,867	-74,648	167,268
2001: Q2	102,091	43,990	38,107	53	184,241	70,824	-74,772	180,293
2001: Q3	101,193	44,372	44,980	622	191,166	83,189	-83,995	190,360
2001: Q4	107,631	47,148	39,906	-20	194,665	81,532	-73,482	202,715
2002: Q1	99,767	47,308	34,002	-339	180,737	75,691	-71,036	185,392
2002: Q2	105,605	48,869	33,608	-896	187,187	78,514	-75,162	190,539
2002: Q3	104,197	48,939	33,161	825	187,122	80,092	-75,079	192,135
2002: Q4	110,644	51,862	34,704	229	197,439	71,567	-70,833	198,173
2003: Q1	106,838	51,033	30,678	2,235	190,784	70,818	-67,353	194,249
2003: Q2	112,844	52,879	39,537	-369	204,892	67,827	-78,240	194,479
2003: Q3	111,866	52,522	43,911	27	208,327	80,223	-87,137	201,413
2003: Q4	119,688	55,363	46,552	-3,396	218,208	69,446	-80,307	207,347
2004: Q1	116,559	54,937	36,285	3,274	211,055	72,590	-78,108	205,537
2004: Q2	124,067	57,374	49,751	-1,936	229,257	75,017	-94,169	210,105
2004: Q3	121,792	57,049	50,706	-527	229,021	89,485	-96,307	222,199
2004: Q4	133,873	58,883	52,000	-4,194	240,562	79,047	-98,529	221,080

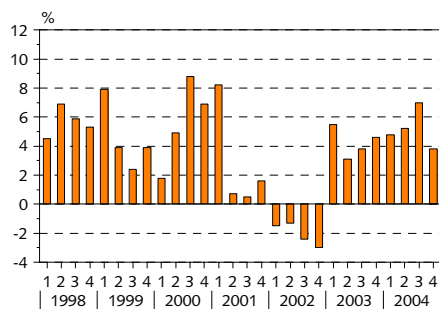
Volume change from same quarter in previous year (%)

2001: Q1	2.2	6.7	31.2	-1.8	7.3	15.0	11.5	8.2
2001: Q2	-3.8	5.0	-22.2	-0.3	-7.1	2.4	-16.5	0.7
2001: Q3	-4.9	-1.5	-4.0	0.8	-3.3	0.8	-8.3	0.5
2001: Q4	-6.8	2.5	-20.1	-2.2	-10.0	13.5	-19.8	1.6
2002: Q1	-5.7	2.0	-28.4	1.7	-8.4	3.3	-14.2	-1.5
2002: Q2	-1.8	1.9	-15.7	-0.7	-4.7	12.1	2.3	-1.3
2002: Q3	0.4	3.9	-25.8	0.3	-4.9	2.7	-3.4	-2.4
2002: Q4	1.5	5.0	-11.2	0.2	-0.2	-1.8	6.4	-3.0
2003: Q1	6.5	3.5	-9.9	0.9	3.6	5.8	0.6	5.5
2003: Q2	6.8	4.1	18.9	0.6	9.1	-3.9	10.6	3.1
2003: Q3	6.5	3.4	27.3	-0.7	9.0	3.5	16.1	3.8
2003: Q4	6.6	3.0	31.6	-1.1	9.2	0.6	13.5	4.6
2004: Q1	8.0	4.0	16.0	0.3	8.8	4.8	15.7	4.8
2004: Q2	6.8	4.6	19.1	-0.4	8.5	5.9	13.7	5.2
2004: Q3	5.9	4.5	9.9	-0.2	6.3	9.1	7.4	7.0
2004: Q4	9.2	1.3	7.8	-0.1	7.2	13.2	21.3	3.8

Sources: Statistics Iceland.

Chart 15
Quarterly economic growth 1998-2004

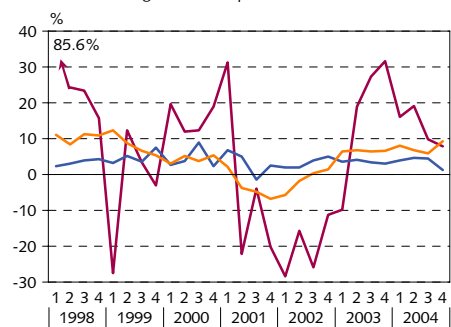
Volume change in GDP over four quarters (%)



Preliminary 2003. Estimate 2004.
Source: Statistics Iceland.

Chart 16
Components of economic growth 1998-2004

Volume change over four quarters (%)



— Private consumption
— Public consumption
— Gross fixed capital formation

Preliminary 2003. Estimate 2004.
Source: Statistics Iceland.

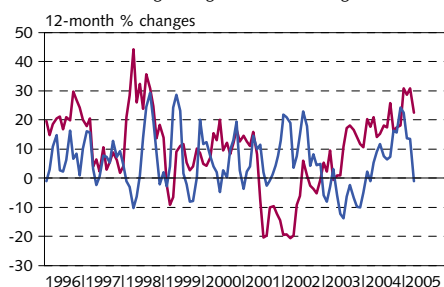
Table 10 Current account balance¹ (continued on next page)

Trade in goods and services	In b.kr.					% change from previous year ²		
	2001	2002	2003	2004	March'05	3-mo.	6-mo.	12-mo.
Trade balance	-6.7	13.1	-16.9	-37.8	-11.6	.	.	.
Merchandise exports fob	196.4	204.3	182.6	202.4	46.7	-1.2	9.6	10.1
Excluding ships and aircraft	193.1	202.0	181.2	201.6	46.7	-0.8	9.6	10.2
Marine products	121.8	128.6	113.7	121.7	28.4	0.2	8.9	6.9
Aluminium and ferro-silicon	44.4	43.5	40.3	42.6	10.5	11.3	9.9	12.3
Other industrial products	19.0	14.5	21.6	28.4	5.7	-24.0	9.4	12.7
Merchandise imports fob	203.1	191.2	199.5	240.2	58.3	22.0	26.8	22.3
Excluding ships and aircraft	190.1	180.0	195.7	231.7	57.5	22.7	24.1	19.8
Consumption goods	60.8	59.5	66.3	77.2	19.6	23.9	23.4	19.3
Investment goods	44.4	38.6	46.1	52.8	13.0	28.1	17.3	17.7

Services and income balance	In b.kr.					% change from previous year ²		
	2001	2002	2003	2004	2004/Q4	3-mo.	6-mo.	12-mo.
Services balance	-1.5	-0.3	-8.8	-14.4	-8.6	.	.	.
Services exports	102.8	101.6	105.7	113.8	25.6	12.5	13.3	9.4
Transportation	47.0	48.5	50.2	63.2	15.5	38.4	39.0	28.1
Travel	22.9	22.8	24.5	26.1	4.6	1.0	7.9	8.1
Other receipts	33.0	30.2	31.0	24.5	5.6	-21.2	-25.0	-19.8
Services imports	-104.4	-101.9	-114.6	-128.2	-34.2	22.4	14.8	14.4
Transportation	-36.7	-38.6	-39.7	-48.8	-13.0	38.3	26.8	25.7
Travel	-36.4	-33.4	-39.8	-48.5	-13.3	32.8	23.9	24.5
Other expenditure	-31.3	-29.9	-35.1	-30.9	-7.9	-7.3	-10.8	-9.9
Balance on income	-25.3	-6.2	-16.5	-17.7	-9.8	.	.	.
Receipts	16.9	27.9	28.9	39.9	10.1	13.9	41.8	40.5
Compensation of employees	5.8	5.4	6.2	5.6	1.4	-4.9	-7.9	-8.3
Interest payments	3.4	4.9	4.4	8.8	2.6	134.7	135.7	106.6
Dividends and reinvested earnings ³	7.8	17.6	18.3	25.5	6.1	-2.6	36.6	41.4
Expenditures	-42.2	-34.1	-45.4	-57.6	-19.9	30.9	30.5	29.8
Compensation of employees	-0.5	-0.7	-0.5	-0.8	-0.2	150.8	135.7	79.6
Interest payments	-41.3	-34.3	-31.3	-35.2	-9.6	41.2	29.6	14.9
Dividends and reinvested earnings ³	-0.3	0.8	-13.6	-21.6	-10.1	21.1	29.8	62.4
Current transfer, net	-1.0	1.2	-1.2	-1.2	-0.3	-50.8	13.8	5.0
Current account balance	-33.7	8.7	-42.4	-69.9	-29.6	.	.	.

Chart 17
Merchandise trade
January 1996 - March 2005

3-month moving averages at fixed exchange rates



— Merchandise exports
— Merchandise imports

Latest data are preliminary.
Sources: Statistics Iceland, Central Bank of Iceland.

Chart 18
Exports and imports of services
1996/Q1 - 2004/Q4

% change from same quarter in previous year at fixed exchange rates

