

## ***1. General information***

### *Name*

Bank, penalty and general interest rates of monetary claims.

### *Purpose*

Statistics on deposit and lending rates of deposit money banks to monitor the development of interest rates by credit institutions in Iceland.

Determination of the general interest rates of the monetary claims in accordance with the provisions of article 4 of the act on interest rates and indexation no. 38/2001, and according article 6 on penalty rates in the same law. These are published monthly in the Icelandic *Official Gazette* (Lögbirtingarblaðið) according to article 10 in the above mentioned act.

### *Sources*

Reports on interest rates received from banks and savings banks to the Central Bank in three months.

### *Foundation in law*

Data collection are on the basis of article 29 in section VI of the act of Central Bank of Iceland, no. 36/2001 and article 10 in section V of the act on Interest rates and indexation, no. 38/2001.

## ***2. Terms and definitions***

***General interest rates*** are interests that are generally available to the public borrower and businesses on the general financial market by credit institutions such as commercial banks.

***Monetary claims*** are funds lent by the lender and the borrower must repay with interest from the date a claim to maturity.

**Penalty rates** are rates on unpaid claims calculated from the due date until the date of payment if the request has not been paid before the deadline. Penalty rates are calculated on a daily basis unless otherwise specifically provided by law. If there is no agreed maturity, penalty rates may be calculated on a claim when one month has passed since the claim was truly due and debtor's rightful payment.

**Interest on damages claims** are interests on liability incident. These interest rates are two thirds of the rate of the general monetary and the Central Bank shall determine and publish under the first sentence of [article 4. in act no. 38/2001.](#)

### ***3. Integrity of data***

Banks and savings rates send their reports to the Central Bank in three months. The data are reviewed and requesting additional information are any variations in the data submitted, or if other discrepancies revealed by the passage of the data. Analysis of the interest rates data takes place in the data collection and information processing department within Central Bank of Iceland. Data from interest rate reports collected from the respective deposit money banks are analyzed and the highest and lowest interest rates levels of selected types of loans are published monthly.

Before the end of each month, the Central Bank determines the interest rates of money claims regarding the lowest interest rates of nominal and indexed loans according to [article 4 in the Icelandic general law on interest rates and indexation no. 38/2001](#), which are in effect from the first day of the next month. Interest rates on damage claims are calculated as two-thirds of the lowest rate of money claims according to the provisions of article 8 in the [Law on interest rates and indexation no. 38/2001](#).

Penalty rates determined by the Central Bank shall apply as terms of agreement in loan contracts unless otherwise agreed upon. Base for penalty rates is the policy rate plus a premium according to article 6 in chapter III in [the act no. 38/2001 on interest rates and indexation](#).

## ***4. Review of data***

The data are regularly reviewed and adjusted in order to see if that some data are lacking or are somehow incorrect. In addition to this, data are corrected if the reporting banks and savings banks send in corrections and comments regarding reported interests rate data.

## ***5. Publication***

Publication is once a month in [the statistics part of the Central Bank of Iceland website](#). Interest rates data are reported to the Central Bank three times each month. From this pool of data, the average monthly interest rates are calculated and published in time series beginning from the year 2003. The general interest rates, are published in a chronological time series ranging from July 2001, whereas the penalty rates are published in a time series extending from April 1988. All the time series are published on [the Central Bank website](#).

## ***6. Other***

Deposit money banks that report interest rates statistics data to Central Bank of Iceland are:

- Arion bank hf.
- Íslandsbanki hf.
- Landsbanki Íslands hf.
- MP Bank hf.
- Icelandic Savings Banks (SÍSP) on behalf of the savings banks in the country (except Sparisjóður Austurlands hf.)
- Sparisjóður Austurlands hf.