

1. General Information

Name

New credit

Supervisor of statistics

Central Bank of Iceland, IT and Statistics

Purpose

Data are collected with the purpose to monitor the development of new loans and publish a summary of information on them. The data are also used for general statistical purposes. The Central Bank also utilizes the data in their operations.

Sources

The monthly statistics for the new credit are compiled from monthly reports from banks and savings banks.

Foundation in law

The foundation in law for data collection is in [Article 32 of the Act on the Central Bank of Iceland, no. 92/2019](#). In accordance with Article 41 the Central Bank is authorised to exchange information with public entities concerning matters falling under the scope of this Act if the exchange of information is consistent with the legally mandated role of the Central Bank or the recipient.

2. Methodology

Concepts and definitions

Loans

Financial assets with fixed and predictable payments that are not quoted in an active market. The position of disbursed loans includes accrued interest and indexation (if that is the case) at the end of the last day of the month. Loans must be relative to the claim value of loans, i.e. without deducting discounts or amounts that have been set aside for the depreciation account. Loans are divided into four categories: non-indexed, indexed, loans in foreign currencies, and capital leases.

- Non-indexed loans: Loans in local currency without any connection to official indexes.
- Secured Loans: Loans in local currency assigned to the public indices such as CPI (consumer price index).
- Loans in foreign currencies.
- Lease Loans for leasing / finance / leasing.

New credit granted this month

Built on Regulation of the European Central Bank (ECB), no. 34/2013, with regards to interest statistics for deposits and loans to households and businesses. According to the Regulation, a loan is considered to be new if a (new) agreement is made between the lender and the borrower, including:

1. All loan agreements, terms and conditions specified as first time loans.
2. All loans where the borrower and lender negotiate jointly for new /amended terms and conditions of the loan agreement.

Domestic credit

All credit to residents in whatever form they are.

Foreign loans

Loans to non-residents.

Prepayments

Prepayments in the respective month. Not cumulative. Here are excess payments, ie. payments in excess of such specified in the contract. Prepayments shall be based on a claim value of loans, ie. without deducting discounts or amounts that have been set aside for the depreciation account. The position of disbursed loans includes accrued interest and indexation (if that is the case) at the end of the last day of the month. Prepayment is defined as a payment that decreases the loans value more than the original payment plan expects and does not include amortization. Furthermore, if the loan is modified so that it constitutes a new loan, a comparable payment shall be filed against the new loan if there is no change in the net cash flow.

Resident

Under the definition in [Act no. 87/1992 on Foreign Exchange](#) refers to any individual permanently resident in Iceland in accordance with the provisions of the Act on Legal Domicile, irrespective of nationality. The same shall apply to an Icelandic national and his dependants residing in other countries who is employed there by the Icelandic State with an embassy, permanent delegation or consulate and accepts remuneration from the Icelandic Treasury, or is employed by an international organisation to which Iceland is party.

Resident also refers to any legal person registered as legally domiciled in Iceland, stated to be resident in Iceland in its articles of association, or in effect managed in Iceland; Icelandic branches of legal persons domiciled outside Iceland are regarded as residents.

Non-resident

Refers to all other individuals or legal persons than residents.

Home

All loans granted to individuals with an Icelandic registry number who are domiciled in Iceland.

Company

A company is a legal entity that engages in a business activity, with the exception of government agencies, local governments or other publicly owned agencies. Government agencies and enterprises are classified as KX, K1, K2, K3, K4 in the company directory of RSK (Directorate of Internal Revenue). Foreign companies are classified as non-residents.

3. Integrity of data

Deposit institutions report new data monthly. The reports contain classifications of loans and leasing agreements as stated by their accounts as well as being classified in different industry categories based on the company registration of RSK (Directorate of Internal Revenue).

4. Revision of data

Data are not revised except when the previously submitted data are corrected by the reporter.

5. Publication

Data for new credit are published monthly on [the Central Bank's Statistics pages](#). Data show the position at the end of the month and are available at a monthly frequency from January 2013.