



Euromoney Conferences

The Iceland Conference

Arnór Sighvatsson

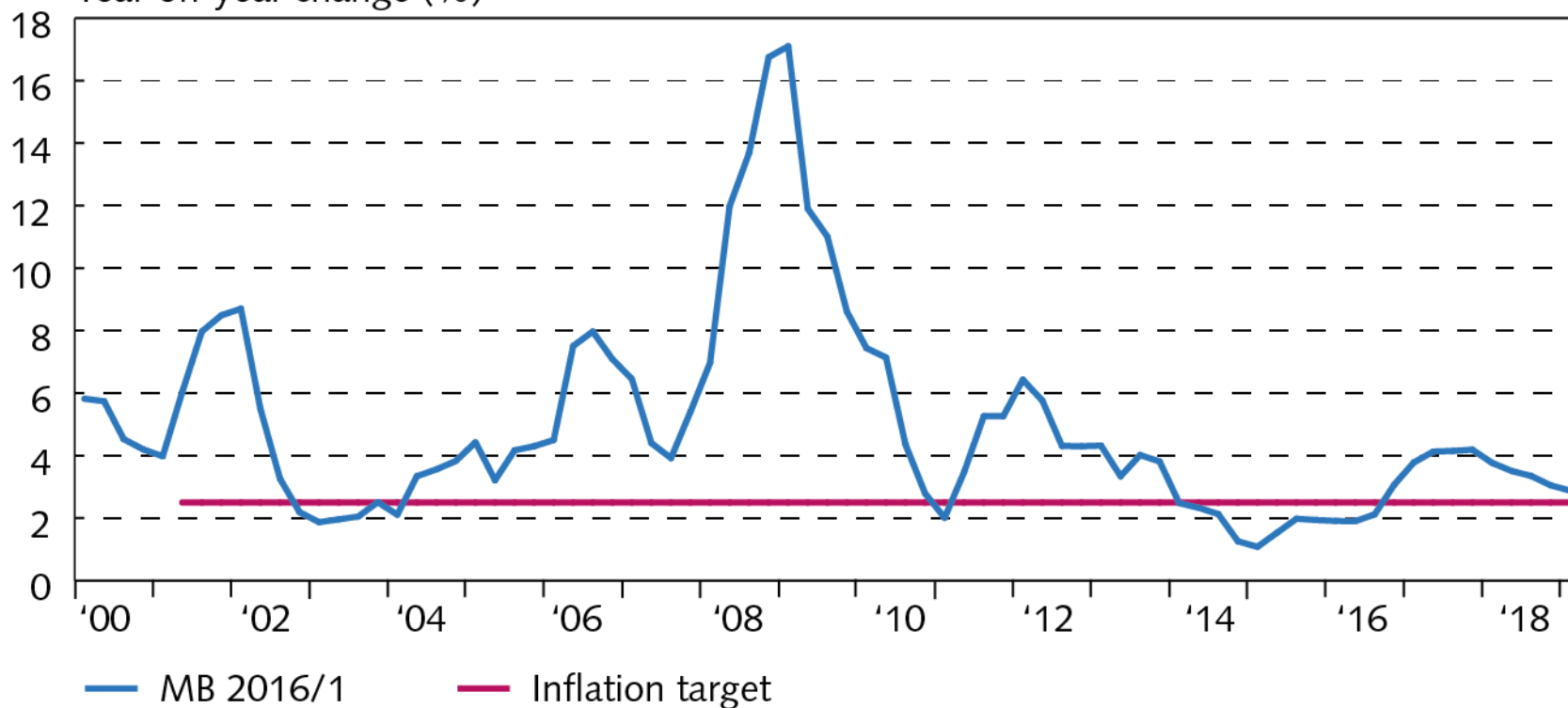
Deputy Governor of the Central Bank of Iceland

12 April 2016

Inflation¹

Q1/2000 - Q1/2019

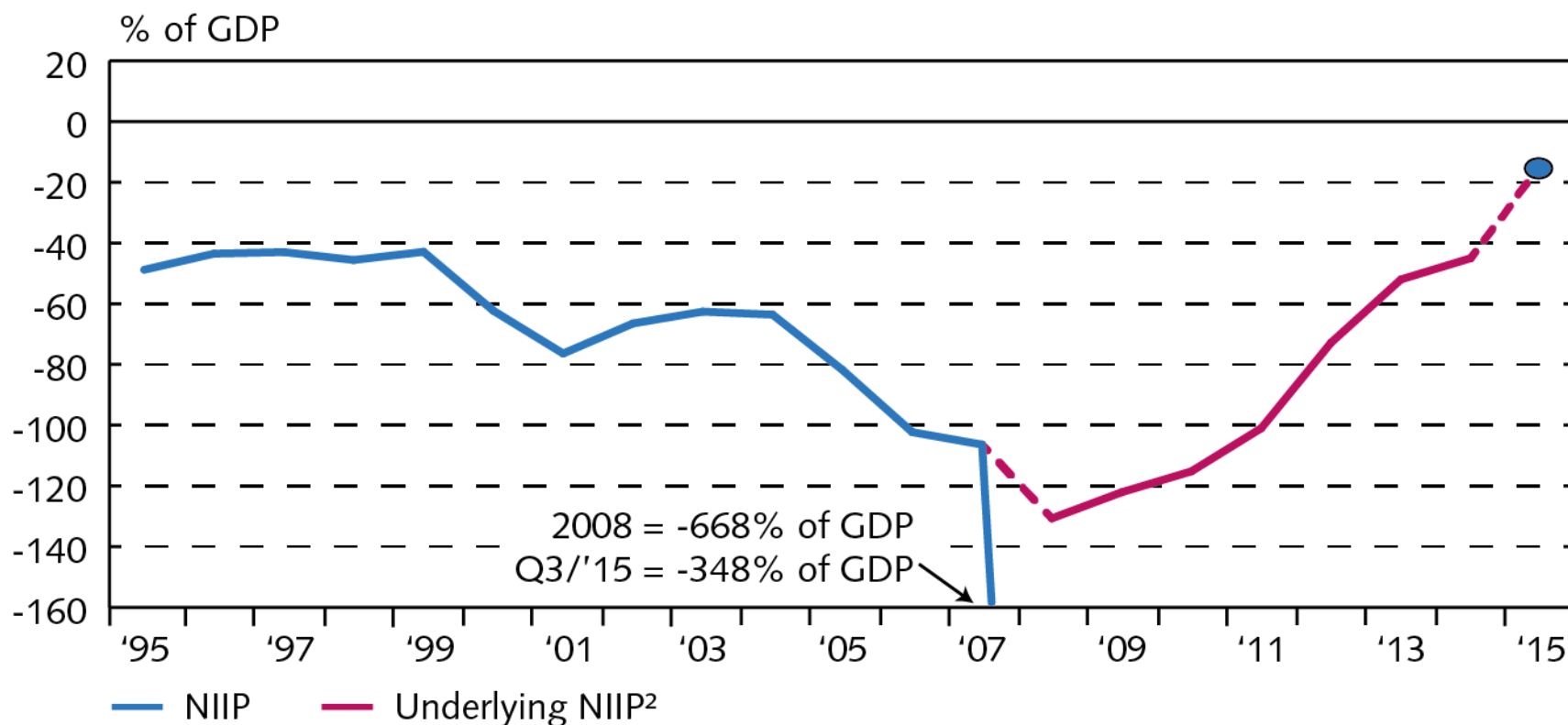
Year-on-year change (%)



1. Central Bank baseline forecast Q1/2016 - Q1/2019.

Sources: Statistics Iceland, Central Bank of Iceland.

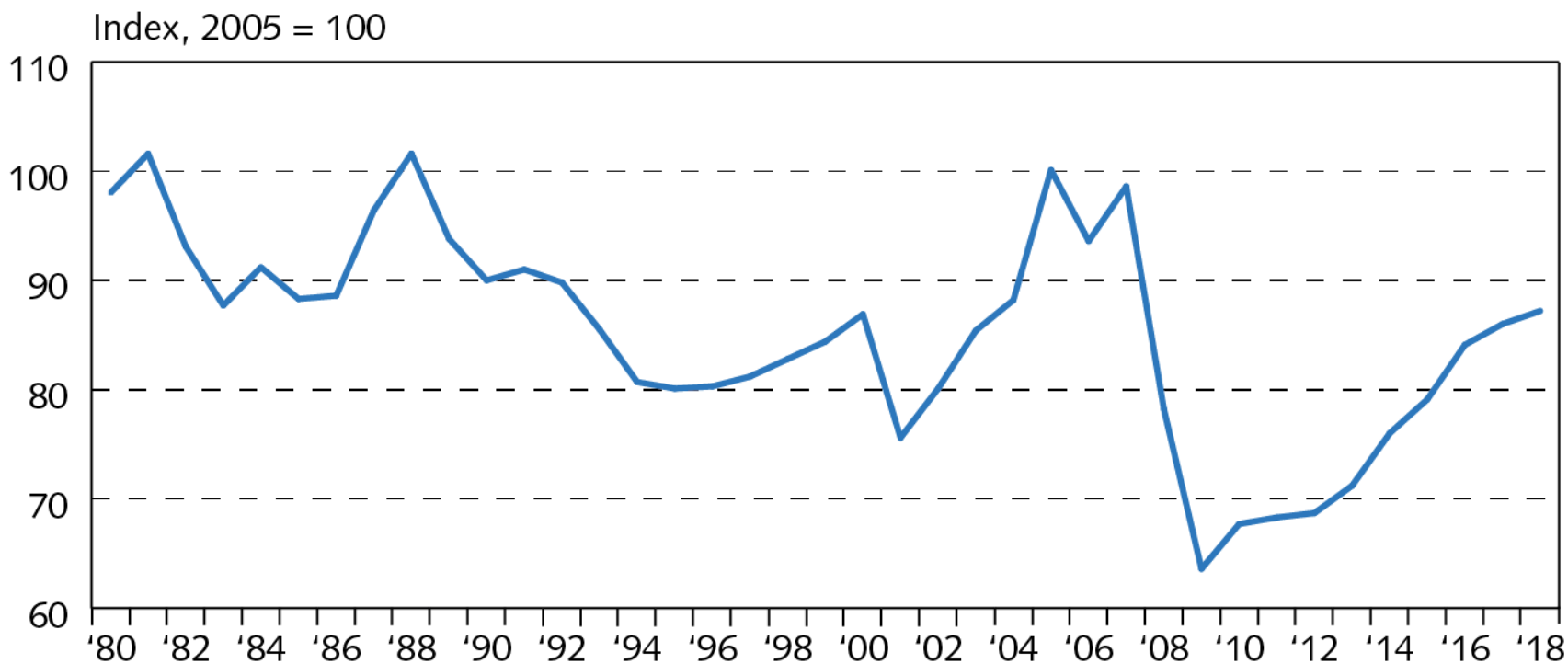
Net international investment position¹



1. 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 in the NIIP and the underlying NIIP at year-end 2015. 2. Adjusted for the effects of settlement of the deposit institutions in winding-up proceedings, assuming equal distribution of assets to general creditors up to Q4/2015

Sources: Statistics Iceland, Central Bank of Iceland.

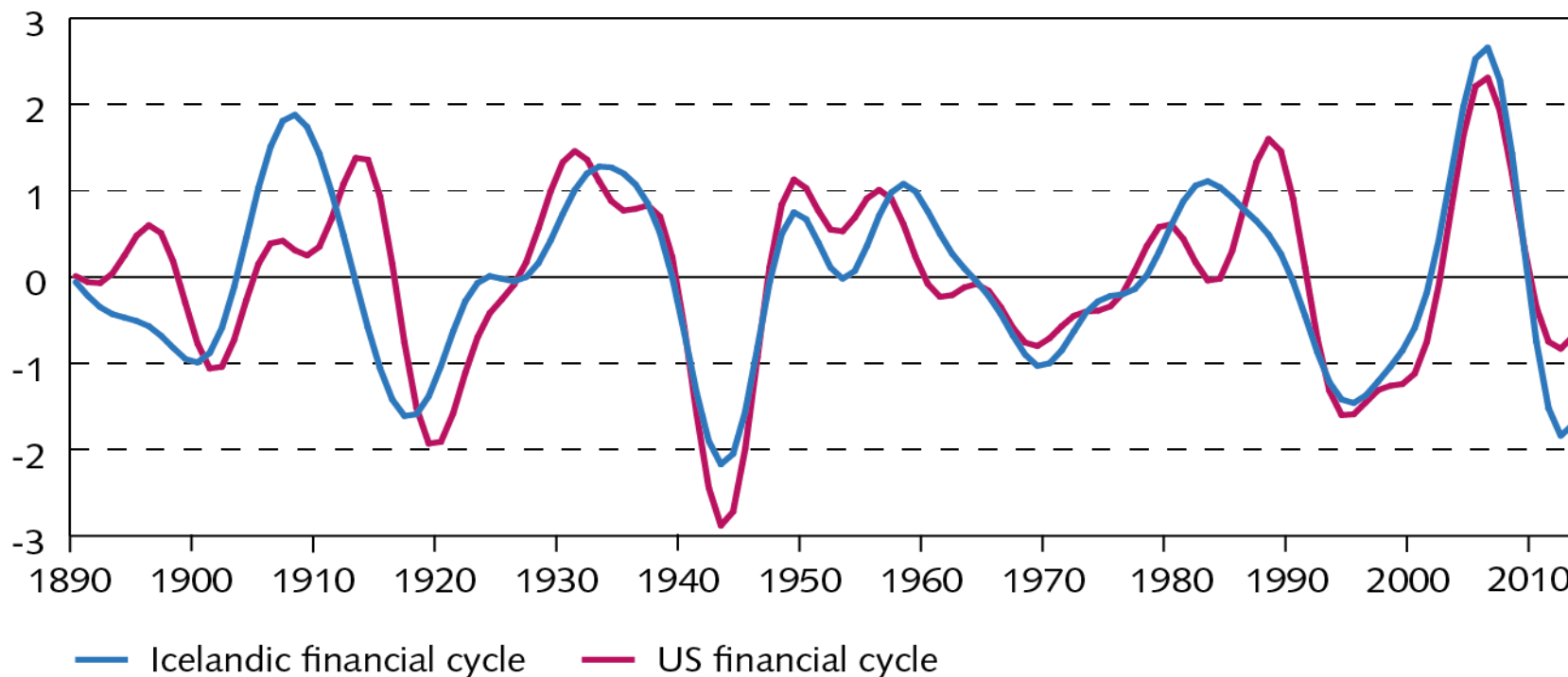
Real exchange rate 1980-2018¹



1. Relative to consumer prices. Central Bank baseline forecast 2015-2018

Source: Central Bank of Iceland.

The Icelandic financial cycle and global financial spillovers 1890-2013¹



1. The Icelandic financial cycle is estimated as the first principal component of medium-term cycles in credit, house prices and bank balance sheet size and composition. The US financial cycle is a simple composite measure of the medium-term cycles in credit and house prices.

Sources: Einarsson, B. G., K. Gunnlaugsson, T. T Ólafsson, and T. G. Pétursson. The long history of financial boom-bust cycles in Iceland - Part II: Financial cycles. Central Bank of Iceland Working Paper, forthcoming.