Economic Indicators
Overview of economic indicators

I Inflation and inflation expectations¹

<table>
<thead>
<tr>
<th>Latest value</th>
<th>Change (%)</th>
<th>Contribution to 12-mo. inflation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>November '08</td>
<td>327.9</td>
<td>1.7</td>
</tr>
<tr>
<td>November '08</td>
<td>184.3</td>
<td>1.7</td>
</tr>
<tr>
<td>November '08</td>
<td>196.8</td>
<td>1.9</td>
</tr>
<tr>
<td>November '08</td>
<td>163.6</td>
<td>1.8</td>
</tr>
<tr>
<td>November '08</td>
<td>150.2</td>
<td>2.5</td>
</tr>
<tr>
<td>November '08</td>
<td>179.8</td>
<td>5.9</td>
</tr>
<tr>
<td>November '08</td>
<td>164.2</td>
<td>1.0</td>
</tr>
<tr>
<td>November '08</td>
<td>213.7</td>
<td>-1.5</td>
</tr>
<tr>
<td>November '08</td>
<td>125.3</td>
<td>3.8</td>
</tr>
<tr>
<td>November '08</td>
<td>313.0</td>
<td>1.4</td>
</tr>
<tr>
<td>November '08</td>
<td>163.0</td>
<td>-0.1</td>
</tr>
<tr>
<td>November '08</td>
<td>181.0</td>
<td>0.1</td>
</tr>
<tr>
<td>October '08</td>
<td>164.9</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Note: 1. Index base periods: Consumer price index: May 1988=100; other price indices: March 1997=100. 2. Annualised inflation.

II Output and demand

<table>
<thead>
<tr>
<th>Latest value</th>
<th>Change (%)</th>
<th>Year-to-date²</th>
</tr>
</thead>
<tbody>
<tr>
<td>November '08</td>
<td>327.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>370.8</td>
<td>7.4</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>382.5</td>
<td>-1.3</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>209.6</td>
<td>0.8</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>88.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>84.3</td>
<td>-5.4</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>174.9</td>
<td>28.4</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>-186.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>305.7</td>
<td>-0.8</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>207.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>67.2</td>
<td>-1.1</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>327.5</td>
<td>7.7</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>18.5</td>
<td>-20.6</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>260.1</td>
<td>-65.8</td>
</tr>
</tbody>
</table>

Note: Change between periods is presented in real terms. 1. Change in seasonally adjusted values.

III Foreign trade and external economic conditions

<table>
<thead>
<tr>
<th>Latest value</th>
<th>Change (%)</th>
<th>Year-to-date²</th>
</tr>
</thead>
<tbody>
<tr>
<td>October '08</td>
<td>121.6</td>
<td>0.6</td>
</tr>
<tr>
<td>November '08</td>
<td>1,825</td>
<td>-14.0</td>
</tr>
<tr>
<td>November '08</td>
<td>47.2</td>
<td>-35.1</td>
</tr>
<tr>
<td>October '08</td>
<td>42.6</td>
<td>26.0</td>
</tr>
<tr>
<td>September '08</td>
<td>15.4</td>
<td>31.7</td>
</tr>
<tr>
<td>September '08</td>
<td>18.7</td>
<td>12.3</td>
</tr>
<tr>
<td>September '08</td>
<td>6.4</td>
<td>51.7</td>
</tr>
<tr>
<td>September '08</td>
<td>42.4</td>
<td>13.7</td>
</tr>
<tr>
<td>September '08</td>
<td>0.3</td>
<td>17.8</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>44.8</td>
<td>15.3</td>
</tr>
<tr>
<td>Q2/2008</td>
<td>54.2</td>
<td>5.0</td>
</tr>
<tr>
<td>Q3/2008</td>
<td>99.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Note: In the case of volumes and values, 'year-to-date' refers to cumulated figures, but in the case of prices or indices it refers to the average price or index. 1. Changes are calculated at constant exchange rates.
### IV Labour market and wages

<table>
<thead>
<tr>
<th>Period</th>
<th>Value</th>
<th>Change from</th>
<th>Year-to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latest</td>
<td>Latest</td>
<td>Value</td>
<td>% change on</td>
</tr>
<tr>
<td></td>
<td>period</td>
<td>year ago</td>
<td>previous</td>
</tr>
<tr>
<td>Number of unemployed listed at employment agencies</td>
<td>October '08</td>
<td>3,106</td>
<td>1,315</td>
</tr>
<tr>
<td>Registered unemployment, s.a. (% of total est. labour force)</td>
<td>October '08</td>
<td>2.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Unemployment rate, labour force survey</td>
<td>Q3/2008</td>
<td>1.9</td>
<td>2.1</td>
</tr>
<tr>
<td>Listed vacancies at employment agencies</td>
<td>October '08</td>
<td>259</td>
<td>296</td>
</tr>
<tr>
<td>Work permits issued, total</td>
<td>October '08</td>
<td>201</td>
<td>287</td>
</tr>
<tr>
<td>New permits for new jobs and permit extensions</td>
<td>October '08</td>
<td>291</td>
<td>971</td>
</tr>
<tr>
<td>Wage index (December 1988=100)</td>
<td>October '08</td>
<td>353.3</td>
<td>324.6</td>
</tr>
<tr>
<td>Real wages (wage index deflated by CPI)</td>
<td>October '08</td>
<td>136.9</td>
<td>145.8</td>
</tr>
</tbody>
</table>

1. Change from previous period refers to change in the number of unemployed and change in the rate of unemployment; otherwise, it refers to percentage change. 2. Average from beginning of year except for work permits where the cumulative number of permits is shown. Change on previous year refers to change in the average number of unemployed and change in the unemployment rate; it refers to percentage change.

### V Public finances

<table>
<thead>
<tr>
<th>Period</th>
<th>Value</th>
<th>Change from</th>
<th>Year-to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury revenue balance (b. kr.)</td>
<td>September '08</td>
<td>-5.4</td>
<td>2.4</td>
</tr>
<tr>
<td>- as percentage of revenue</td>
<td>September '08</td>
<td>-15.6</td>
<td>7.4</td>
</tr>
<tr>
<td>Net borrowing requirement (b. kr.)</td>
<td>September '08</td>
<td>-0.1</td>
<td>-5.2</td>
</tr>
<tr>
<td>- as percentage of revenue</td>
<td>September '08</td>
<td>-0.1</td>
<td>-15.6</td>
</tr>
<tr>
<td>Treasury revenue (b. kr.)</td>
<td>September '08</td>
<td>34.5</td>
<td>33.1</td>
</tr>
<tr>
<td>- excl. asset sales and irregular items (b. kr.)</td>
<td>September '08</td>
<td>34.5</td>
<td>33.1</td>
</tr>
<tr>
<td>- from VAT (b. kr.)</td>
<td>September '08</td>
<td>10.5</td>
<td>11.2</td>
</tr>
<tr>
<td>- from payroll &amp; personal income tax withheld (b. kr.)</td>
<td>September '08</td>
<td>9.8</td>
<td>9.1</td>
</tr>
<tr>
<td>- from imports (b. kr.)</td>
<td>September '08</td>
<td>2.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Treasury expenditures (b. kr.)</td>
<td>September '08</td>
<td>39.9</td>
<td>30.7</td>
</tr>
<tr>
<td>- excl. irregular items (b. kr.)</td>
<td>September '08</td>
<td>39.9</td>
<td>30.7</td>
</tr>
</tbody>
</table>

Note: First four columns show 4-month moving averages of monthly values, last two show current year to date.

### VI Asset markets

<table>
<thead>
<tr>
<th>Index</th>
<th>Latest</th>
<th>Latest</th>
<th>Value</th>
<th>% change on</th>
<th>Year-to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>period</td>
<td>value</td>
<td>year ago</td>
<td>previous</td>
<td>previous</td>
</tr>
<tr>
<td>OMXI-15 equity price index</td>
<td>October '08</td>
<td>1,526.6</td>
<td>8,329.1</td>
<td>-62.2</td>
<td>-81.7</td>
</tr>
<tr>
<td>Equity turnover on OMXI</td>
<td>October '08</td>
<td>48.1</td>
<td>177.4</td>
<td>-72.4</td>
<td>-72.9</td>
</tr>
<tr>
<td>Residential housing prices, narrow index</td>
<td>October '08</td>
<td>338.8</td>
<td>348.4</td>
<td>0.3</td>
<td>26.1</td>
</tr>
<tr>
<td>Real residential housing prices, broad index</td>
<td>October '08</td>
<td>183.2</td>
<td>217.5</td>
<td>-2.3</td>
<td>-15.8</td>
</tr>
<tr>
<td>Price of long-term cod quota (kr./kg.)</td>
<td>November '08</td>
<td>2,800</td>
<td>3,760</td>
<td>40.0</td>
<td>-25.5</td>
</tr>
</tbody>
</table>

1. Except for turnover, which is cumulative to date. 2. OMXI = Iceland Stock Exchange (OMX Iceland). Prices are monthly averages.

### VII Financial markets

<table>
<thead>
<tr>
<th>Index</th>
<th>Latest</th>
<th>Latest</th>
<th>Value</th>
<th>% change on</th>
<th>Year-to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>period</td>
<td>value</td>
<td>year ago</td>
<td>previous</td>
<td>previous</td>
</tr>
<tr>
<td>Bank lending to domestic sector (b. kr.)</td>
<td>September '08</td>
<td>4,827.4</td>
<td>2,893.6</td>
<td>17.1</td>
<td>66.8</td>
</tr>
<tr>
<td>- adjusted for estimated indexation effects on inflation and exchange rate-linked loans (index)</td>
<td>September '08</td>
<td>580.3</td>
<td>478.0</td>
<td>5.8</td>
<td>27.7</td>
</tr>
<tr>
<td>- in real terms (January 2000=100)</td>
<td>September '08</td>
<td>422.9</td>
<td>335.4</td>
<td>1.4</td>
<td>26.1</td>
</tr>
<tr>
<td>Credit system total lending (b. kr.)</td>
<td>June '08</td>
<td>6,731.4</td>
<td>5,017.8</td>
<td>0.5</td>
<td>34.2</td>
</tr>
<tr>
<td>M3 (b. kr.)</td>
<td>September '08</td>
<td>1,203.0</td>
<td>786.2</td>
<td>7.4</td>
<td>56.5</td>
</tr>
<tr>
<td>Money market yield, 12-mo. (%)</td>
<td>November 21 '08</td>
<td>17.8</td>
<td>14.2</td>
<td>2.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Yield on Treasury notes (RIKB 10 0317) (%)</td>
<td>November 21 '08</td>
<td>15.7</td>
<td>12.7</td>
<td>5.8</td>
<td>3.1</td>
</tr>
<tr>
<td>Yield on Treasury notes (RIKB 13 0517) (%)</td>
<td>November 21 '08</td>
<td>13.7</td>
<td>10.3</td>
<td>5.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Real yield on HFF bonds (HFF150224) (%)</td>
<td>November 21 '08</td>
<td>3.8</td>
<td>6.4</td>
<td>0.2</td>
<td>-2.5</td>
</tr>
<tr>
<td>Real yield on HFF bonds (HFF150234) (%)</td>
<td>November 21 '08</td>
<td>4.0</td>
<td>5.4</td>
<td>0.3</td>
<td>-1.4</td>
</tr>
<tr>
<td>Real yield on HFF bonds (HFF150244) (%)</td>
<td>November 21 '08</td>
<td>4.0</td>
<td>5.0</td>
<td>0.3</td>
<td>-1.0</td>
</tr>
<tr>
<td>Average bank lending rate, non-indexed loans (%)</td>
<td>November 21 '08</td>
<td>21.8</td>
<td>19.4</td>
<td>1.2</td>
<td>2.4</td>
</tr>
<tr>
<td>Average bank lending rate, indexed loans (%)</td>
<td>November 21 '08</td>
<td>21.8</td>
<td>19.4</td>
<td>1.2</td>
<td>2.4</td>
</tr>
<tr>
<td>Exchange rate index of króna (Dec. 31, 1991=100)</td>
<td>November 21 '08</td>
<td>221.8</td>
<td>116.4</td>
<td>26.4</td>
<td>105.4</td>
</tr>
</tbody>
</table>

1. For comparability, financial companies that were reclassified as deposit money banks or moved into that category through mergers are included retrospectively for the entire period. This adjustment is made only for percentage changes and not applied to the original stock figures. 2. All figures except for two last columns are based on 4-week averages.

Note: Except for turnover, which is cumulative to date. 2. OMXI = Iceland Stock Exchange (OMX Iceland). Prices are monthly averages. 3. In Greater Reykjavík.
1 Inflation and inflation expectations

I-1 Consumer price inflation and core inflation

I-2 Inflation Various measurements

I-3 Components of CPI inflation Contribution to inflation in past 12 months

I-4 Consumer prices Goods

I-5 Consumer prices Housing and services

I-6 Consumer prices Housing

I-7 Consumer prices Selected components

I-8 Inflation expectations Breakeven inflation rate at month-end and inflation expectations according to surveys

1. Core inflation 1: CPI excl. agricultural products and petrol. Core inflation 2: Core inflation 1 excl. public services. Core inflation 3: Core inflation 2 excl. mortgage rates.

2. Spread between RIKB 03 1010 and RIKS 03 0210.


4. Spread between RIKB 13 0517 and HFF150914.
I  Inflation and inflation expectations

Wage and inflation development
Wages, inflation and services

Prices of imported goods and exch. rate development
Import-weighted exchange rate of the króna and prices of imported goods in the CPI

Consumer prices
Goods, housing and services

Inflation in Iceland and in Europe
HICP inflation

II  Output and demand

Economic growth and national expenditure
Quarterly data

Contributions to GDP growth
Quarterly data

Consumption and gross fixed capital formation
Quarterly data

Contribution to gross fixed capital formation
Quarterly data
II Output and demand

II-5
Exports and imports of goods
Quarterly data
Percentage change on a year earlier

II-6
OMXI-listed company turnover and profits
January-September 2006-2008
% of turnover

II-7
Turnover based on VAT returns
Seasonally adjusted
Percentage change in real terms on a year earlier

II-8
Turnover based on VAT returns
Selected sectors
Percentage change in real terms on a year earlier

II-9
Payment card turnover
Deflated by the CPI less housing cost for domestic turnover and the exchange rate for turnover abroad
12-month % change

II-10
Payment card turnover
Deflated by the CPI less housing cost for domestic turnover and the exchange rate for turnover abroad
12-month % change

II-11
Groceries turnover
In real terms (deflated by the price of groceries in the CPI)
Percentage change on a year earlier

II-12
Private consumption, groceries
and payment card turnover
Quarterly data
1. Points show twelve-month % change in October.
II Output and demand

II-13 Cement sales
Monthly data, 3-month moving averages

II-14 Car imports and registrations
Monthly data, 3-month moving averages

II-15 Consumer sentiment (Gallup)
Index, current situation and expectations six months ahead

II-16 Private consumption and consumer confidence
Quarterly data

III Foreign trade and external economic conditions

III-1 Current account balance
Quarterly data

III-2 Components of current account
Net current transfer is included in factor income

III-3 Merchandise trade balance
12-month moving averages

III-4 Merchandise imports and exports
12- and 3-month moving averages, at fixed exchange rates
III Foreign trade and external economic conditions

Components of merchandise exports
Export value at fixed prices

Components of merchandise imports
Import value at fixed prices

Volume changes on main export products
Quarterly data

Volume changes on main import products
Quarterly data

Merchandise exports
3-month moving averages, at fixed exchange rates

Merchandise exports by category
3-month moving averages, export value at fixed exchange rates

Seasonally adjusted merchandise imports
3-month moving averages, at fixed prices and exchange rates

Merchandise trade in January - September 2006-2008
III Foreign trade and external economic conditions

III-13 Services account
Quarterly data at fixed exchange rate

III-14 Fish catch volume
At fixed price levels

III-15 Fish catch
January-October

III-16 Export prices
Currency-weighted for marine exports and in USD for aluminium

III-17 Crude oil and gasoline prices
Forward based on futures prices

III-18 Commodity prices in international markets
Weekly data

III-19 Real effective exchange rate of the króna
Quarterly data

III-20 Real effective exchange rate of the króna
Monthly data, relative consumer prices
IV  Labour market and wages

IV-1  Unemployment

Percentage of labour force

IV-2  Foreign labour

3-month moving averages

IV-3  Unemployment rate and labour participation rate

Statistics Iceland labour market survey

IV-4  Employed persons and number of persons at work

Quarterly data

IV-5  Labour use

Survey-based

IV-6  Contribution of age groups to total hours worked

Percentage change on a year earlier

IV-7  Nominal and real wages

Statistics Iceland wage index

IV-8  Wage changes by sectors

Statistics Iceland wage index
IV  Labour market and wages

IV-9

Private sector wage index by sector
Percentage change on a year earlier

IV-10

Private sector wage index by occupational group
Percentage change on a year earlier

V  Public finances

V-1

Public sector revenues, expenditures and balance
In real terms deflated by CPI

V-2

Treasury revenues, expenditures and balance
In real terms deflated by CPI

V-3

Local government revenues, expenditures and balance
In real terms deflated by CPI

V-4

Treasury balance and net credit balance
4-month moving averages in real terms

V-5

Regular revenues excluding asset sales, regular expenditure excluding interest
4-month moving averages in real terms

V-6

Tax revenues
4-month moving averages in real terms
V  Public finances

V-7  Treasury expenditures by type
4-month moving averages in real terms

V-8  Treasury expenditures by function
4-month moving averages in real terms

VI  Asset markets

VI-1  OMXI equity market
Monthly turnover and equity prices

VI-2  Residential housing prices in Greater Reykjavík
Price per m², 3-month moving averages

VI-3  Residential housing in Greater Reykjavík
Monthly turnover and prices

VI-4  Residential housing prices in Greater Reykjavík
Condominiums and detached housing

VI-5  Advertised property and average time-to-sale
Advertisements on the Morgunbladid real estate website

VI-6  Number and amount of new housing loans
Credit institutions, and HFF
VI Asset markets

VI-7 Market price of residential housing
Entire country and regional Iceland

VI-8 Commercial property prices in Greater Reykjavik
Weighted average of industrial, retail and office premises in real terms

VII Financial markets

VII-1 Credit system lending growth
Quarterly data
Percentage change on a year earlier
Due to reclassification of lending, after Sept. 2003 data by sector are not comparable with earlier data.

VII-2 Household debt with main credit institutions
Monthly data

VII-3 Growth of M3 and bank credit
Monthly data

VII-4 Growth of M3 and DMB credit to domestic sector
Monthly data

VII-5 Útlán innlánsstofnana til fyrirtækja
Framlag einstakra liða til útlánsvatn

VII-6 DMB credit to households
Contribution to credit growth
VII  Financial markets

VII-7  Companies' deposits  Contribution to deposit growth

VII-8  Household deposits  Contribution to deposit growth

VII-9  Base money and collateral loans with the Central Bank  3-month moving averages

VII-10  Central Bank policy rate and interbank interest rates  Weekly data

VII-11  Central Bank policy interest rate in real terms  Weekly data

VII-12  Interest rate differential with abroad  Weekly data

VII-13  Long-term nominal Treasury bond yields  Daily data

VII-14  Yields on indexed long-term bonds  Daily data
VII  Financial markets

VII-15
Forward interest rates on financial market
November 21 2008

VII-16
Forward interest rates based on swap agreements
November 21, 2008

VII-17
Average nominal interest rates
Bank lending rates, T-note yields and policy interest rate

VII-18
Average indexed interest rates
Bank lending rates and real yield on housing bonds and T-bonds

VII-19
Interest rate spreads
Between nominal bank prime rates and the policy rate; between indexed bank lending rates and T-bond yield

VII-20
Bank lending and deposit rates
Indexed terms

VII-21
Interest rates on indexed housing loans
Housing loans’ lowest interest rates

VII-22
CDSs of Icelandic banks and Itraxx Financial Index
Daily data July 8, 2006 - November 21, 2008