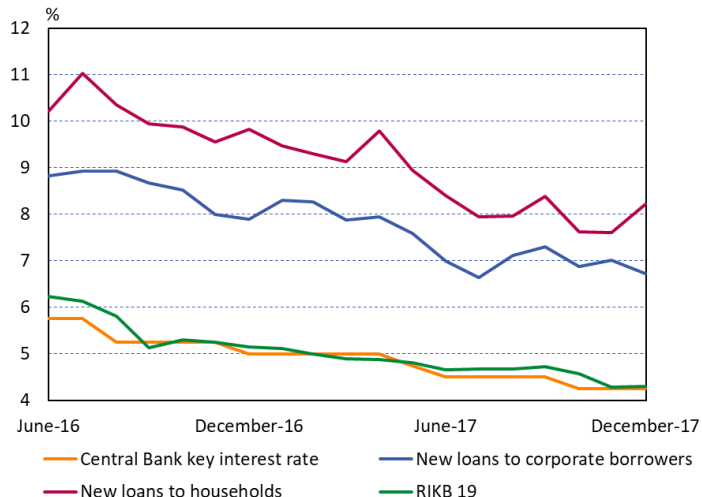


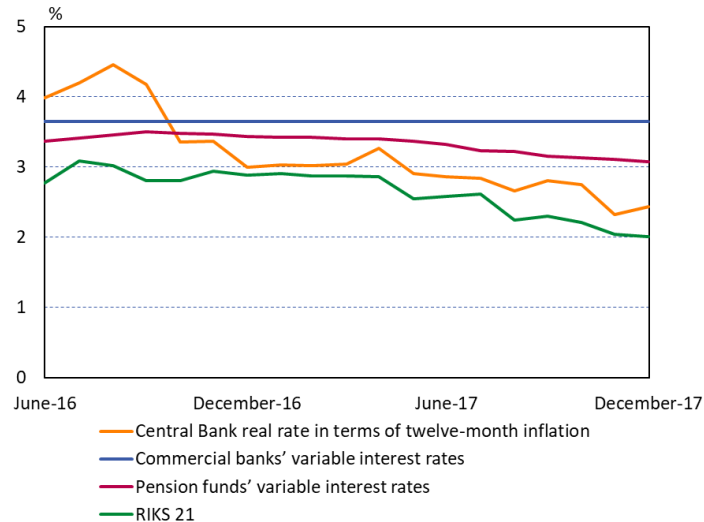
Central Bank interest rate cuts have been transmitted normally to other interest rates since the adoption of the special reserve requirement

Central Bank key rate and commercial banks' nominal lending rates¹
June 2016 - December 2017



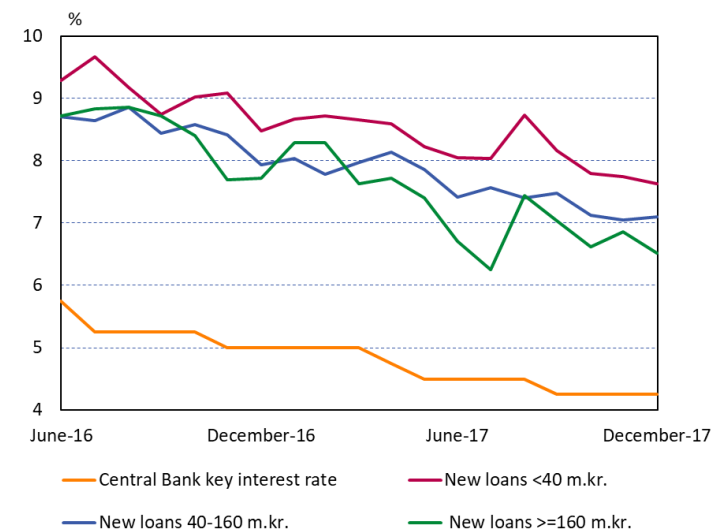
1. Large commercial banks' nominal lending rates, weighted average, by loan amount.
Sources: Arion Bank, Íslandsbanki, Landsbankinn hf., Central Bank of Iceland.

Real Central Bank rate and commercial banks' and pension funds' indexed lending rates¹
June 2016 - December 2017



1. Simple average of lowest residential mortgage rates.
Sources: Almenni Pension Fund, Arion Bank, Frjálsi Pension Fund, Gildi Pension Fund, Íslandsbanki, Landsbankinn, Lífsverk, Lífeyrissjóður verslunarmanna, The Pension Fund (Söfnunarsjóður lífeyrisréttinda), Central Bank of Iceland.

Interest rates on commercial banks' nominal variable-rate loans to corporate borrowers, by loan amount¹
June 2016 - December 2017



1. Large commercial banks' nominal lending rates, weighted average, by loan amount.
Sources: Arion Bank, Íslandsbanki, Landsbankinn hf., Central Bank of Iceland.