



Central Bank of Iceland interest rates and reserve requirements

Interest rates effective as of 7 October 2020
Reserve ratios effective as of 21 October 2020

With reference to Article 22 of the Act on the Central Bank of Iceland, no. 92/2019, cf. Article 10 of the same Act, the Bank has decided that interest rates on Central Bank facilities for financial undertakings shall be as follows.

Interest rates ¹	Interest rate per annum
1. Overnight loans	2,75%
2. Seven-day Collateralised loans	1,75%
3. Seven-day term deposits	1.00%
4. Current accounts	0,75%
5. Minimum required reserves, average maintenance	0,75%
6. Minimum required reserves, fixed requirement	0.00%

Other interest rates are decided by the Governor at any given time. As soon as the interest rates and reserve requirements according to this announcement take effect, the Central Bank of Iceland interest rates and reserve requirements according to the announcement of 26 August 2020 shall cease to apply.

With reference to Article 23 of the Act on the Central Bank of Iceland, no. 92/2019, the Central Bank of Iceland has decided that the reserve requirements for items in the reserve base shall be as follows, effective 21 October 2020:

With reference to Article 4, Paragraph 1 and Article 6 of the Central Bank of Iceland Rules on Minimum Reserve Requirements, no. 585/2018, when reserve requirements are settled, the reserve ratio shall be divided between the fixed reserve requirement and average maintenance requirement, as follows:

Reserve requirement on the reserve base, fixed requirement	1.00%
Reserve requirement on the reserve base, average maintenance	0.00%
Total reserve requirement on the reserve base	1.00%

Reykjavík, 7 October 2020
CENTRAL BANK OF ICELAND

Ásgeir Jónsson
Governor

¹ Day count convention: Act/360