

Metadata – Bank interest rates and penalty rates

1. General information

Title

Statistics - Bank interest rates and penalty rates.

Purpose

Statistics on deposit and lending rates of banks to show in the status of interest in the development of institutions in Iceland at the end of each month, as well as to show the development of penalty and interest on the monetary the Central Bank announces monthly.

Sources of information

Reports on interest received from banks and savings banks to the Central Bank three times a month. Penalty rates, the rate of monetary claims and interest rates on damages claims are reproduced here according to monthly interest rates announcement of the Central Bank of Iceland. Statistics on general interest rates show the status of these interest rates as they were at the end of each month in question.

Foundation

Data collection is on the basis of article 32 in section IX in the act of the [Central Bank, no. 92/2020](#) and of article 10 in section V of the [act no. 38/2001](#) on interest rates and indexation. The decision of the general interest rates of monetary claims is in accordance with article 4 act on interest rates and indexation no. 38/2001 and on penalty rates under article 6 the same act, which are published monthly in the Official Gazette under article 10 in the same law.

2. Methodology

Terms and definitions

General interest rates are the interest rates available to the general public and companies on the private credit market institutions in Iceland.

Monetary claims are funds loaned by the lender that the borrower must repay with interest as of the date of the establishment of the claim until its' maturity.

Penalty rates are interest rates on unpaid calculated from the due date of a payment if the claim is not paid before the deadline. Penalty rates are calculated on a daily basis unless otherwise specifically provided by law.

Interest rates on damage claims are interest rates on liability incident. These rates are two-thirds of the interest of the general monetary claims that Central Bank of Iceland determines and published according to the first sentence of article 4 of the [act no. 38/2001](#).

3. Integrity of the data

Commercial banks and savings banks reports interest rates data to Central Bank of Iceland three times a month. The data are reviewed, and further information are requested from the bank in question if there are some deficiencies in the data submitted, or if other discrepancies revealed by the revision of the data. Processing of the data is conducted within the data management division of the Central Bank. Data from interest rates reports from the banks are compiled and the highest and lowest interest rates of the selected types of loans are published monthly.

Before the end of each month, the Central Bank announces interest rates on monetary claims with regard to the lowest interest rates on nominal and indexed loans according to article 4 in the [act no. 38/2001](#) of interest rates and indexation. The announced interest rates are effective from the first day of the following month. Interest rates on damage claims are calculated as two-thirds of the interest rate on monetary claims under provisions of article 8 of the [act no. 38/2001](#) of interest rates and indexation. Penalty rates are determined by the Central Bank and shall apply unless otherwise agreed upon. The basis of the penalty is the

policy rate plus a surcharge of percent as stated in article 6 in chapter III in [act no. 38/2001](#) on interest and indexation. Deputy Governor of the Central Bank and the director of the Central bank's data management division, or their deputies, confirm the announcement with their signatures.

4. Revision of data

The data are regularly reviewed and corrected if any errors are discovered. In addition, the data are adjusted if there are any corrections from the banks and savings banks that submit interest rate data.

5. Publication

Statistics publication of interest rates is published once a month on [statistics web site](#) of The Central Bank. Interest rate data are received by the Central Bank three times every month. The average monthly interest rates are calculated from these data and has been published monthly from the beginning of 2003. The interest rate of the general monetary are published from July 2001 and the penalty of April 1988 on the Central Bank.

6. Other

Banks and savings banks who report interest rates information to the Central Bank of Iceland are:

- Arion Banki hf.
- Indó sparisjóður hf.
- Íslandsbanki hf.
- Kvika banki hf.
- Landsbankinn hf.
- Sparisjóður Austurlands hf.
- Sparisjóður Höfðhverfinga ses.
- Sparisjóður Strandamanna ses.
- Sparisjóður Suður-Pingeyinga ses.