



Central Bank of Iceland

Managing capital flows in a financially integrated area: Lessons from the Icelandic financial crisis

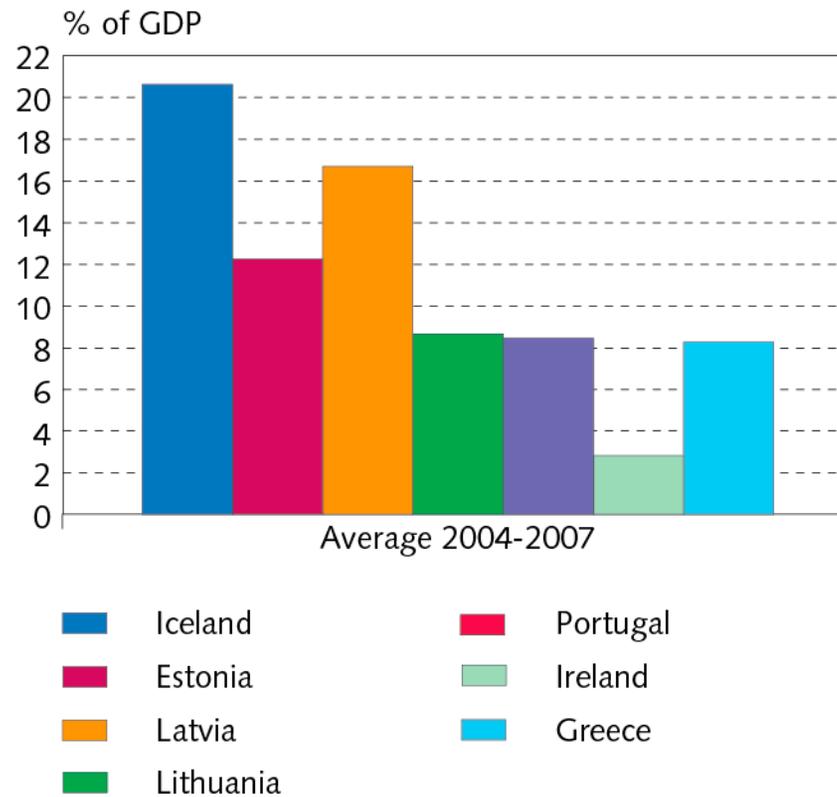
Már Gudmundsson, Governor, Central Bank of Iceland

IMF, Eesti Bank and Riksbank Conference, Nordic-Baltic Financial Linkages and Challenges, Tallinn, 12-13 December 2013



Net capital inflows in selected countries

Net total capital inflows in selected countries



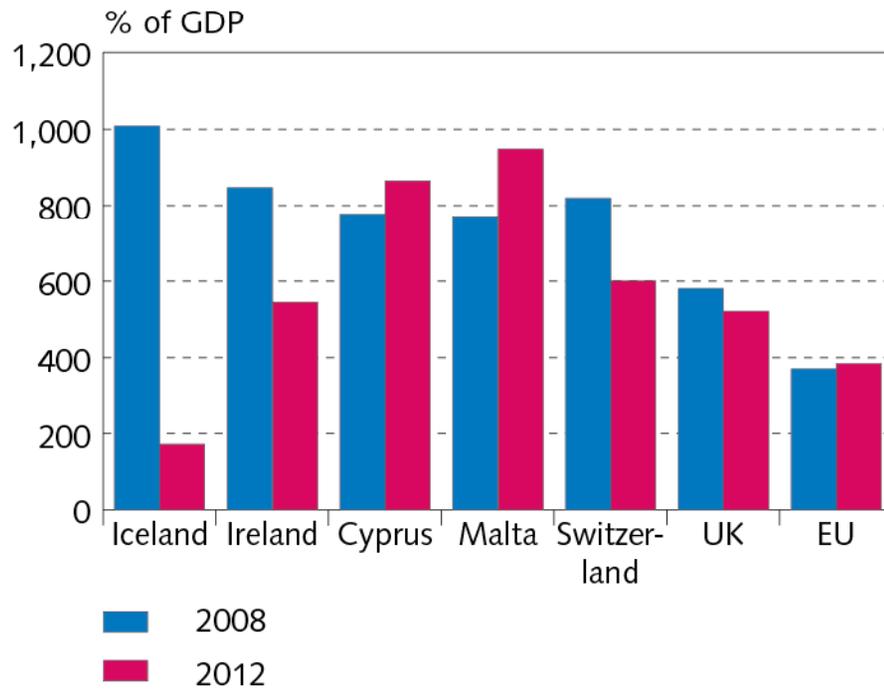
Sources: Eurostat, Central Bank of Iceland.



Big banks in small countries



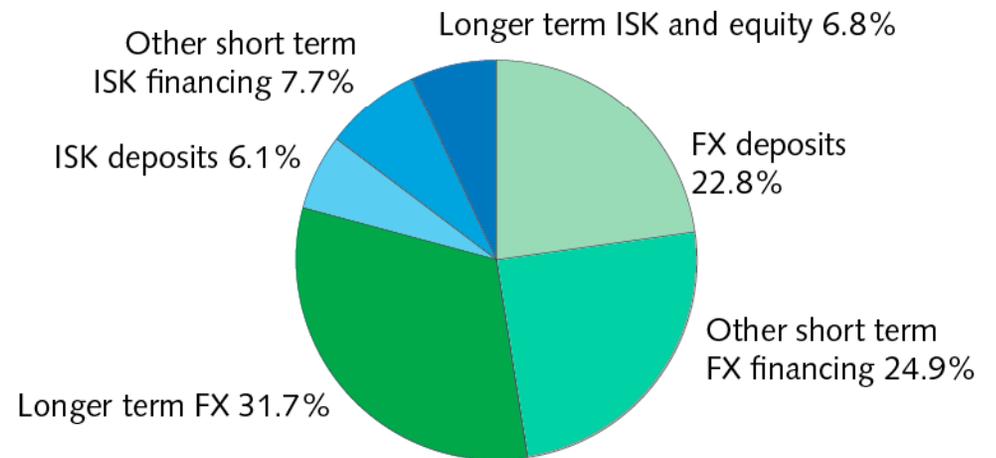
Selected banking systems total assets



Sources: Various Central Banks.

Financing of the three largest commercial banks in Iceland

June 2008



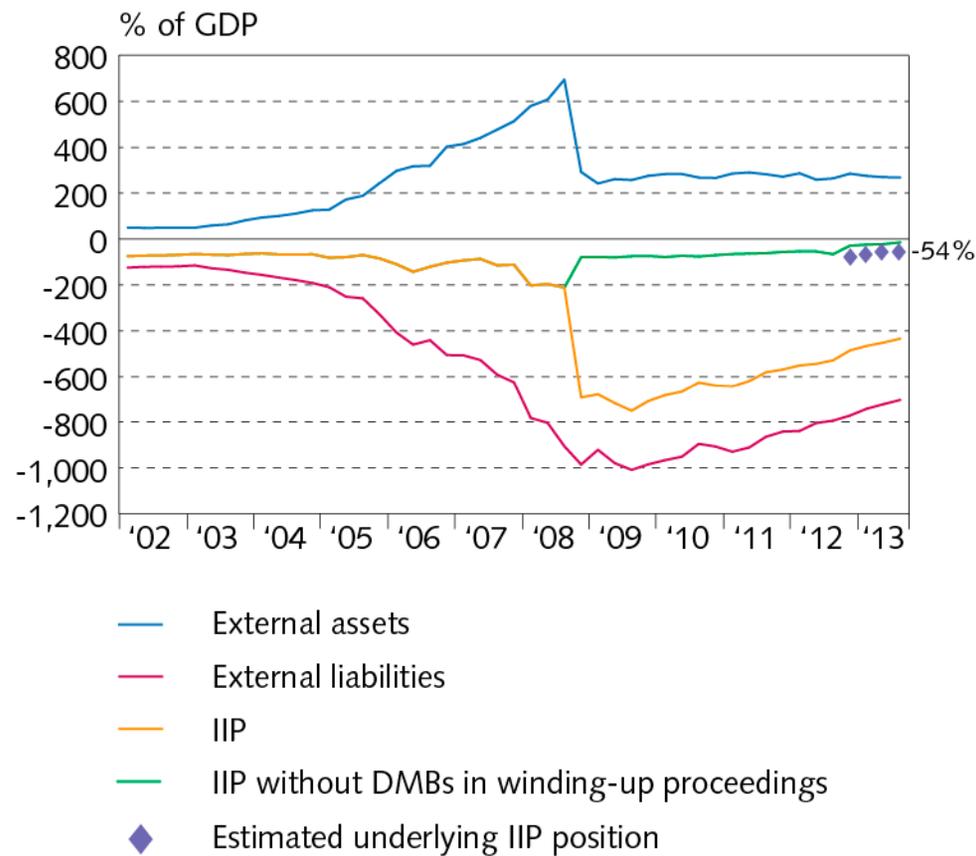
Sources: Banks interim consolidated accounts.



Unbalanced international investment position



External assets and liabilities and IIP position



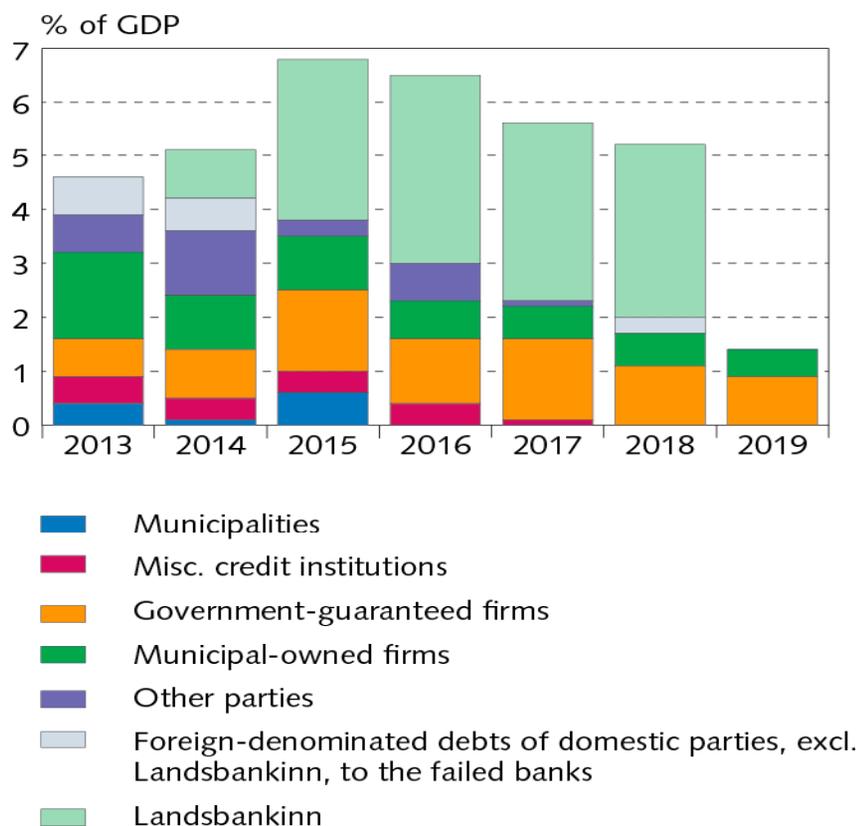
Source: Central Bank of Iceland.





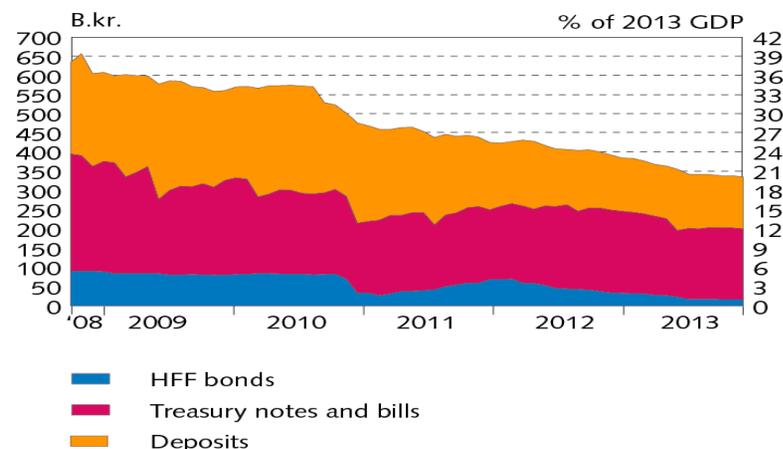
Iceland's current balance of payments problem

Estimated payments by parties other than the Treasury and CBI on foreign loans and foreign-denominated debts to the failed banks¹



1. As of year-end 2012 and exchange rates of 29 August 2013.
Source: Central Bank of Iceland.

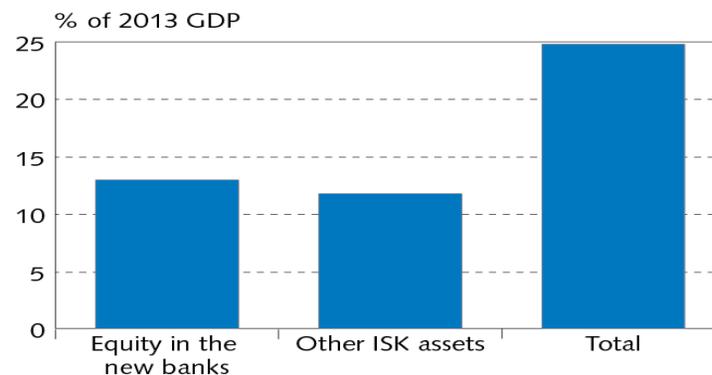
Short-term króna assets held by non-residents
October 2008 - October 2013



Sources: Statistics Iceland, Central Bank of Iceland.

Share of foreign residents in króna assets of the old banks

Book value 30 September 2013



Sources: Financial informations Glitnir, Kaupthing and LBI, Statistics Iceland, Central Bank of Iceland.

