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Foreign exchange transactions by the Central Bank of Iceland

Since the interbank foreign exchange market was reinstated,¹ the Central Bank of Iceland has significantly reduced its foreign exchange trading. During the period from December 4 through December 31, the Bank sold 12.6 million euros and received 1.5 million euros, yielding a net sale of 11.1 million euros. The bulk of this amount, some 10.8 million euros, derives from interest on Treasury notes owned by non-residents, which may be exchanged for foreign currency. Therefore, the Central Bank actually conducted a negligible amount of foreign exchange trading during this period of time.

¹ See the Central Bank of Iceland news release of December 3, 2008.