

Facilities for primary dealers

On 17 April, Government Debt Management (GDM) announced that facilities for primary dealers in RIKB 14 0314 would be increased from 2 b.kr. to 4 b.kr. on 16 May.

Treasury bond auctions

Two Treasury bond auctions were planned for April, according to the GDM issuance calendar; however, the auction scheduled for 19 April was cancelled. On 5 April, RIKB 15 0408 and RIKB 31 0124 were auctioned, however. At that time, an exchange auction was held as well, in which primary dealers offered to pay for purchases of the bond with sales of RIKB 13 0517, which matures on 17 May. The terms were conventional, with the lowest accepted price (highest accepted yield) determining the sale price for the auction. A total of nine valid bids amounting to 5,150 m.kr. nominal value were submitted for RIKB 15 0408, and all of them were accepted at a price of 99.800 (4.61% yield). In keeping with the established practice, primary dealers were offered the opportunity to purchase 10% of the nominal value sold in the auction at the sale price for accepted offers. Primary dealers exercised that option for a total of 100 m.kr., bringing total sales in the series to 5,250 m.kr. In the exchange auction, bidders exercised their option to sell RIKB 13 0517 in the amount of 3,319 m.kr. A total of 25 valid bids were submitted for RIKB 31 0124, with a total nominal value of 6,890 m.kr. It was decided to accept 24 bids totalling 6,790 m.kr. nominal value at a price of 98.250 (6.67% yield). As before, primary dealers were offered the opportunity to purchase 10% of the nominal value sold in the auction at the sale price for accepted offers. Primary dealers exercised that option for a total of 315 m.kr., bringing total sales in the series to 7,105 m.kr. According to information from primary dealers, non-residents did not make any purchases in this auction. In the two-year series, banks bought bonds for 1,300 m.kr., and mutual funds bought for 2,050 m.kr. In the 18-year series, banks bought bonds for 1,815 m.kr., mutual funds bought for 2,000 m.kr., and pension funds bought a total of 1,840 m.kr.

Treasury bill auctions

On 11 April, three- and six-month Treasury bills were auctioned in series RIKV 13 0715 and RIKV 13 1015. The auction was structured in the conventional manner, with the lowest accepted price (highest flat yield) determining the sale price. For the three-month bills, a total of three valid bids were submitted for 750 m.kr. nominal value, and all were accepted. The accepted price in the auction was 99.247, which is equivalent to a flat rate of 3.00%. For the six-month bills, a total of five valid bids were submitted for 2,120 m.kr. nominal value, and bids were accepted for 1,920 m.kr. nominal value at a price of 98.310, which is equivalent to a flat rate of 3.38%. According to information from primary dealers, non-residents bought no Treasury bills in this auction.

Foreign currency auctions

On 30 April, the Central Bank of Iceland held a foreign currency auction in which it offered to purchase euros versus payment in bonds from the indexed Treasury series RIKS 33 0321. Bonds sold in the series amounted to 965.6 m.kr. nominal value. The EURISK exchange rate for the auction was set at 210, and the price of the Treasury bonds was 108.960348 (yield 2.80%) with accrued interest and indexation. The next auction is scheduled for 11 June 2013.

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Treasury bond issuance in Q2/2013

Bond series	Maximum	Actual
RIKB 15 0408	15	5
RIKB 22 1026	15	0
RIKB 31 0124	15	7

Treasury bond issuance as of 30 April 2013

Regular auctions

Bond series	Actual
RIKB 14 0314	3
RIKB 15 0408	12
RIKB 22 1026	10
RIKB 31 0124	17
Total	42

Foreign exchange auctions

Bond series	Actual
RIKS 30 0701	0
RIKS 33 0321	3
Total	3
Total issued this year	45

Information presented in this publication is from the Central Bank of Iceland and from other sources considered reliable.

Cut-off date for information was the end of last month unless stated otherwise.



Balance of Treasury guarantees

At the end of March 2013, the balance of Treasury guarantees was 1,306 b.kr. Further information on Treasury guarantees can be found on page 11.

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Benchmark issues, attributes

Domestic marketable debt

Issues	ISIN	Date of issue (d.m.y)	Maturity date	Interest, %	Type of bond	Duration*	Years to maturity
<i>T - bills</i>							
RIKV 13 0515	IS0000022325	15.11.2012	15.5.2013	0.00	Bullet	0.04	0.04
RIKV 13 0618	IS0000022507	17.12.2012	18.6.2013	0.00	Bullet	0.14	0.13
RIKV 13 0715	IS0000022697	15.1.2013	15.7.2013	0.00	Bullet	0.21	0.21
RIKV 13 0815	IS0000022804	15.2.2013	15.8.2013	0.00	Bullet	0.30	0.29
RIKV 13 0916	IS0000022911	15.3.2013	16.9.2013	0.00	Bullet	0.39	0.38
RIKV 13 1015	IS0000023109	15.4.2013	15.10.2013	0.00	Bullet	0.47	0.46
<i>Nominal T-bonds</i>							
RIKB 13 0517	IS0000006989	17.5.2002	17.5.2013	7.25	Bullet	0.05	0.05
RIKB 14 0314	IS0000021244	14.3.2012	14.3.2014	4.75	Bullet	0.87	0.87
RIKB 15 0408	IS0000022952	27.3.2013	8.4.2015	4.50	Bullet	1.90	1.94
RIKB 16 1013	IS0000020253	22.10.2010	13.10.2016	6.00	Bullet	3.14	3.46
RIKB 19 0226	IS0000017077	26.2.2008	26.2.2019	8.75	Bullet	4.83	5.83
RIKB 22 1026	IS0000020717	26.10.2011	26.10.2022	7.25	Bullet	7.04	9.49
RIKB 25 0612	IS0000019321	12.6.2009	12.6.2025	8.00	Bullet	7.94	12.12
RIKB 31 0124	IS0000020386	24.1.2011	24.1.2031	6.50	Bullet	10.81	17.74
RIKH 18 1009	IS0000019453	2.9.2009	9.10.2018	Fl. rate	Bullet	0.08	5.44
<i>Inflation-linked T-bonds</i>							
RIKS 15 1001	IS0000000081	29.9.1995	1.10.2015	Zero coupon	Bullet	2.42	2.42
RIKS 21 0414	IS0000020014	14.4.2010	14.4.2021	3.80	Bullet	7.06	7.96
RIKS 30 0701	IS0000020576	1.7.2011	1.7.2030	3.25	Bullet	13.39	17.17
RIKS 33 0321	IS0000021251	21.3.2012	21.3.2033	3.00	Bullet	15.29	19.89
Average of benchmark series						4.7	7.6

* Macaulay.

Foreign marketable debt

Issues	ISIN	Date of issue	Maturity date	Interest, %	Type of bond	Duration*	Years to maturity
USD 4,375% 10 Mar 2014	XS0187753362	10.3.2004	10.3.2014	4.375	Bullet	0.86	0.86
GBP 14,5% 31 Jan 2016	GB0004556113	15.1.1981	31.1.2016	14.500	Bullet	2.41	2.75
USD 4,875% 16 Jun 2016	USX3446PDH48	16.5.2011	16.6.2016	4.875	Bullet	2.87	3.13
USD 5,875% 11 May 2022	USX34650AA31	11.5.2012	11.5.2022	5.875	Bullet	7.05	9.03
EUR Euribor+2,75% 15 Mar 2025	XS0515310943	1.6.2010	15.3.2025	Euribor+275bp	Amort.	0.38	5.70
Average of benchmark series						4.0	5.6

* Macaulay.

Government debt

Domestic central government debt in April 2013

Issues	Nominal amount, beg. of month	Inflation compensation	Issue/buybacks nominal	Inc. inflation compensation, end of month	Years to maturity	Market value (m.ISK)	% of domestic debt
<i>T-bills</i>							
RIKV 13 0415	7,130		-7,130	0	0	0	0
RIKV 13 0515	5,500			5,500	0.04	5,493	0.5
RIKV 13 0618	13,231			13,231	0.13	13,173	1.2
RIKV 13 0715	1,300		750	2,050	0.21	2,036	0.1
RIKV 13 0815	1,385			1,385	0.29	1,372	0.1
RIKV 13 0916	5,080			5,080	0.38	5,015	0.5
RIKV 13 1015	0		1,920	1,920	0.46	1,891	0.2
Total	33,626			29,166	0.19	28,979	2.7
<i>Nominal T-bonds</i>							
RIKB 13 0517	77,397		-3,319	74,079	0.05	74,144	6.8
RIKB 14 0314	24,508			24,508	0.87	24,639	2.2
RIKB 15 0408	7,320		5,250	12,570	1.94	12,546	1.1
RIKB 16 1013	58,683			58,683	3.46	61,579	5.3
RIKB 19 0226	87,723			87,723	5.83	101,671	8.0
RIKB 22 1026	41,217			41,217	9.49	44,164	3.8
RIKB 25 0612	87,263			87,263	12.12	99,209	8.0
RIKB 31 0124	42,821		7,105	49,926	17.74	49,527	4.6
RIKH 18 1009*	212,911			212,911	5.44	214,396	19.4
Total	639,844			648,880	6.56	681,876	59.1
<i>Inflation-linked T-bonds</i>							
RIKS 15 1001	11,873	16,230		28,104	2.42	27,150	2.6
RIKS 21 0414	60,934	8,238		69,172	7.96	67,576	6.3
RIKS 30 0701	62,348	5,461		67,809	17.17	71,315	6.2
RIKS 33 0321	10,854	1,319	13,555	25,728	19.89	24,408	2.3
Total	146,009	31,248		190,813	12.02	190,449	17.4
Bond issued to Central Bank of Iceland				173,434	0.67		15.8
Other central government debt **				54,943	18.59		5.0
Total domestic debt				1,097,236	7.01		100.0

*Capital contribution from the state to financial institutions.

**Mostly government debt due to the National Power Company, (Landsvirkjun) and assumed gov. Guarantees.

Foreign central government debt

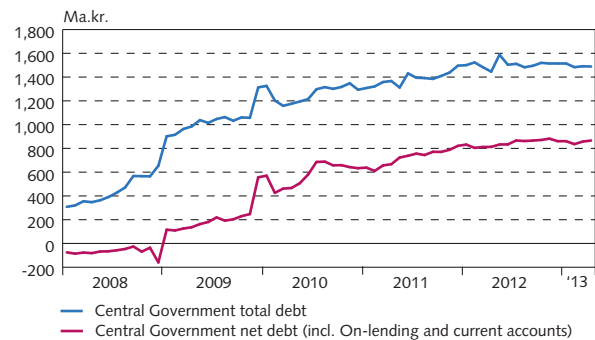
Issues	Issued nominal amount	Remaining nominal amount	Nominal amount ISK	Years to maturity
<i>Foreign bonds</i>				
USD 4,375% 10 Mar 2014	200	200	23,454	0.86
GBP 14,5% 31 Jan 2016	30	28	5,142	2.75
USD 4,875% 16 Jun 2016	1,000	1,000	117,270	3.13
USD 5,875% 11 May 2022	1,000	1,000	117,270	9.03
EUR Euribor+2,75% 15 Mar 2025	402	252	38,642	5.70
Total			301,778	5.6
<i>Foreign bilateral loans</i>				
PLN Wibor+2,75% 30 Sept 2022	630	204	7,527	5.75
EUR Euribor+2,75% 30 Dec 2021	480	199	30,515	7.28
EUR Euribor+2,75% 30 Dec 2021	320	132	20,241	7.30
EUR Euribor+2,75% 30 Dec 2021	495	205	31,435	7.29
Total			89,717	7.2
Total foreign debt			391,495	5.93

Central government debt, total

	<i>Nominal inc./ inflation compensation</i>	<i>Weighted time to maturity</i>
Nominal debt	678,046	6.29
Inflation-linked debt	419,190	8.19
Foreign currency debt	391,495	5.93
Total	1,488,731	6.73
Total debt as percentage of GDP*		81.5

* GDP is from the latest edition of Monetary Bulletin published by Central bank of Iceland.

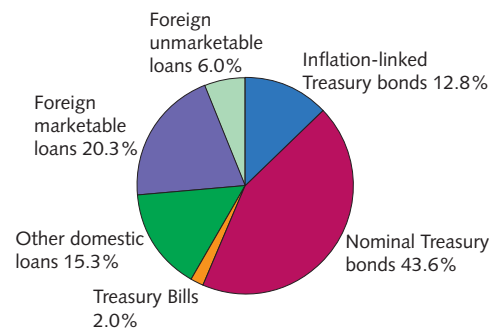
Changes in central government debt



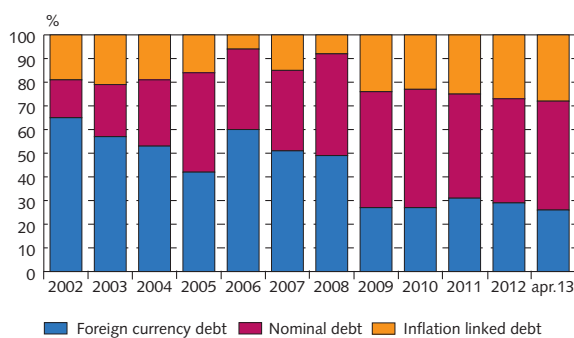
Net debt

	<i>Nominal inc./ inflation compensation</i>
<i>On-lending and cash at the Central bank</i>	
Nominal on - lending	1,966
Inflation-linked on - lending	96,361
Foreign currency on - lending	60,864
Cash ISK	152,073
Cash FX	311,347
Total on-lending	622,610
<i>Net debt</i>	
Nominal debt	429,613
Inflation-linked debt	322,829
Foreign currency debt	19,284
Net central government debt	771,725
Total net debt as percentage of GDP	42.2

Total market value of benchmark issues



Government debt from 2002-2013





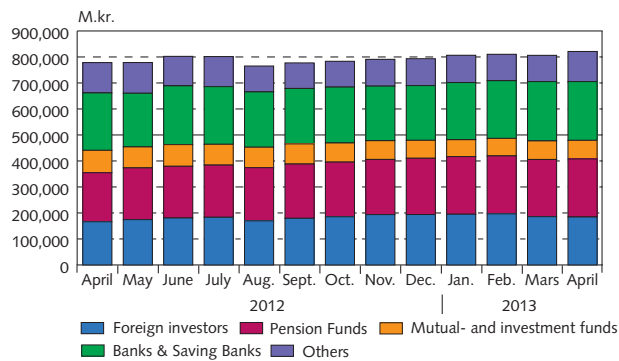
Investors

Owners of T-bonds and bills 30 April 2013*

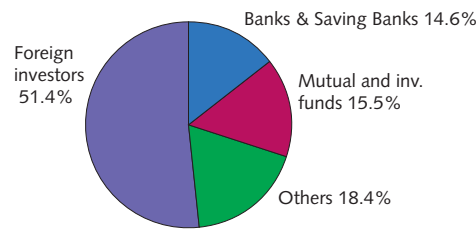
Nominal value in m.kr.	RIKB 13	RIKB 14	RIKB 15	RIKB 16	RIKB 19	RIKB 22	RIKB 25	RIKB 31	RIKH 18	RIKS 21	RIKS 30	RIKS 33	Total	Total bills
Domestic investors														
Banks & Saving														
Banks	8,063	3,306	1,931	962	3,148	1,433	725	985	202,837	2,493	0	33	225,916	4,265
Miscellaneous														
credit undertakings	0	0	270	0	895	115	0	300	3,731	2,260	21,160	12,590	41,321	0
Mutual and inv. funds	1,155	2,351	1,880	1,395	13,350	7,332	4,259	6,421	1,925	27,553	3,784	143	71,547	4,530
Pension Funds	868	189	590	960	25,304	23,181	72,161	42,054	0	17,762	35,429	4,672	223,169	0
Firms	2,692	4,999	846	2,152	7,402	669	1,747	128	3,000	3,302	286	1,012	28,234	5,171
Households	1,767	237	0	927	3,284	1,455	1,104	178	0	4,152	393	2,259	15,756	0
Others	6,697	1,565	550	3,031	4,734	2,002	5,547	250	500	3,390	258	2,160	30,684	200
Foreign investors	63,588	16,962	7,003	52,707	30,406	6,095	2,970	872	918	1,415	1,037	576	184,548	15,000
Total	84,828	29,608	13,070	62,133	88,523	42,282	88,513	51,186	212,911	62,327	62,348	23,444	821,175	29,166

* Included securities lending from the issuer to the primary dealers,

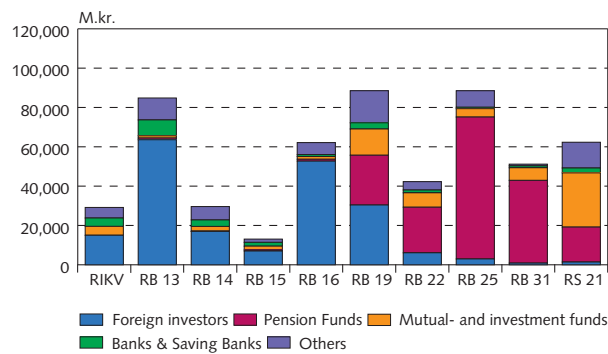
Owners of T-bonds*



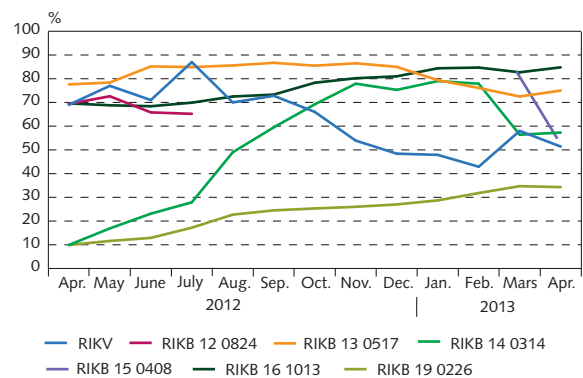
Owners of T-bills 30 April 2013*



Owners of marketable T-bonds and bills 30 April 2013*



Percentage of foreign ownership of T-bonds and bills 30 April 2013*

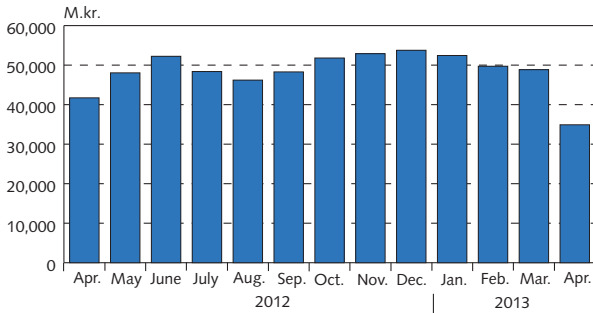


* Information is based on the most recent data from the Icelandic Securities Depository and banks.

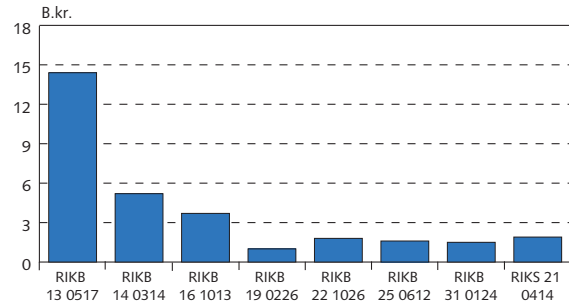


Securities lending facility, redemption profile and turnover

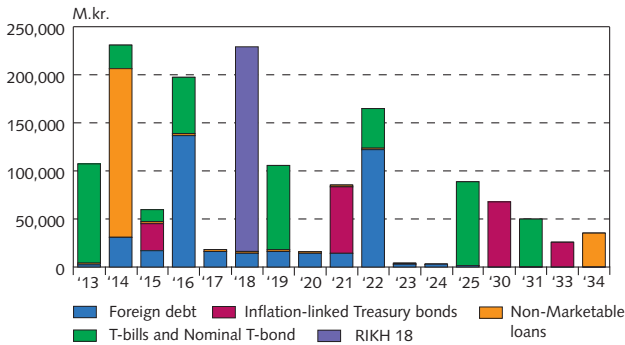
Average amount in the security lending facility of GDM at market value



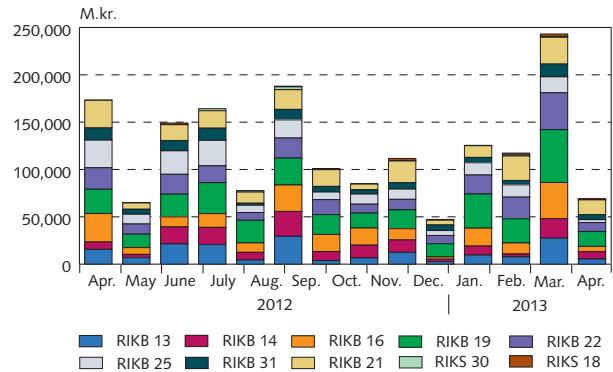
Outstanding amount in the securities lending facility by series at the end of last month



Redemption profile of government debt

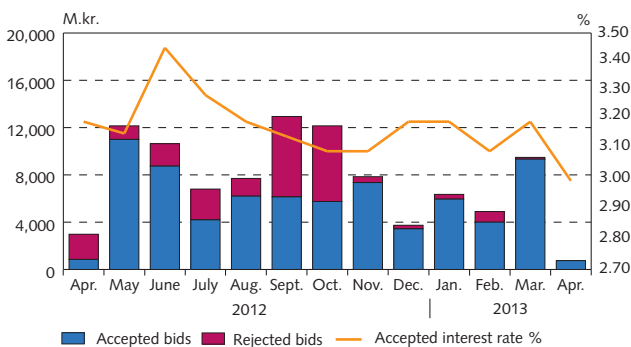


Monthly trading volume in T-Bonds on NASDAQ OMX Iceland Exchange

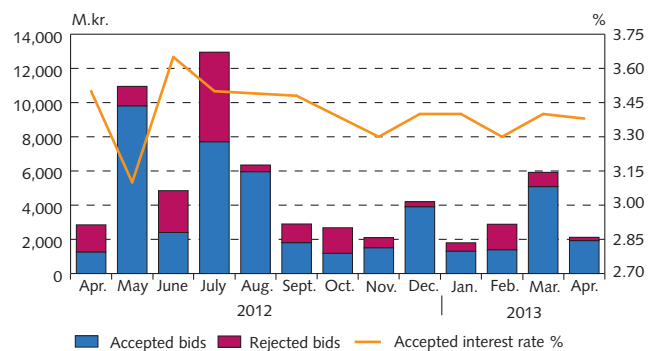


Auction of Treasury bills

Auction of 3 months T-bills



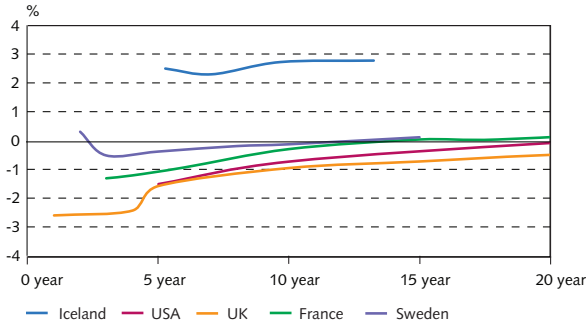
Auction of 6 months T-bills



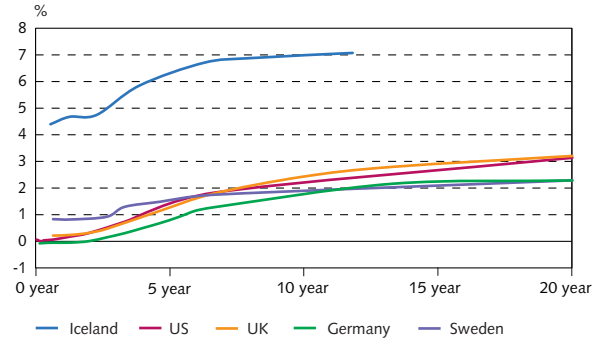


Yield curves

Yield curve inflation-linked T-bonds



Yield curve Treasury bills and nominal T-bonds



Yield for Treasury bonds

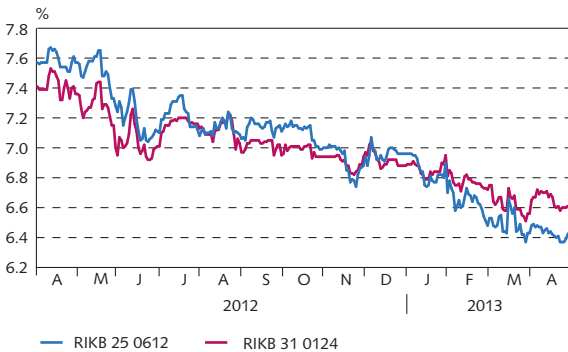
Yield for short term nominal T-bonds



Yield for medium term nominal T-bonds



Yield for long term nominal T-bonds



Yield for inflation linked T-bonds



Auctions of Treasury bonds and bills

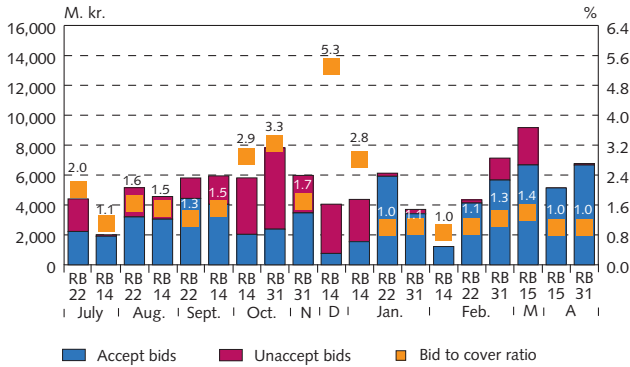
Auction in 2013, in m.kr.

Date		Offers		No. of bids	No. of acc. bids	Yield %	Acc. bids		Non comp. auction nominal v.	Total value
		Market value	Nominal value				Market value	Nominal value		
Nominal T-Bonds										
18.01.13	RIKB 14 0314	4,372	4,310	8	2	3.42	1,547	1,525		1,547
18.01.13	RIKB 22 1026	6,125	5,860	33	31	6.60	5,916	5,660	147	6,070
25.01.13	RIKB 31 0124	3,702	3,858	15	12	6.90	3,414	3,558	301	3,703
08.02.13	RIKB 14 0314	1,221	1,200	5	5	3.05	1,221	1,200	0	1,221
08.02.13	RIKB 22 1026	4,340	4,120	18	16	6.48	4,130	3,920	0	4,130
22.02.13	RIKB 31 0124	7,132	7,300	23	14	6.72	5,667	5,800	545	6,199
22.03.13	RIKB 15 0408	9,173	9,190	18	9	4.60	6,677	6,690	630	7,306
05.04.13	RIKB 15 0408	5,140	5,150	9	9	4.61	5,140	5,150	100	5,240
05.04.13	RIKB 31 0124	6,769	6,890	25	24	6.67	6,671	6,790	315	6,981
Total		47,975	47,878				40,383	40,293	2,038	42,397
Indexed T-Bonds										
05.02.13	RIKS 33 0321	658	615	Foreign exchange auction		2.65	687	615		670
19.03.13	RIKS 33 0321	718	663	Foreign exchange auction		2.77	718	663		718
30.04.13	RIKS 33 0321	1,052	966	Foreign exchange auction		2.80	1,052	966		1,048
Total		2,456	2,243				2,456	2,243		2,436
										Total price
										44,832
T-Bills										
11.01.13	RIKV 13 0415	6,300	6,350	7	5	3.20	5,903	5,950		
11.01.13	RIKV 13 0715	1,770	1,800	6	3	3.40	1,278	1,300		
13.02.13	RIKV 13 0515	4,863	4,900	6	1	3.10	3,970	4,000		
13.02.13	RIKV 13 0815	2,838	2,885	10	4	3.30	1,362	1,385		
13.03.13	RIKV 13 0618	9,401	9,480	10	7	3.20	9,252	9,330		
13.03.13	RIKV 13 0916	5,818	5,920	11	6	3.40	4,993	5,080		
11.04.13	RIKV 13 0715	744	750	3	3	3.00	744	750		
11.04.13	RIKV 13 1015	2,084	2,120	5	4	3.38	1,888	1,920		
Total		33,818	34,205				29,390	29,715		



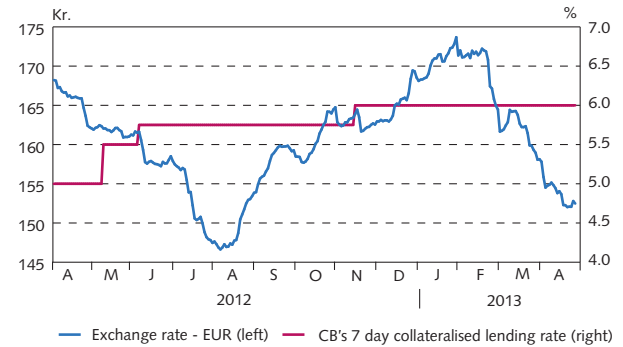
Auctions of Treasury bonds

Latest auction results of Treasury bonds at market value



Exchange rate development

Euro exchange rate versus 7 days collateralised lending rate



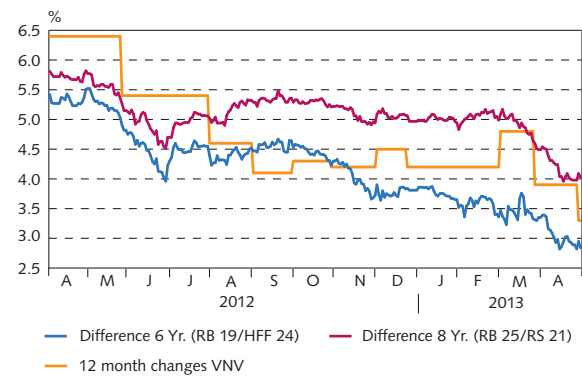
Next planned auction dates:

May 13 2013 Auction of Treasury bills
May 15 2013 Auction of Treasury bonds

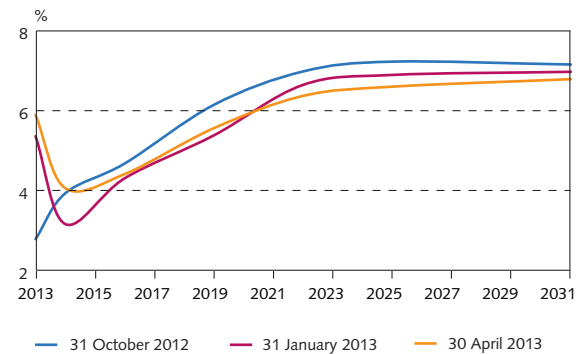
Primary dealers

Primary dealers in government securities	Telephone	Bloomberg
Islandsbanki	+354 440 4000	ISLA
Arion banki	+354 444 6000	KAUP
MP banki	+354 540 3200	MPIB
Landsbankinn	+354 410 4000	LAIS
Straumur	+354 585 6600	

Nominal yield curves



Inflation premium nominal T-bonds

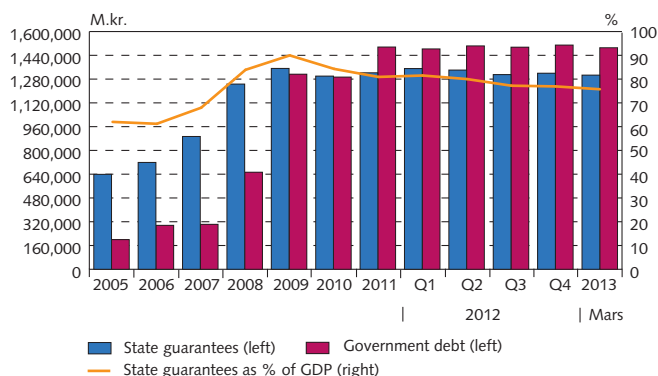


State guarantees

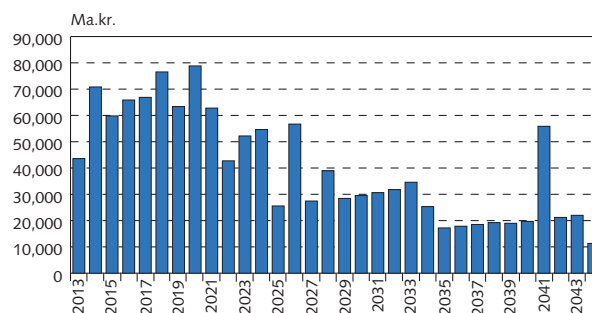
State guarantees 2008–2013

M.kr.	March	Outstanding end of year				
	2013	2012	2011	2010	2009	2008
Lending agencies	962,757	956,735	961,148	927,947	901,382	836,144
Housing Financing Fund	948,872	942,169	943,880	910,657	878,552	814,247
Regional Development Fund	13,886	14,565	16,993	17,038	22,586	21,670
Other	0	0	275	253	243	227
Co-operative and Limited Partnerships	340,284	358,920	250,744	251,455	271,714	250,031
National Power Company	323,942	342,231	233,417	232,854	251,128	234,097
RARIK Ltd. (Iceland State Electricity)	2,601	2,638	2,794	3,063	5,220	5,450
Farice	6,757	6,828	7,025	7,357	7,056	1,657
Isavia Ltd.	2,695	2,917	3,106	3,639	3,483	3,368
RUV Ltd. (National Broadcasting Service)	3,542	3,479	3,553	3,685	3,944	4,607
Other	747	828	849	857	882	853
Industries/Municipalities	3,767	3,964	5,357	5,242	38,523	33,621
Commercial Banks	0	0	1,608	1,693	28,220	23,659
NIB - Nordic Investment Bank	2,933	3,110	2,855	2,709	2,813	2,706
Other	834	854	894	840	7,490	7,256
State Guarantees total	1,306,808	1,319,619	1,217,250	1,184,644	1,211,618	1,119,796

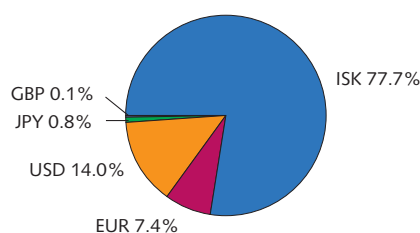
State guarantees - government debt and GDP



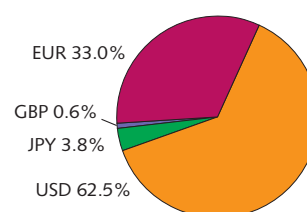
State guarantees - Maturity profile



State guarantees - Currency ratio



State guarantees - Currency ratio FX



Notes:

- Guarantees shown include accrued interest and indexation at the end of each period. Guarantees in foreign currency are valued at ask exchange rate. Numbers for 2012 and 2013 are preliminary.
- Numbers for the Housing Financing Fund are at nominal value and include accrued interest and indexation on securities issued, except for Housing Bonds, which are at market value. Included in the position of HFF-bonds are bonds reserved for security lending contracts with Primary Dealers.
- The Treasury redeemed the contingent liabilities of the Agricultural Lending Fund, Landsbanki hf and Glitnir hf as of the end of 2010, amounting to 22.53 bISK.
- The Treasury redeemed the contingent liabilities of Kaupthing bank hf as of the end of 2012, amounting to 1.5 bISK.
- The Statement of the Icelandic Government guaranteeing domestic deposits of Icelandic banks are not included here in government guarantees.
- The Treasury has guaranteed the indemnity of Arion banki hf regarding takeover of deposits from SPRON Savings bank, amounting to 70.6 b ISK with accrued interest at 31. March 2013..