



## Auction results in July 2020

	Type	Bond	Amount of bids m.kr.	Amount allocated m.kr.	Yield/Price/ Simple interest
03-Jul	Auction	RIKB 21 0805	19,950	11,000	1.21
03-Jul	Auction	RIKS 26 0216	1,309	649	-0.25
30-Jul	Auction	RIKV 21 0215	29,600	14,500	1.15

## Treasury bond issuance in Q3/2020

Amounts in b.kr.	Maximum	Actual
RIKB 21 0805	-	12.3
RIKS 26 0216	-	0.8

## Treasury bond issuance as of 31 July 2020

### Regular auctions

### Bond series

Amounts in b.kr.	Sales value
RIKB 21 0805	49.2
RIKB 25 0612	3.6
RIKB 28 1115	7.8
RIKS 26 0216	4.4
Total issued this year	65.0

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The information in this publication is from the Central Bank of Iceland and from data vendors that are considered reliable.

The information is as of the last month-end unless otherwise specified.

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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 20 0805	IS0000031862	04.05.2020	05.08.2020	0.00	Bullet	0.00	0.01
RIKV 20 0915	IS0000032001	29.06.2020	15.09.2020	0.00	Bullet	0.13	0.13
RIKV 20 1005	IS0000031912	02.06.2020	05.10.2020	0.00	Bullet	0.18	0.18
RIKV 20 1116	IS0000031789	03.02.2020	16.11.2020	0.00	Bullet	0.30	0.30
RIKV 20 1215	IS0000031920	02.06.2020	15.12.2020	0.00	Bullet	0.38	0.37
RIKV 21 0115	IS0000031797	03.02.2020	15.01.2021	0.00	Bullet	0.47	0.46
<i>Nominal T-bonds</i>							
RIKB 21 0805	IS0000031482	05.08.2019	05.08.2021	3.50	Bullet	0.98	1.01
RIKB 22 1026	IS0000020717	26.10.2011	26.10.2022	7.25	Bullet	2.06	2.24
RIKB 25 0612	IS0000019321	12.06.2009	12.06.2025	8.00	Bullet	4.27	4.86
RIKB 28 1115	IS0000028249	15.11.2016	15.11.2028	5.00	Bullet	6.91	8.29
RIKB 31 0124	IS0000020386	24.01.2011	24.01.2031	6.50	Bullet	8.14	10.48
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	IS0000020014	14.04.2010	14.04.2021	3.80	Bullet	0.70	0.70
RIKS 26 0216	IS0000030732	16.02.2018	16.02.2026	1.50	Bullet	5.34	5.55
RIKS 30 0701	IS0000020576	01.07.2011	01.07.2030	3.25	Bullet	8.81	9.92
RIKS 33 0321	IS0000021251	21.03.2012	21.03.2033	3.00	Bullet	10.95	12.64
Average of benchmark series						4.7	5.5

\* Macaulay.

### Foreign marketable debt

Issues	ISIN	Date of issue	Maturity date	Interest, %	Type of bond	Duration*	Years to maturity
USD 5,875% 11 May 2022	US451029AE22	11.05.2012	11.05.2022	5.875	Bullet	1.72	1.78
EUR 0.5% 20 Dec 2022	USX34650AA31	13.12.2017	20.12.2022	0.500	Bullet	2.37	2.39
EUR 0.1% 20 Jun 2024	XS1738511978	20.06.2019	20.06.2024	0.100	Bullet	3.88	3.89
EUR 0.625% 3 Jun 2026	XS2015295814	03.06.2020	03.06.2026	0.625	Bullet	5.75	5.84
Average of benchmark series						3.9	3.9

\* Macaulay.

### Government debt

Domestic central government debt 31 July 2020 in m.kr.

Issues	Nominal amount, beg. of month	Inflation compensation	Issue/ buybacks nominal	Inc. inflation compensation, end of month	Years to maturity	Market value	% of domestic debt
<i>T-bills</i>							
RIKV 20 0715	25,850		-25,850	0	0.00	0	0.0%
RIKV 20 0805	25,550		0	25,550	0.00	25,550	2.9%
RIKV 20 0915	0		28,650	28,650	0.11	28,613	3.2%
RIKV 20 1005	22,850		0	22,850	0.16	22,802	2.6%
RIKV 20 1116	26,752		0	26,752	0.28	26,653	3.0%
RIKV 20 1215	20,850		0	20,850	0.36	20,749	2.4%
RIKV 21 0115	30,610		0	30,610	0.45	30,422	3.5%
<b>Total</b>	<b>152,462</b>			<b>155,262</b>	<b>0.23</b>	<b>154,788</b>	<b>17.6%</b>
<i>Nominal T-bonds</i>							
RIKB 21 0805	48,234		12,000	60,234	1.01	61,722	6.8%
RIKB 22 1026	81,059		0	81,059	2.24	91,694	9.2%
RIKB 25 0612	94,488		0	94,488	4.87	121,356	10.7%
RIKB 28 1115	72,070		0	72,070	8.29	85,756	8.2%
RIKB 31 0124	94,026		0	94,026	10.48	128,806	10.6%
<b>Total</b>	<b>389,877</b>			<b>401,877</b>	<b>5.69</b>	<b>489,333</b>	<b>45.5%</b>
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	62,171	20,686	0	82,857	0.70	85,508	9.4%
RIKS 26 0216	23,467	1,896	649	26,012	5.55	28,777	2.9%
RIKS 30 0701	73,727	20,410	0	94,137	9.92	124,534	10.7%
RIKS 33 0321	34,172	8,114	0	42,287	12.64	57,933	4.8%
<b>Total</b>	<b>193,537</b>	<b>51,106</b>		<b>245,292</b>	<b>6.81</b>	<b>296,752</b>	<b>27.8%</b>
<i>Other central government debt *</i>							
Inflation-linked debt					31.353	6,23	3.5%
Nominal debt					50.001	0,04	5.7%
<b>Total domestic debt</b>					<b>883.785</b>	<b>4,74</b>	<b>100.0%</b>

\*Mostly loan from Íl-fund and government indexed debt due to the National Power Company, (Landsvirkjun) and assumed gov. Guarantees

### Foreign central government debt

Issues	Issued nominal amount (millions)	Remaining nominal amount	Nominal amount ISK (m.kr.)	Years to maturity
<i>Foreign bonds</i>				
USD 5,875% 11 May 2022	1.000	92	12,405	1.78
EUR 0,5% 20 Dec 2022	500	500	79,900	2.39
EUR 0,1% 20 Jun 2024	500	500	79,900	3.89
EUR 0,625% 3 Jun 2026	500	500	79,900	5.84
<b>Total</b>			<b>252,105</b>	<b>3.93</b>



### Central government debt, total in m.kr.

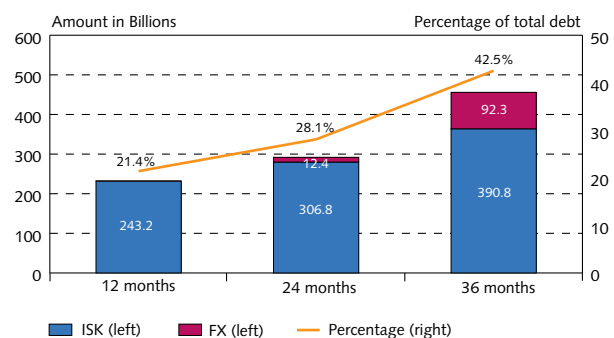
	Nominal incl./ inflation compensation	Weighted time to maturity
Nominal debt	607,139	3.83
Inflation-linked debt	276,645	6.75
Foreign currency debt	252,105	3.93
<b>Total</b>	<b>1,135,889</b>	<b>4.56</b>
<b>Total debt as percentage of GDP *</b>		<b>39.9</b>

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

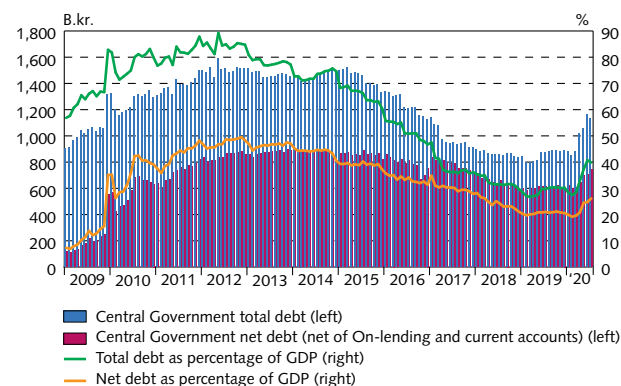
### Net debt in m.kr.

On-lending and cash at the Central bank	Nominal incl./ inflation compensation end of month
Nominal on - lending	20,282
Inflation-linked on - lending	34,895
FX linked on - lending	7,195
Cash ISK	113,502
Cash FX	214,859
<b>Total on-lending</b>	<b>390,733</b>
Nominal debt	473,356
Inflation-linked debt	241,750
Foreign currency debt	30,051
<b>Net central government debt</b>	<b>745,157</b>
<b>Total net debt as percentage of GDP</b>	<b>26.2</b>

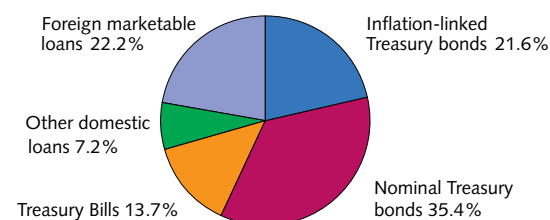
### Percentage of debt maturing next;



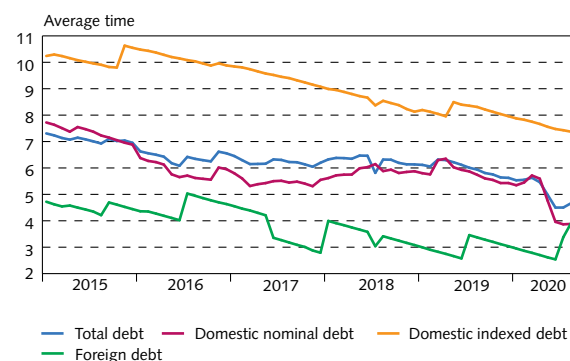
### Changes in central government debt



### Total market value of benchmark issues



### Average Time to Maturity



## Swaps

31 July 2020

### Inflation swaps in ISK (m.kr.)

Year	New		Expired		Outstanding at year-end	
	Number of contracts	Nominal amount	Number of contracts	Nominal amount	Number of contracts	Nominal amount
2018	22	28,000	0	0	22	28,000
2019	0	0	0	0	22	28,000
2020	0	0	0	0	22	28,000
2021	0	0	20	26,000	2	2,000
2022	0	0	0	0	2	2,000
2023	0	0	0	0	2	2,000
2024	0	0	0	0	2	2,000
2025	0	0	2	2,000	0	0
2026	0	0	0	0	0	0

### Interest rate type (m.kr.)

	Without swaps		With swaps	
	Nominal amount with accrued indexation (ISK)	Proportion, %	Nominal value with accrued indexation (ISK)	Proportion, %
Icelandic fixed interest rates	401,877	35	401,877	35
Icelandic indexed interest rates	276,645	24	247,088	22
Icelandic floating interest rates	205,263	18	233,263	21
Foreign fixed interest rates	252,105	22	252,105	22
Foreign floating interest rates	0	0	0	0
Total	1,135,889	100	1,134,331	100

### Effect of swaps on Treasury debt (m.kr.)

	Nominal amount with accrued indexation (ISK)	Market value (ISK)	Proportion, %	Duration
<i>Government debt</i>				
Nominal debt	607,139	707,480	53	3,66
Inflation-linked debt	276,645	332,861	24	6,51
Foreign currency debt	252,105	265,422	22	3,89
Total	1,135,889	1,305,763	100	4,43
<i>Government debt with swaps</i>				
Nominal debt	635,139	735,498	56	3,52
Inflation-linked debt	247,088	302,164	22	7,02
Foreign currency debt	252,105	265,422	22	3,89
Total	1,134,331	1,303,084	100	4,41



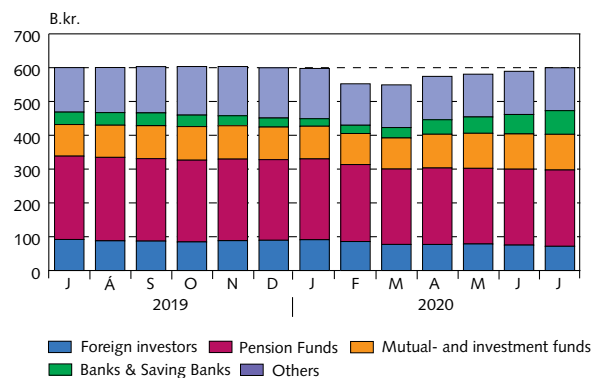
### Investors

#### Owners of T-bonds and bills 31 July 2020\*

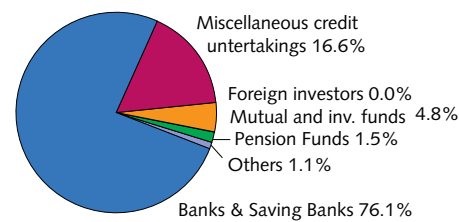
Nominal value in m.kr.	RIKB 21	RIKB 22	RIKB 25	RIKB 28	RIKB 31	RIKS 21	RIKS 26	RIKS 30	RIKS 33	Total	Bills total
<b>Domestic investors</b>											
Banks & Saving Banks	32,292	17,237	3,182	7,232	3,462	5,130	895	609	5	70,043	118,100
Miscellaneous credit undertakings	4,725	3,904	40	50	0	19,918	4,770	12,150	12,590	58,147	25,750
Mutual and inv. funds	16,128	15,076	15,546	9,038	5,167	17,755	8,463	12,915	5,397	105,486	7,410
Pension Funds	2,675	21,168	47,220	35,043	48,779	12,121	3,638	43,912	11,184	225,740	2,335
Firms	1,662	5,062	9,414	5,563	5,568	2,350	6,625	2,054	1,541	39,838	1,337
Households	237	2,146	1,082	235	181	2,604	542	787	1,394	9,208	46
Others	1,251	3,438	3,655	3,438	2,911	1,388	1,015	1,691	873	19,659	285
<b>Foreign investors</b>											
	1,544	12,942	14,842	11,331	28,829	904	39	5	1,168	71,605	0
<b>Total</b>	<b>60,514</b>	<b>80,971</b>	<b>94,982</b>	<b>71,931</b>	<b>94,896</b>	<b>62,171</b>	<b>25,986</b>	<b>74,122</b>	<b>34,152</b>	<b>599,725</b>	<b>155,262</b>

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

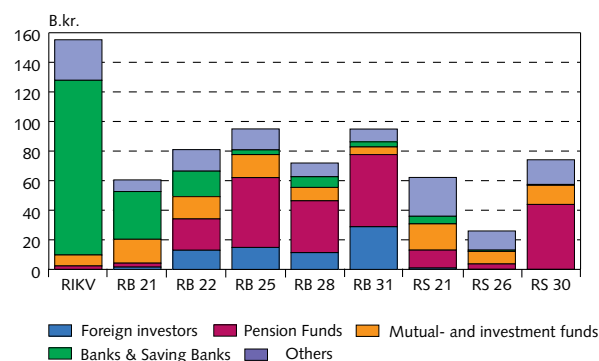
#### Owners of T-bonds 31 July 2020\*



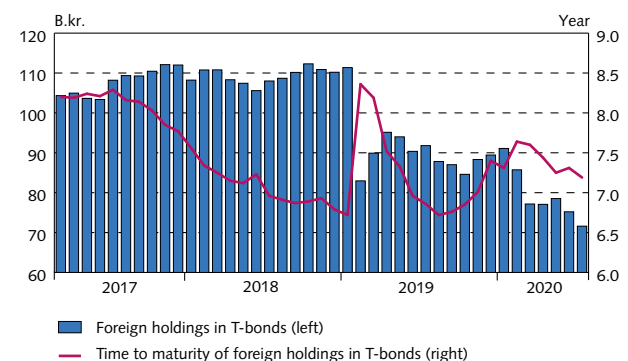
#### Owners of T-bills 31 July 2020\*



#### Owners of marketable T-bonds and bills 31 July 2020\*



#### Time to maturity of non-residents' holdings in T-bond and -bills 31 July 2020\*



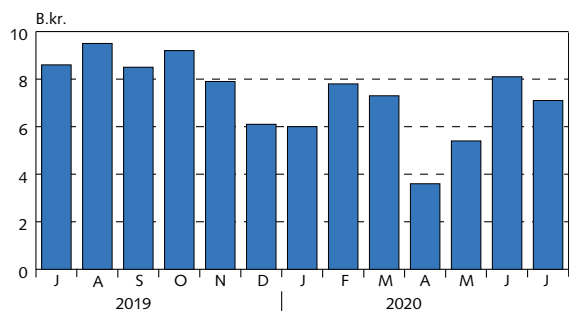
\* Information on this page is based on the most recent data from the Icelandic Securities Depository and banks.



# Market Information

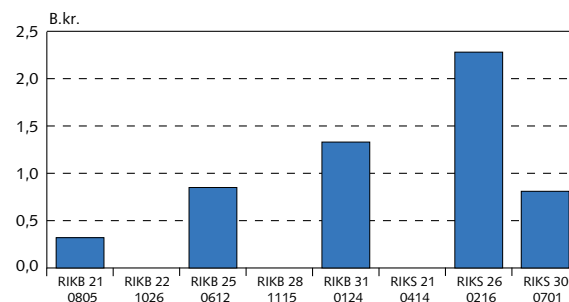
## Securities lending facility, redemption profile and turnover

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

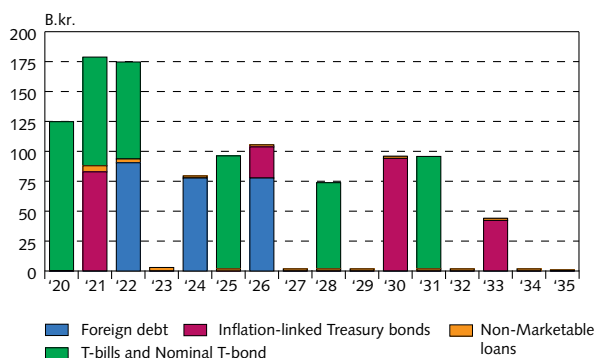


\* Calculated at market price.

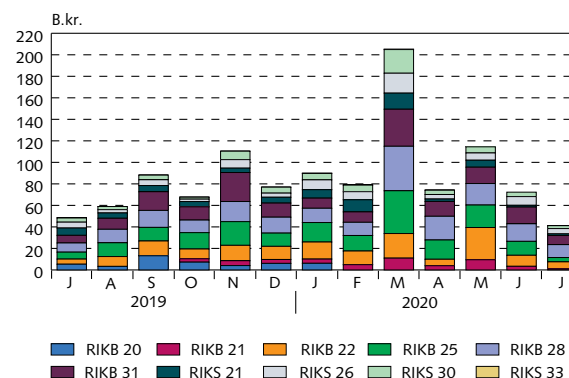
Outstanding amount in the securities lending facility\* by series at the end of last month



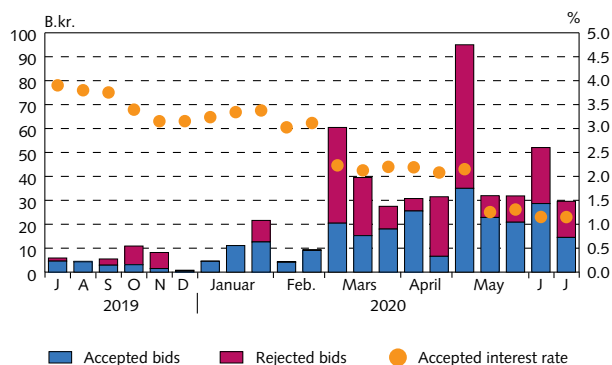
Redemption profile of government debt



Monthly trading volume in T-Bonds on NASDAQ Iceland Exchange

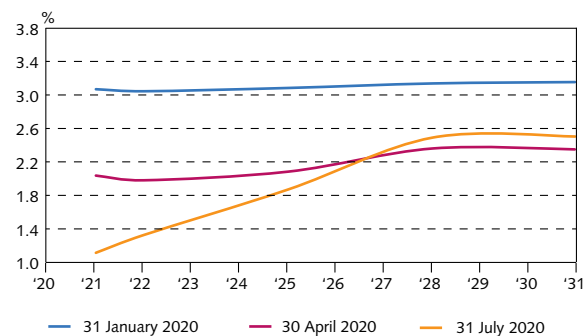


## Auction of Treasury bills



## Yield curves

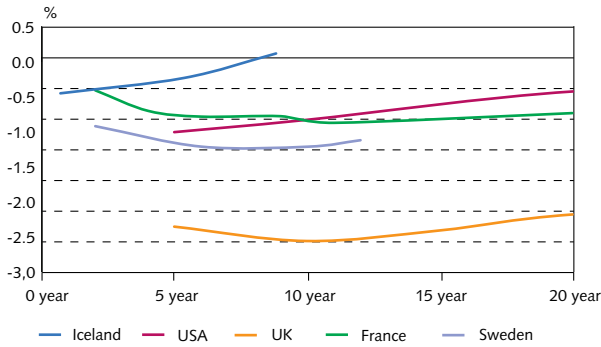
Nominal yield curves



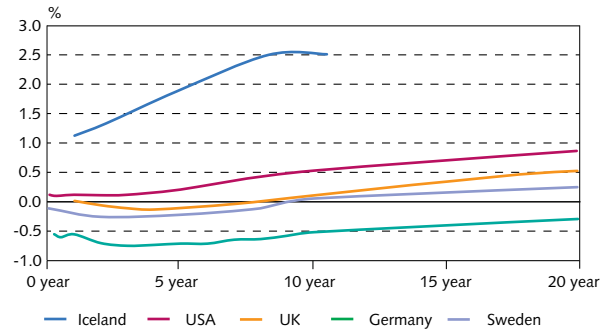


# Market Information

## Yield curve inflation-linked T-bonds

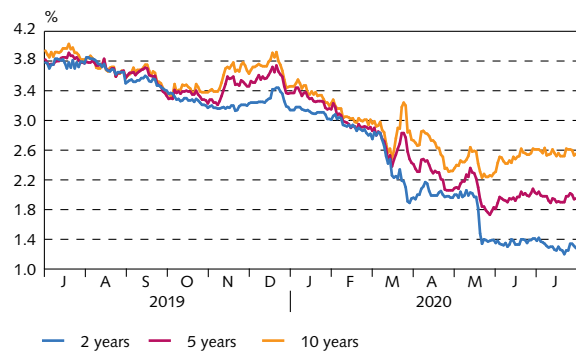


## Yield curve Treasury bills and nominal T-bonds

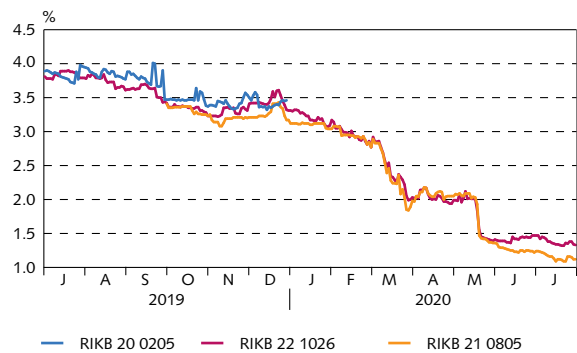


## Yield for Treasury bonds

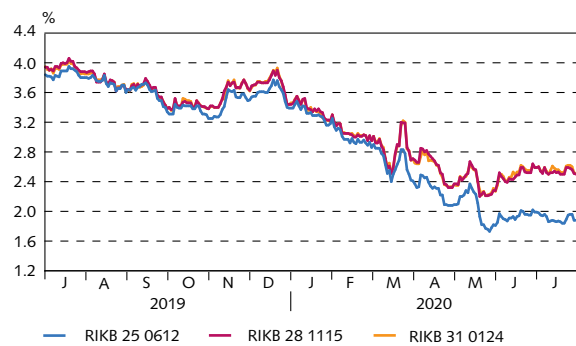
### Generic Yield



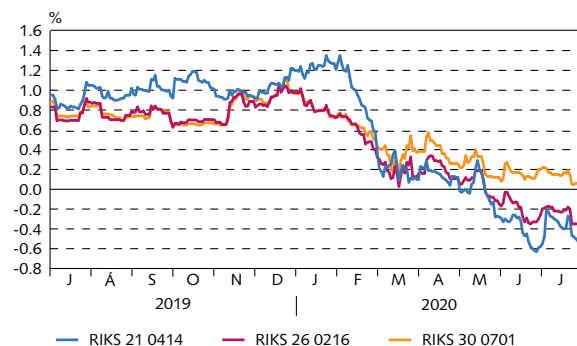
### Yield for short and medium term nominal T-bonds



### Yield for long term nominal T-bonds



### Yield for inflation linked T-bonds





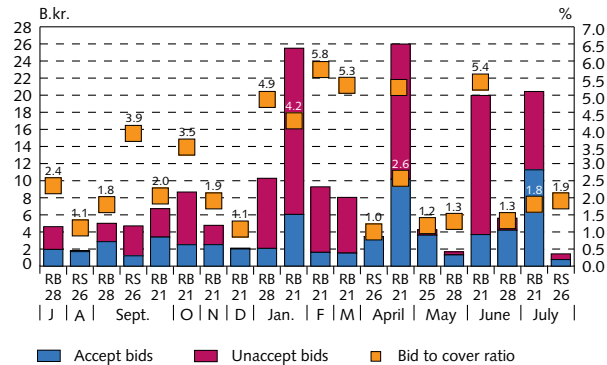
## Auctions of Treasury bonds and bills

Auction in 2020, 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		
<b>Nominal T-Bonds</b>										
10.01.20	RIKB 28 1115	10,281	9,212	49	10	3.45	2,078	1,862	186	2,286
31.01.20	RIKB 21 0805	25,486	25,331	43	16	3.07	6,037	6,000	439	6,478
21.02.20	RIKB 21 0805	9,282	9,200	39	10	2.85	1,614	1,600	43	1,657
20.03.20	RIKB 21 0805	8,045	7,892	36	6	2.04	1,529	1,500	143	1,674
03.04.20	RIKB 21 0805	17,552	17,250	33	30	2.14	11,752	11,550	740	12,505
17.04.20	RIKB 21 0805	25,987	25,540	36	31	2.10	10,175	10,000	445	10,628
08.05.20	RIKB 25 0612	4,263	3,340	21	18	2.19	3,625	2,840	0	3,625
08.05.20	RIKB 28 1115	1,674	1,400	12	10	2.42	1,316	1,100	0	1,316
05.06.20	RIKB 21 0805	19,973	19,480	14	2	1.27	3,691	3,600	300	3,999
05.06.20	RIKB 28 1115	5,617	4,700	38	25	2.41	4,206	3,520	0	4,206
03.07.20	RIKB 21 0805	20,435	19,950	18	7	1.21	11,268	11,000	1.000	12,292
<b>Total</b>		<b>148,595</b>	<b>143,295</b>				<b>57,291</b>	<b>54,572</b>	<b>3.295</b>	<b>60,666</b>
<b>Indexed</b>										
<b>Indexed T-Bonds</b>										
										<b>value</b>
03/04/20	RIKS 26 0216	3.473	3.250	0	0	0	3.458	3.050	134	3.610
03/07/20	RIKS 26 0216	1.438	1.309	0	0	0	767	649	0	767
<b>Total</b>		<b>4.911</b>	<b>4.559</b>				<b>4.225</b>	<b>3.699</b>	<b>134</b>	<b>4.377</b>
									<b>Total value</b>	<b>65.043</b>
<b>Switch auction</b>										
<b>Total</b>		<b>0</b>	<b>0</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>T-Bills</b>										
30.01.20	RIKV 20 0715	4,533	4,600	17	16	3.24	4,435	4,500		
30.01.20	RIKV 20 1116	10,814	11,102	12	12	3.34	10,814	11,102		
30.01.20	RIKV 21 0115	20,928	21,610	14	11	3.38	12,212	12,610		
27.02.20	RIKV 20 0715	4,351	4,400	15	12	3.02	4,054	4,100		
27.02.20	RIKV 20 1116	9,194	9,400	18	15	3.12	8,851	9,050		
30.03.20	RIKV 20 0513	60,293	60,450	5	3	2.23	20,397	20,450		
30.03.20	RIKV 20 0715	39,307	39,550	20	14	2.12	15,156	15,250		
30.03.20	RIKV 21 0115	27,023	27,500	24	14	2.20	17,688	18,000		
29.04.20	RIKV 20 0805	30,577	30,750	14	12	2.19	25,406	25,550		
29.04.20	RIKV 20 1116	31,148	31,500	20	5	2.08	6,526	6,600		
11.05.20	RIKV 20 0615	94,813	95,000	17	13	2.15	34,931	35,000		
28.05.20	RIKV 20 1005	31,812	31,950	20	8	1.25	22,751	22,850		
28.05.20	RIKV 20 1215	31,625	31,850	18	8	1.31	20,702	20,850		
29.06.20	RIKV 20 0915	51,938	52,050	27	16	1.15	28,588	28,650		
30.07.20	RIKV 21 0215	29,417	29,600	18	14	1.15	14,410	14,500		
<b>Total</b>		<b>477,773</b>	<b>481,312</b>				<b>246,923</b>	<b>249,062</b>		

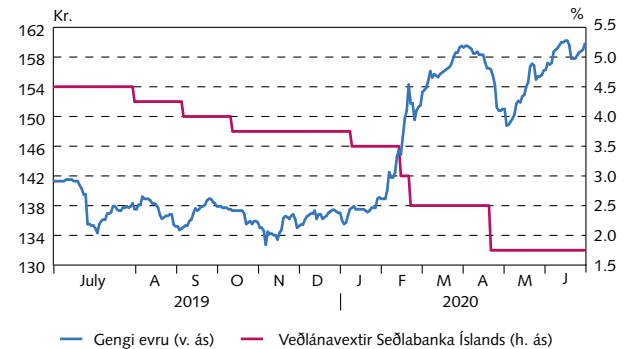
## Auctions of Treasury bonds

Latest auction results of Treasury bonds at market value



## Exchange rate development

Euro exchange rate versus 7 days collateralised lending rate

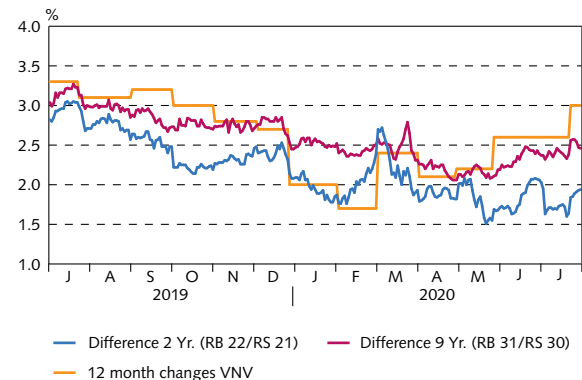


## Primary dealers

Primary dealers in government securities

Bank	Telephone	Bloomberg
Íslandsbanki	+354 440 4000	ISLA
Arion banki	+354 444 6000	ARIO
Kvika banki hf.	+354 540 3200	KVIK
Landsbankinn	+354 410 4000	LAIS

## Inflation premium nominal T-bonds



## Auctions of the month

- 21 August, 2020 Auction of Treasury bonds
- 26 August, 2020 Central Bank Policy Rate
- 28 August, 2020 CPI announcement
- 28 August, 2020 Auction of Treasury bills

## Iceland Sovereign Credit Rating

	Confirm	Foreign currency		Domestic currency		Outlook
		Long-Term	Short-Term	Long-Term	Short-Term	
Moody's	Nov. 2019	A2	P-1	A2	P-1	Stable
S&P	May 2020	A	A-1	A	A-1	Stable
Fitch	May 2020	A	F-1+	A	F-1+	Negative

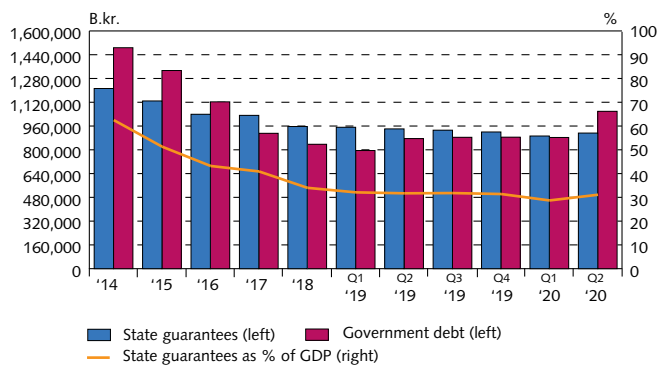


### State guarantees

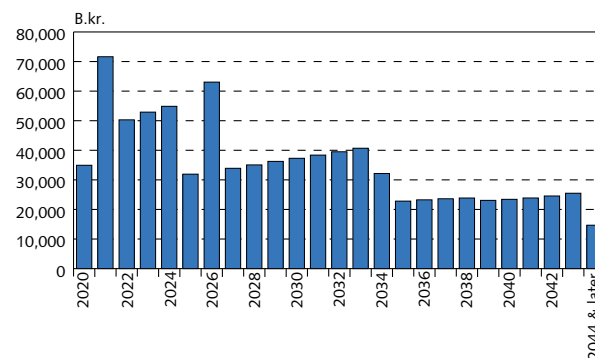
#### State guarantees 2016-2020

M.kr.	Q2 2020	Outstanding end of year			
		2019	2018	2017	2016
Lending agencies	811,179	825,323	849,610	865,609	830,231
ÍL - Fund	740,079	753,380	777,716	794,068	821,180
Regional Development Fund	12,853	13,046	11,569	9,970	9,051
Icelandic Student Loan Fund	58,247	58,897	60,325	61,572	0
Co-operative and Limited Partnerships	71,649	92,010	104,596	163,766	207,073
National Power Company sf,	66,387	86,546	93,430	152,567	195,048
RARIK ohf, (Iceland State Electricity)	810	901	1,069	1,242	1,483
Farice ehf,	0	0	5,508	5,547	5,652
Isavia ohf,	1,009	1,034	1,123	1,213	1,401
RUV ohf, (National Broadcasting Service)	3,088	3,062	3,012	2,573	2,886
Other	355	467	454	624	603
Industries/ Municipalities	3,036	2,654	2,603	2,450	1,872
NIB - Nordic Investment Bank	3,036	2,654	2,603	2,450	1,862
Other	0	0	0	0	10
<b>State Guarantees total</b>	<b>885,864</b>	<b>919,987</b>	<b>956,809</b>	<b>1,031,825</b>	<b>1,039,177</b>

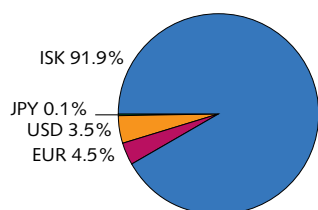
#### State guarantees - government debt and GDP 2014-2020



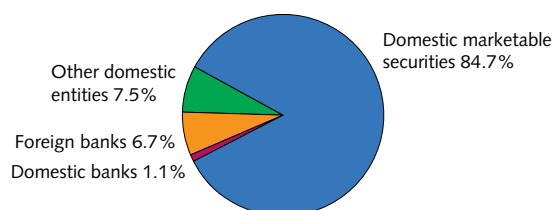
#### State guarantees - Maturity profile



#### Currency ratio



#### Type of lenders



#### Interest rate type

