

Auction results in February 2022

	Type	Bond	Amount of bids m.kr.	Amount allocated m.kr.	Yield/ simple interest
4.2.2022	Auction	RIKS 26 0216	7,431	6,325	-0.05
4.2.2022	Auction	RIKS 37 0115	12,330	5,475	1.25
18.2.2022	Auction	RIKB 24 0415	6,027	4,577	4.45
18.2.2022	Auction	RIKS 26 0216	9,275	2,703	-0.17
21.2.2022	Auction	RIKV 22 0420	33,201	23,750	2.99
21.2.2022	Auction	RIKV 22 0720	15,100	7,600	3.30

Treasury bond issuance in Q1/2022

<i>Amounts in b.kr.</i>	<i>Maximum</i>	<i>Actual</i>
RIKB 24 0415		8.3
RIKS 26 0216		13.6
RIKS 37 0115		21.0
Total issued this year		42.9

Treasury bond issuance as of 28 February 2022

Regular auctions

Bond series

<i>Amounts in b.kr.</i>	<i>Sales value</i>
RIKB 24 0415	8.3
RIKS 26 0216	13.6
RIKS 37 0115	21.0
Total issued this year	42.9

Contents

Benchmark issues, attributes
Central government debt
Swaps
Investors T-bonds and bills
Securities lending facility, redemption profile, yield curves and turnover
Yield for Treasury bonds
Inflation premium
Auction of Treasury bonds
Auctions of Treasury bills
Auctions of Treasury bonds and bills
Iceland Sovereign Credit Rating
State guarantees

Contributors

Bjorgvin Sighvatsson
bs@cb.is

Hafsteinn Hafsteinsson
haha@cb.is

Laufey B. Ómarsdóttir
lbo@cb.is

Magnús Freyr Hrafnsson
mfh@cb.is

Oddgeir Gunnarsson
og@cb.is

Editor

Sturla Pálsson
sp@cb.is

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.

Government Debt Management cannot be held liable for possible errors, typographical or otherwise, that may appear in Market Information. Comments on the contents of this publication may be submitted to lanamal@lanamal.is.

Benchmark issues, attributes

Domestic marketable debt

<i>Issues</i>	<i>ISIN</i>	<i>Date of issue (d.m.y)</i>	<i>Maturity date</i>	<i>Interest, %</i>	<i>Type of bond</i>	<i>Duration*</i>	<i>Years to maturity</i>
<i>T - bills</i>							
RIKV 22 0316	IS0000033827	26.1.2022	16.3.2022	0.00	Bullet	0.04	0.04
RIKV 22 0420	IS0000033561	17.11.2021	20.4.2022	0.00	Bullet	0.14	0.14
RIKV 22 0720	IS0000033819	26.1.2022	20.7.2022	0.00	Bullet	0.39	0.39
<i>Nominal T-bonds</i>							
RIKB 22 1026	IS0000020717	26.10.2011	26.10.2022	7.25	Bullet	0.66	0.66
RIKB 23 0515	IS0000032191	15.5.2020	15.5.2023	1.50	Bullet	1.19	1.21
RIKB 24 0415	IS0000033009	15.4.2021	15.4.2024	2.50	Bullet	2.05	2.13
RIKB 25 0612	IS0000019321	12.6.2009	12.6.2025	8.00	Bullet	2.89	3.29
RIKB 28 1115	IS0000028249	15.11.2016	15.11.2028	5.00	Bullet	5.80	6.71
RIKB 31 0124	IS0000020386	24.1.2011	24.1.2031	6.50	Bullet	7.13	8.90
<i>Inflation-linked T-bonds</i>							
RIKS 26 0216	IS0000030732	16.2.2018	16.2.2026	1.50	Bullet	3.88	3.97
RIKS 30 0701	IS0000020576	1.7.2011	1.7.2030	3.25	Bullet	7.42	8.34
RIKS 33 0321	IS0000021251	21.3.2012	21.3.2033	3.00	Bullet	9.55	11.06
RIKS 37 0115	IS0000033793	15.1.2022	15.1.2037	1.00	Bullet	13.89	14.88
Average of benchmark series						4.9	5.6

* Macaulay.

Foreign marketable debt

<i>Issues</i>	<i>ISIN</i>	<i>Date of issue</i>	<i>Maturity date</i>	<i>Interest, %</i>	<i>Type of bond</i>	<i>Duration*</i>	<i>Years to maturity</i>
USD 5.875% 11 May 2022	USX34650AA31	11.5.2012	11.5.2022	5.875	Bullet	0.20	0.20
EUR 0.5% 20 Dec 2022	XS1738511978	13.12.2017	20.12.2022	0.500	Bullet	0.81	0.81
EUR 0.1% 20 Jun 2024	XS2015295814	20.6.2019	20.6.2024	0.100	Bullet	2.31	2.31
EUR 0.625% 3 Jun 2026	XS2182399274	3.6.2020	3.6.2026	0.625	Bullet	4.20	4.26
EUR 0.0% 15 Apr 2028	XS2293755125	4.2.2021	15.4.2028	0.000	Bullet	6.13	6.13
Average of benchmark series						3.5	3.6

* Macaulay.

Government debt

Domestic central government debt 28 February 2022 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 22 0215	36,820		-36,820	0	0.00	0	0.0%
RIKV 22 0316	30,450		0	30,450	0.04	30,413	2.6%
RIKV 22 0420	16,105		23,750	39,855	0.14	39,692	3.5%
RIKV 22 0720	8,203		7,600	15,803	0.39	15,593	1.4%
Total	91,578			86,108	0.15	85,698	7.5%
<i>Nominal T-bonds</i>							
RIKB 22 1026	95,374		0	95,374	0.66	97,749	8.3%
RIKB 23 0515	78,376		0	78,376	1.21	76,205	6.8%
RIKB 24 0415	48,565		4,577	53,142	2.13	51,165	4.6%
RIKB 25 0612	102,696		0	102,696	3.28	113,551	8.9%
RIKB 28 1115	92,675		0	92,675	6.71	95,409	8.1%
RIKB 31 0124	117,825		0	117,825	8.90	134,615	10.3%
Total	535,511			540,087	4.22	568,693	47.0%
<i>Inflation-linked T-bonds</i>							
RIKS 26 0216	46,712	8,831	9,028	64,571	3.97	69,453	5.6%
RIKS 30 0701	78,683	29,216	0	107,899	8.34	135,144	9.4%
RIKS 33 0321	79,394	26,122	0	105,516	11.06	132,950	9.2%
RIKS 37 0115	15,905	157	5,475	21,537	14.88	21,754	1.9%
Total	220,694	64,326		299,523	8.82	359,301	26.1%
<i>Other central government debt *</i>							
Inflation-linked debt				223,639	8.19		19.5%
Nominal debt				1	0.04		0.0%
Total domestic debt				1,149,357	5.89		100.0%

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

Foreign central government debt

Issues	Issued nominal amount (millions)	Remaining nominal amount	Nominal amount ISK*	Years to maturity
<i>Foreign bonds</i>				
USD 5.875% 11 May 2022	1,000	92	11,654	0.20
EUR 0.5% 20 Dec 2022	500	500	70,900	0.81
EUR 0.1% 20 Jun 2024	500	500	70,900	2.31
EUR 0.625% 3 Jun 2026	500	500	70,900	4.26
EUR 0.0% 15 Apr 2028	750	750	106,350	6.13
Total foreign debt			330,704	3.56
Central government debt			1,480,061	

* Mid rate, official exchange rate of The Central Bank of Iceland.

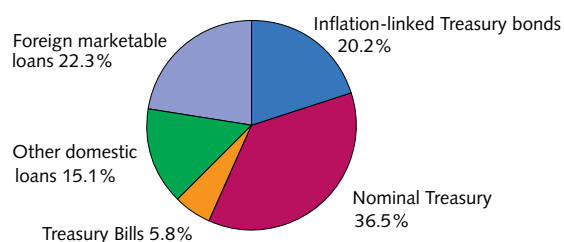
Central government debt. total in m.kr.

	<i>Nominal incl./ inflation compensation</i>	<i>Weighted time to maturity</i>
Nominal debt	626,196	3.66
Inflation-linked debt	523,162	8.55
Foreign currency debt	330,704	3.56
Total	1,480,061	5.37
Total debt as percentage of GDP *		45.4

Net debt

* GDP according to the Central bank of Iceland latest forecast.

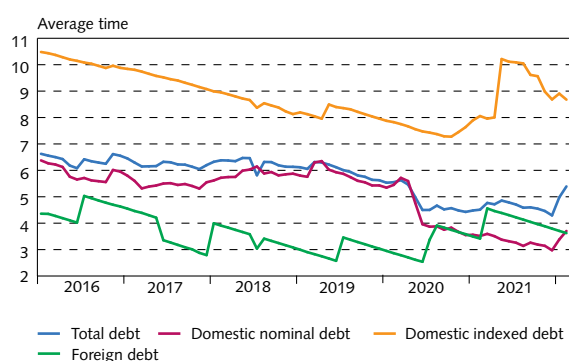
Total market value of benchmark issues



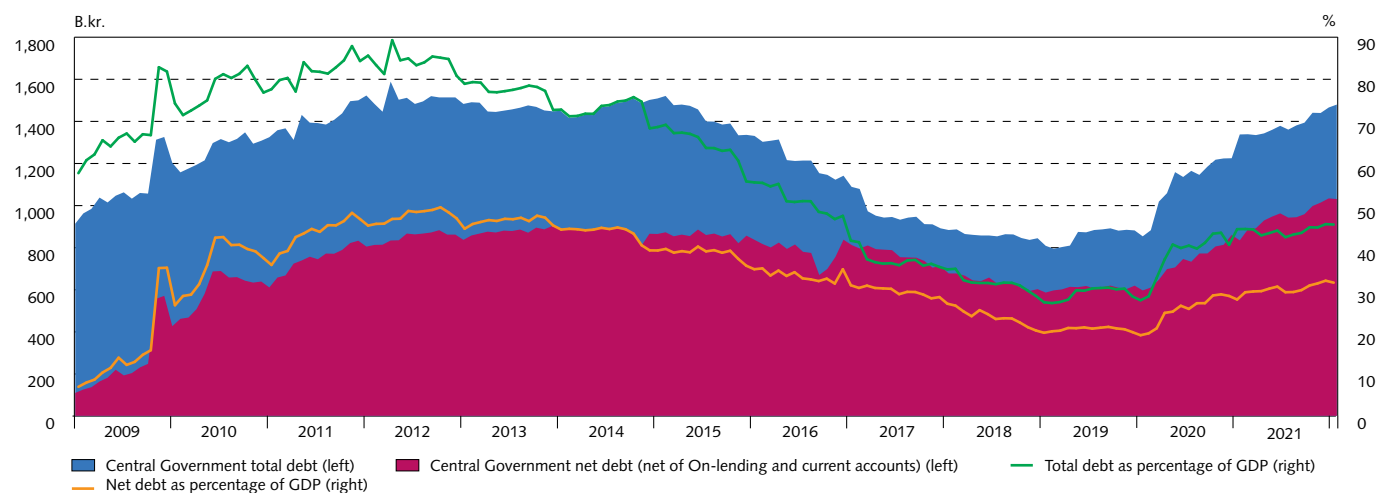
Net debt in m.kr.

<i>On-lending and cash at the Central bank</i>	<i>Nominal incl./ inflation compensation end of month</i>
Nominal on - lending	26,536
Inflation-linked on - lending	32,399
FX on - lending	6,360
Cash ISK	91,028
Cash FX	293,248
Total on-lending	449,572
Nominal debt	508,632
Inflation-linked debt	490,763
Foreign currency debt	31,095
Net central government debt	1,030,489
Total net debt as percentage of GDP	31.6

Average Time to Maturity of government debt including swaps



Changes in central government debt



Swaps

28 February 2022

Inflation and Interest Rate 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	2	6,000	0	0	24	34,000
2021	2	10,000	20	26,000	6	18,000
2022	0	0	0	0	6	18,000
2023	0	0	1	3,000	5	15,000
2024	0	0	0	0	5	15,000
2025	0	0	4	10,000	1	5,000
2026	0	0	1	5,000	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	540,087	36%	524,087	35%
Icelandic indexed interest rates	523,162	35%	520,894	35%
Icelandic floating interest rates	86,109	6%	104,109	7%
Foreign fixed interest rates	330,704	22%	330,704	22%
Foreign floating interest rates	0	0%	0	0%
Total	1,480,061	100%	1,479,793	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	626,196	666,557	42	3.22
Inflation-linked debt	523,162	597,528	35	7.93
Foreign currency debt	330,704	335,922	22	3.53
Total	1,480,061	1,600,007	100	5.04
<i>Government debt with swaps</i>				
Nominal debt	628,196	669,319	42	3.14
Inflation-linked debt	520,894	595,068	35	7.95
Foreign currency debt	330,704	335,922	22	3.53
Total	1,479,793	1,600,308	100	5.01

Investors*

Owners of T-bonds and bills 28 February 2022

	RIKB						RIKS				Total	Bills total
	22 1026	23 0515	24 0415	25 0612	28 1115	31 0124	26 0216	30 0701	33 0321	37 0115		
<i>Nominal value in m.k.</i>												
Domestic investors												
Banks & Saving Banks	45,778	44,922	31,281	16,590	3,994	4,051	5,663	844	2,826	1,270	157,218	51,550
Miscellaneous credit undertakings	7,764	500	0	62	47	74	5,263	12,177	12,840	0	38,726	6,950
Mutual and inv. funds	10,542	11,643	12,164	15,074	9,302	8,831	24,079	13,077	9,071	1,760	115,542	19,600
Pension Funds	25,760	18,279	7,000	50,799	48,891	69,012	2,780	49,723	48,943	17,685	338,871	3,750
Firms	1,044	459	485	3,095	1,482	1,537	2,953	1,262	695	220	13,232	500
Insurance companies	2,242	2,254	2,524	7,513	8,857	10,559	13,723	2,503	3,493	421	54,088	2,200
Households	929	121	20	2,110	86	142	1,904	636	1,740	70	7,758	8
Others	629	0	6	5,411	8,143	7,130	195	262	302	154	22,231	1,550
Foreign investors	1,337	199	107	2,043	12,723	19,529	66	0	15	0	36,018	0
Total	96,024	78,376	53,587	102,696	93,525	120,865	56,625	80,483	79,924	21,580	783,684	86,108

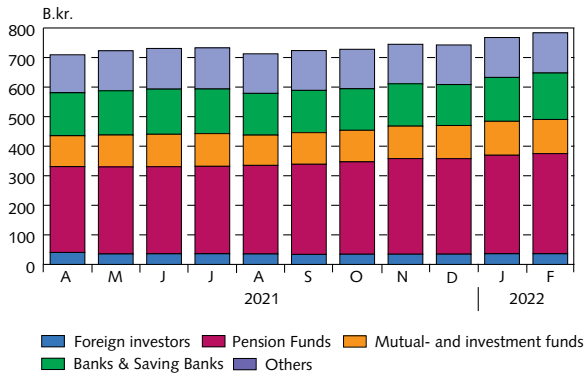
Dirty price (T-bills nominal value) in m.kr.

Domestic investors												
Banks & Saving Banks	48,027	44,160	30,795	19,272	4,164	4,641	7,053	1,469	4,839	1,289	165,709	51,550
Miscellaneous credit undertakings	8,146	492	0	72	49	85	6,555	21,202	21,987	0	58,587	6,950
Mutual and inv. funds	11,060	11,445	11,975	17,511	9,697	10,115	29,990	22,770	15,533	1,786	141,884	19,600
Pension Funds	27,025	17,969	6,891	59,012	50,971	79,050	3,462	86,577	83,810	17,948	432,717	3,750
Firms	1,095	451	477	3,596	1,545	1,761	3,678	2,197	1,190	223	16,213	500
Insurance companies	2,352	2,216	2,485	8,728	9,234	12,094	17,092	4,358	5,981	427	64,966	2,200
Households	975	119	20	2,451	90	163	2,371	1,108	2,979	71	10,347	8
Others	659	0	6	6,286	8,489	8,167	242	456	517	156	24,980	1,550
Foreign investors	1,403	195	105	2,374	13,264	22,369	82	0	25	0	39,818	0
Total	100,742	77,046	52,755	119,300	97,504	138,445	70,526	140,138	136,861	21,901	955,218	86,108

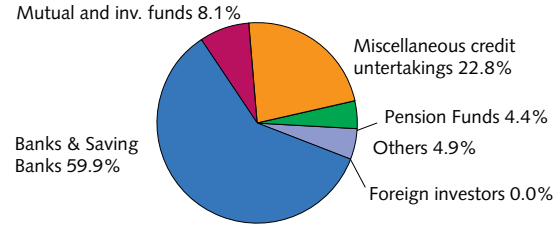
* Included outstanding repo with the primary dealers. From October 2020, owners are categorized according to the international statistical standard for national accounts (SNA08), adopted by the United Nations Statistical Commission.

	RIKB						RIKS				Total	Bills total
	22 1026	23 0515	24 0415	25 0612	28 1115	31 0124	26 0216	30 0701	33 0321	37 0115		
<i>Changes between months Nominal value in m.k.</i>												
Domestic investors												
Banks & Saving Banks	1,556	1,001	2,187	-703	411	366	4,742	-148	41	-760	8,694	-5,949
Miscellaneous credit undertakings	856	0	0	1	0	0	-1	0	-8	0	848	-450
Mutual and inv. funds	-1,467	-371	1,310	287	-406	-56	2,594	-110	149	-1,130	799	-2,750
Pension Funds	-755	-600	265	-138	-875	-860	65	624	372	7,377	5,475	3,750
Firms	0	-26	80	718	-120	-137	-66	24	-77	80	476	200
Insurance companies	-510	-34	29	-330	175	15	868	-130	-409	6	-320	-270
Households	-30	30	0	14	0	0	-76	0	-9	70	-0	0
Others	0	0	-94	50	0	22	150	0	-114	32	46	-1
Foreign investors	0	0	-175	0	165	0	2	0	0	0	-8	0
Total	-350	0	3,602	-100	-650	-650	8,278	260	-55	5,675	16,009	-5,470

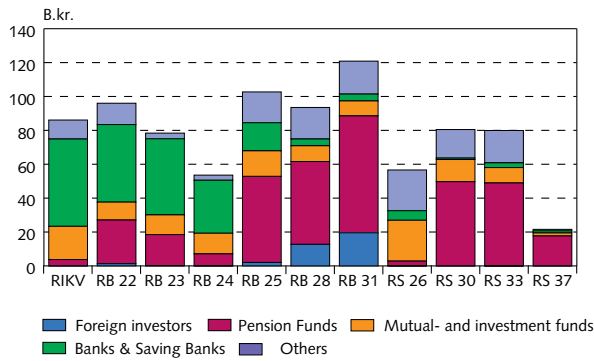
Owners of T-bonds 28 February 2022



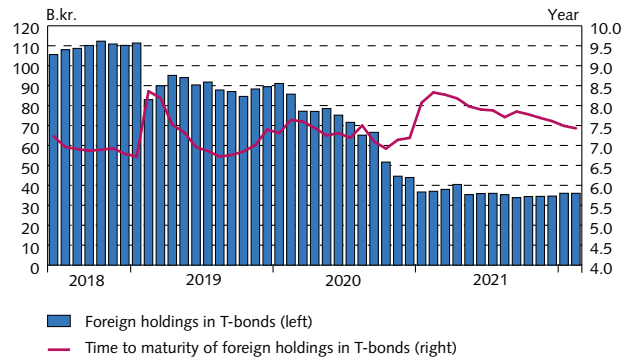
Owners of T-bills 28 February 2022



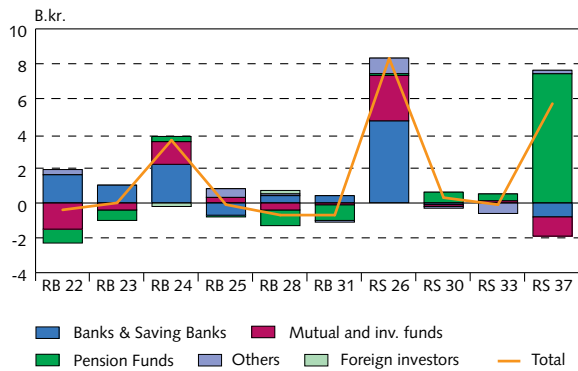
Owners of marketable T-bonds and bills 28 February 2022



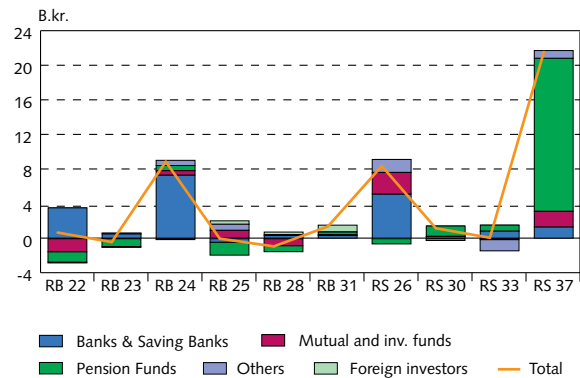
Time to maturity of non-residents' holdings in T-bond and -bills 28 February 2022



Net purchases by market participants between months



Net purchases by market participants from 31 December 2021

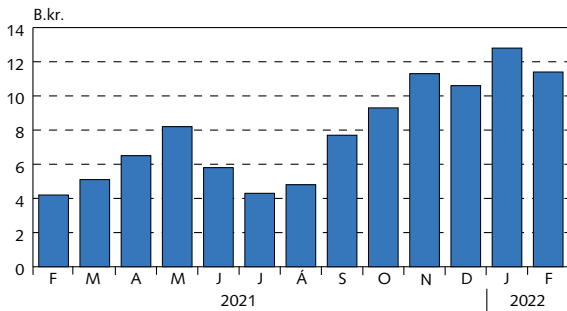




Market Information

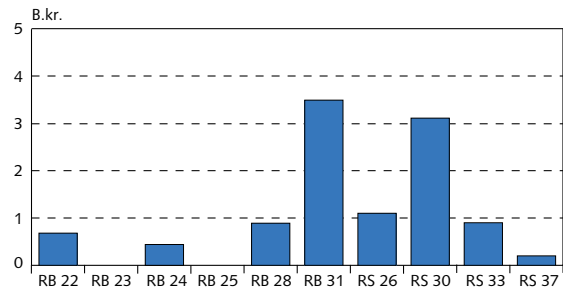
Securities lending facility, redemption profile, yield curves and turnover

Average amount in the security lending facility*

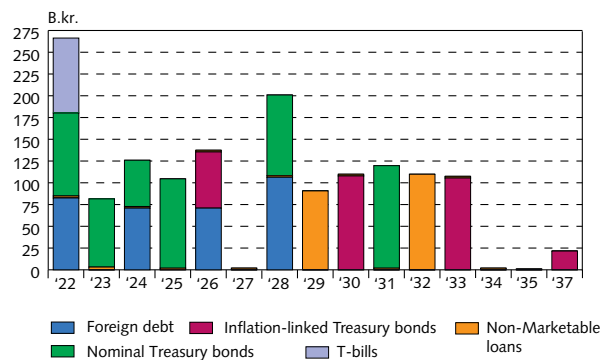


* Calculated at market price.

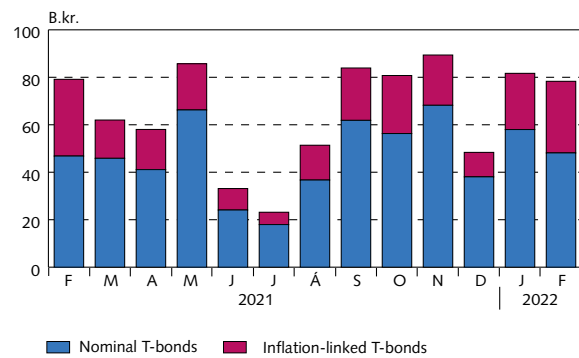
Outstanding amount in the securities lending facility at the end of last month*



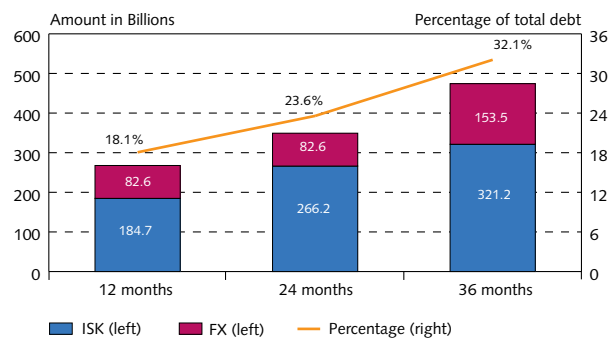
Redemption profile of government debt



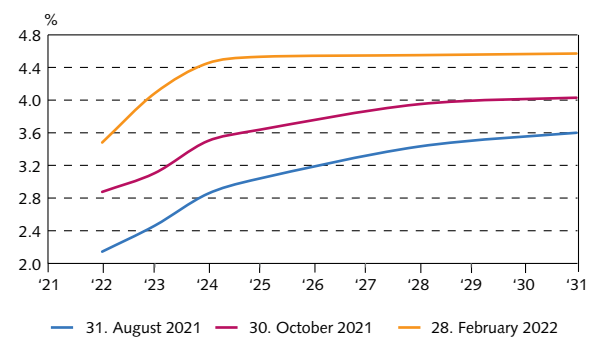
Monthly trading volume in T-Bonds on NASDAQ Iceland Exchange



Accumulated Maturities



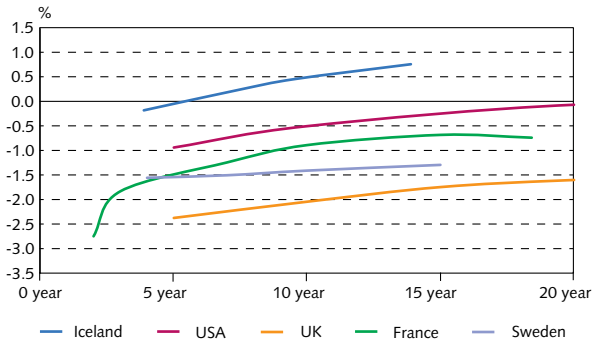
Nominal yield curves



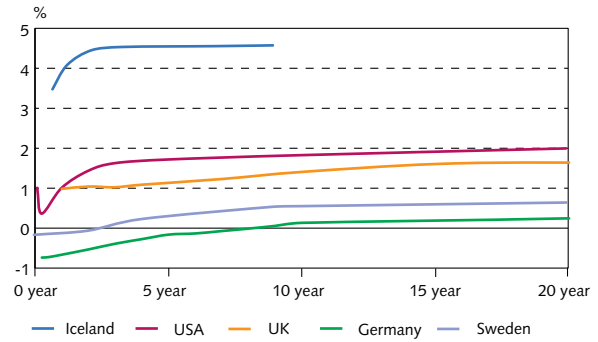


Market Information

Yield curve inflation-linked T-bonds

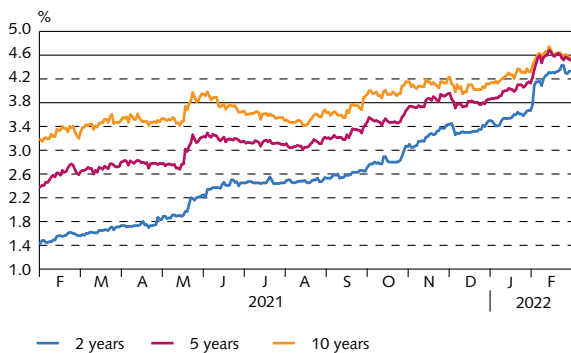


Yield curve Treasury bills and nominal T-bonds



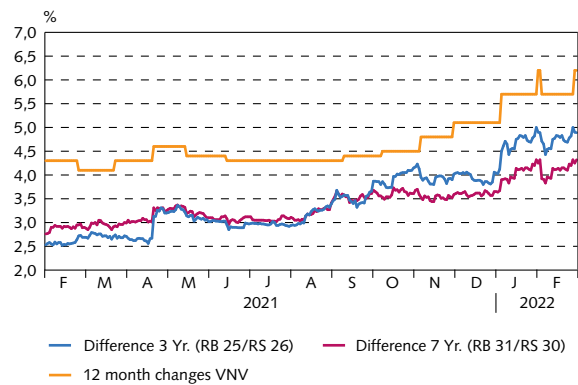
Yield for Treasury bonds

Zero-coupon



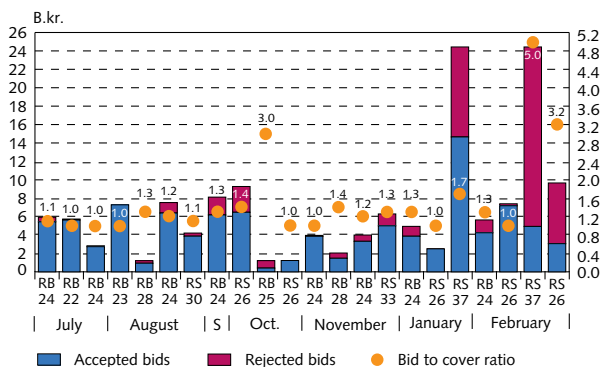
Inflation premium

Inflation premium nominal T-bonds



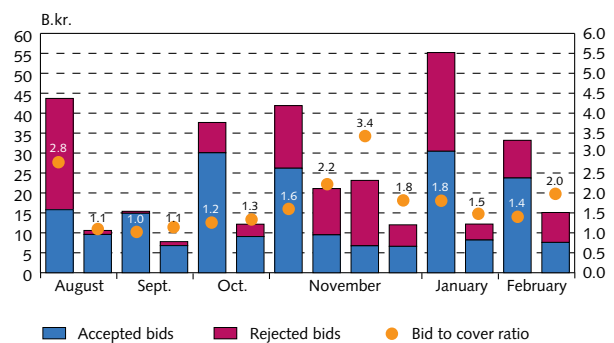
Auctions of Treasury bonds

Treasury bonds at market value



Auctions of Treasury bills

Treasury bills at market value



Auctions of Treasury bonds and bills

Auctions in 2022, 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										
07.02.22	RIKB 24 0415	4,939	5,070	15	12	3.71	3,868	3,970	20	3,887
18.02.22	RIKB 24 0415	5,636	5,865	15	10	4.45	4,243	4,415	162	4,398
Total		10,575	10,935				8,110	8,385	182	8,2857
Indexed T-Bonds										
07.02.22	RIKS 26 0216	2,386	2,240	11	9	-0.08	2,497	2,040	0	2,497
21.02.22	RIKS 37 0115	24,430	24,805	119	79	1.11	14,654	14,855	1,050	15,690
04.02.22	RIKS 26 0216	7,395	6,961	18	12	-0.05	7,181	5,855	470	7,758
04.02.22	RIKS 37 0115	11,535	11,940	39	13	1.25	4,932	5,085	390	5,310
18.02.22	RIKS 26 0216	9,655	9,052	18	6	-0.17	3,062	2,480	223	3,337
Total		55,401	54,998				32,326	30,315	2,133	34,592
										Indexed value
										Total value
										42,877
T-Bills										
24.01.22	RIKV 22 0316	55,017	55,200	25	13	2.45	30,349	30,450		
24.01.22	RIKV 22 0720	12,042	12,203	13	8	2.75	8,095	8,203		
21.02.22	RIKV 22 0420	33,047	33,201	25	16	2.99	23,640	23,750		
21.02.22	RIKV 22 0720	14,899	15,100	15	11	3.30	7,499	7,600		
Total		115,005	115,704				69,583	70,003		



Primary dealers

<i>Primary dealers in government securities</i>	<i>Telephone</i>	<i>Bloomberg</i>
Íslandsbanki	+354 440 4000	ISLA
Arion banki	+354 444 6000	ARIO
Kvika banki hf.	+354 540 3200	KVIK
Landsbankinn	+354 410 4000	LAIS

Events

18 March, 2022	Auction of Treasury bonds
28 March, 2022	Auction of Treasury bills
29 March, 2022	CPI announcement
8 April, 2022	Auction of Treasury bonds

Iceland Sovereign Credit Rating

	<i>Confirm</i>	<i>Foreign currency</i>		<i>Domestic currency</i>		<i>Outlook</i>
		<i>Long-Term</i>	<i>Short-Term</i>	<i>Long-Term</i>	<i>Short-Term</i>	
Moody's	Aug. '21	A2		A2		Stable
S&P	May '21	A	A-1	A	A-1	Stable
Fitch	Sep. '21	A	F-1+	A	F-1+	Negative

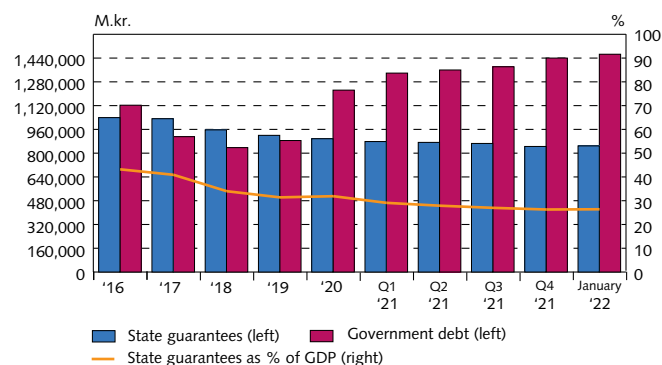
State guarantees¹

State guarantees 2018-2022

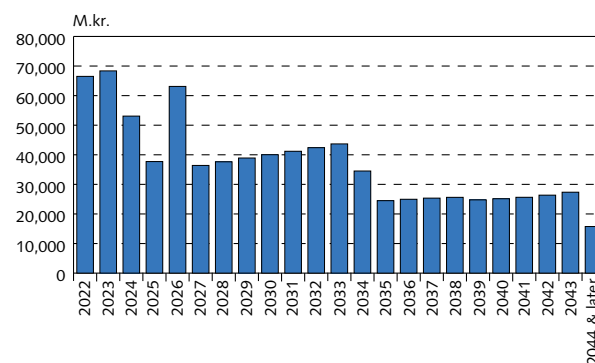
(in m.ISK)	Jan	Outstanding end of year			
	2022	2021	2020	2019	2018
Lending agencies	791,462	786,665	801,080	825,323	849,610
ÍL - Fund	723,302	718,952	731,917	753,380	777,716
Regional Development Fund	10,772	10,725	11,510	13,046	11,569
Icelandic Student Loan Fund	57,388	56,988	57,654	58,897	60,325
Co-operative and Limited Partnerships	32,502	33,271	69,097	92,010	104,596
National Power Company sf.	27,898	28,659	64,035	86,546	93,430
RARIK ohf. (Iceland State Electricity)	518	513	717	901	1,069
Farice ehf.	0	0	0	0	5,508
Isavia ohf.	829	865	962	1,034	1,123
RUV ohf. (National Broadcasting Service)	3,258	3,234	3,127	3,062	3,012
Other	0	0	256	467	454
Industries/ Municipalities	24,990	25,222	27,152	2,654	2,603
NIB - Nordic Investment Bank	0	0	3,050	2,654	2,603
Business Supplemental and Support loans	11,128	11,141	10,364	0	0
Icelandair hf.	13,863	14,081	13,739	0	0
State Guarantees total	848,955	845,158	897,329	919,987	956,809

1. Government of Iceland has guaranteed 90% of a revolving credit facility to Icelandair of \$120 million, in total \$108 million. Icelandair has terminated the credit facility effective 22.2.2022.

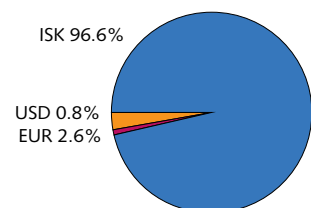
State guarantees - government debt and GDP 2016-2022



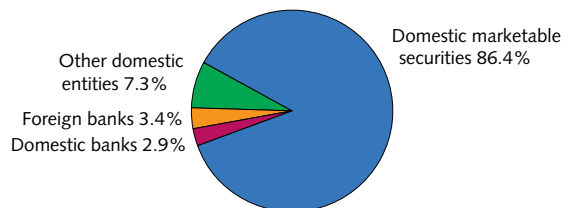
State guarantees - Maturity profile



Currency ratio



Type of lenders



Interest rate type

